



ASX ANNOUNCEMENT

11 January 2010

RAMSAY PROPOSES TO ACQUIRE CONTROLLING INTEREST IN LEADING FRENCH HOSPITAL OPERATOR

Ramsay Health Care Limited (“Ramsay”) today announces, subject to regulatory approvals, banking consents and entering into formal documentation, it has agreed to acquire a 57% interest in Groupe Proclif SAS (“Proclif”), a leading private hospital operator based in France, for an acquisition price of €87 million (A\$142 million).

Proclif is one of the leading operators of private hospitals in the greater Paris region. It manages nine acute hospitals in the fields of medicine, surgery and obstetrics, has approximately 1,000 beds and day places, and a turnover of circa €133 million in 2009.

The minority 43% interest in Proclif is held by Predica, personal insurance subsidiary of Crédit Agricole Assurances belonging to group Crédit Agricole. Predica, a major player in long term care and health insurance, has considerable experience investing in the French healthcare sector and has been an investor in Proclif since July 2009.

Ramsay and Predica have entered into a long term partnership in order to build up a qualitative offer in the French acute care sector.

The acquisition of Proclif provides a number of strategic benefits for Ramsay:

- Entry into a stable integrated public and private hospitals system underpinned by strong regulatory framework and funding support
- Growing demand for acute care driven by an ageing French population
- Increasing private sector participation in the industry in coordination with public hospitals and authorities
- Solid platform, local management expertise and investment partner for further expansion in France

Ramsay Managing Director Chris Rex said that Proclif is a well-established business that provides an ideal entry point in to the growing French acute care market.

“Ramsay has been actively evaluating a number of expansion opportunities in Europe as part of our global sector review over the last two years.

“The French acute care market has a number of attractive characteristics for Ramsay. The French system is a popular and stable system with important social security funding for both public and private operators providing patients with free choice. Growth is driven by an ageing demographic, together with opportunities for further consolidation.

“Proclif’s established position in the greater Paris region and highly regarded local management team provide a strong platform for Ramsay to grow its presence in the French market over time.

“Ramsay is also pleased to introduce Predica as a local investment partner both in Proclif and as Ramsay pursues its broader French expansion strategy.”

On current projections the transaction is expected to deliver a small accretion to core EPS in the second full year after acquisition (FY12). As Proclif will be the platform used to grow the business in France, more significant EPS accretion is anticipated as future acquisitions come on line.

The acquisition price will be funded through Ramsay’s existing Australian senior debt facility, subject to obtaining the requisite bank consents. Based on Proclif’s financials, the enterprise value of 100% of Proclif is €172 million (A\$281 million).

Ramsay was advised by Macquarie Capital (financial adviser) and Baker & McKenzie (legal adviser) on the transaction.

The acquisition is expected to be completed by the end of March 2010, subject to obtaining the requisite regulatory approvals.

For further information, please contact:

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About Proclif

Proclif is the second largest private hospital group in the Paris region. The group was established in 1998 with 2 facilities and has grown to 9 facilities currently. Proclif operates approximately 1,000 beds and day places covering a range of services including medical and surgical specialties, obstetrics, emergency and dialysis.

About Crédit Agricole Assurances and Predica

Predica is a French based personal insurer owned and operated by Crédit Agricole Assurances, the insurance holding company of Crédit Agricole. In the French market Predica is the number two Life Insurance company. Its market share in terms of assets under management is estimated at 15.5% with approximately A\$288 billion.