



RAMSAY HEALTH CARE

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- About Ramsay Health Care
- The Reason for Ramsay's Success
- December 07 Half Year Results Overview
- Rationale for Going Offshore
- The Acquisition of Capio UK
- Outlook

ABOUT RAMSAY

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RAMSAY HEALTH CARE

- Established in 1964
- Listed on the Australian Stock Exchange September 1997
- Since listing Ramsay has:
 - Grown to become Australia's largest private hospital operator
 - 28% of Australian private hospital market
 - Led the way in developing the role of the private health care system in a balanced system
 - Expanded offshore with the acquisition of Capio UK

REMARKABLE TRANSFORMATION

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AT LISTING

(Sept 1997)

TODAY

11 hospitals

More than 100 hospitals and facilities

- 65 in Australia
- 3 in Indonesia
- 34 hospitals and day surgery facilities in the UK

1,351 beds

More than 8,000 beds

- 7,067 in Australia and Indonesia
- 1,071 in the UK

2,000 staff

More than 24,600 staff

Annual revenues \$193 million

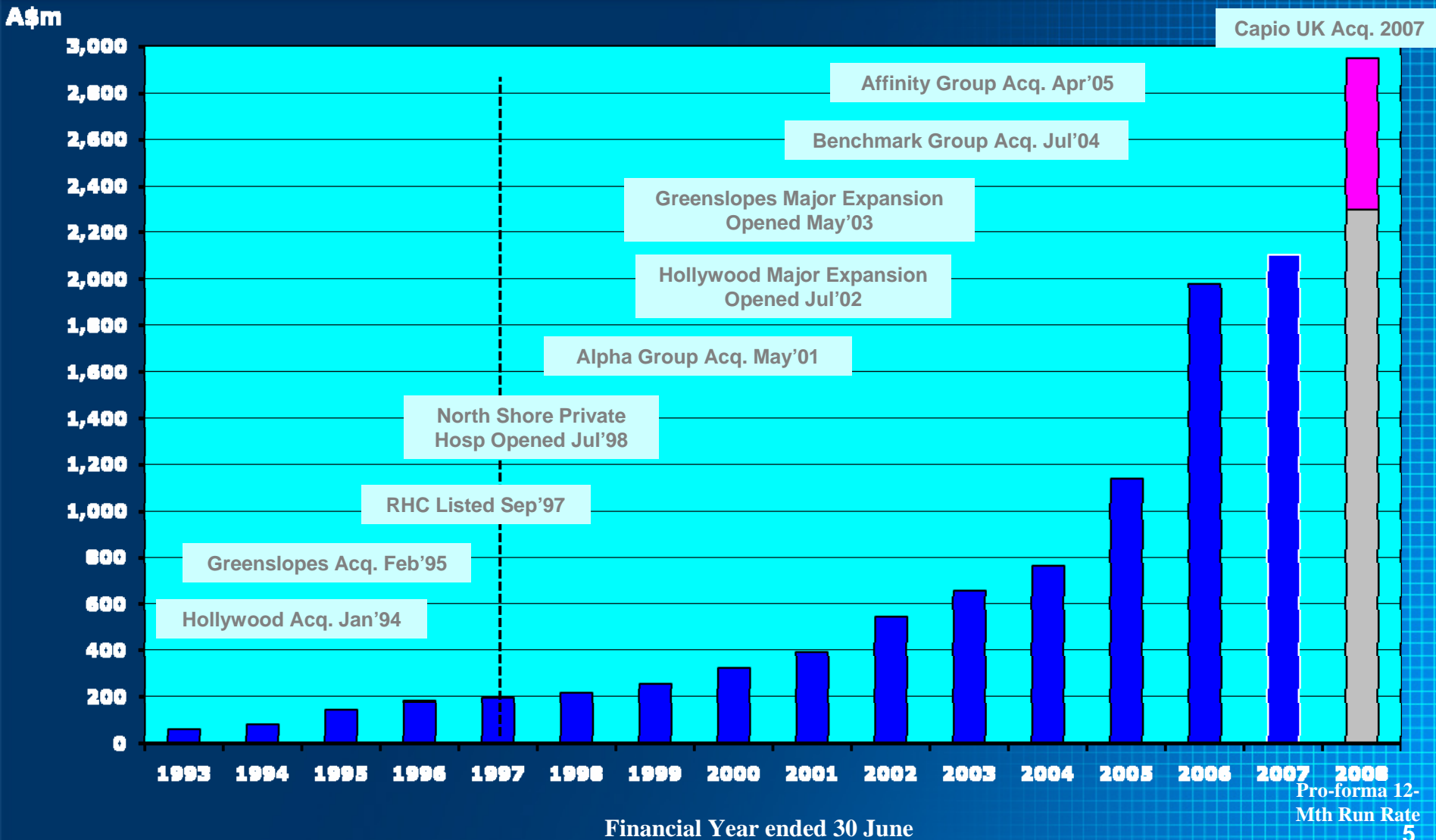
Annualised revenues of approx \$3 billion, including Capio UK

Enterprise value approx \$400 million

Enterprise value approx \$2.7 billion

REVENUE GROWTH MILESTONES

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OPERATING IN AN INDUSTRY WITH STRONG FUNDAMENTALS

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- Strong industry fundamentals underpin Ramsay's growth
- Ageing population
- Private health insurance at historically high levels and growing
- Balanced health care system to be continued by new Labor Government
 - 30% rebate to continue
 - All signs indicate Labor sees private health system as important as the public system

REASON FOR SUCCESS – STRONG GROWTH STRATEGY

- Organic growth
 - seeking to optimise growth at existing hospitals, micro management
- Investing in existing business
 - Improving the quality of our facilities and acuity of our hospitals
 - Brownfield expansion programme
- Acquisitions - hospitals and/or health care businesses close to our core competencies
 - Australia and overseas
 - Financially disciplined approach

REASON FOR SUCCESS – MANAGEMENT & CULTURE

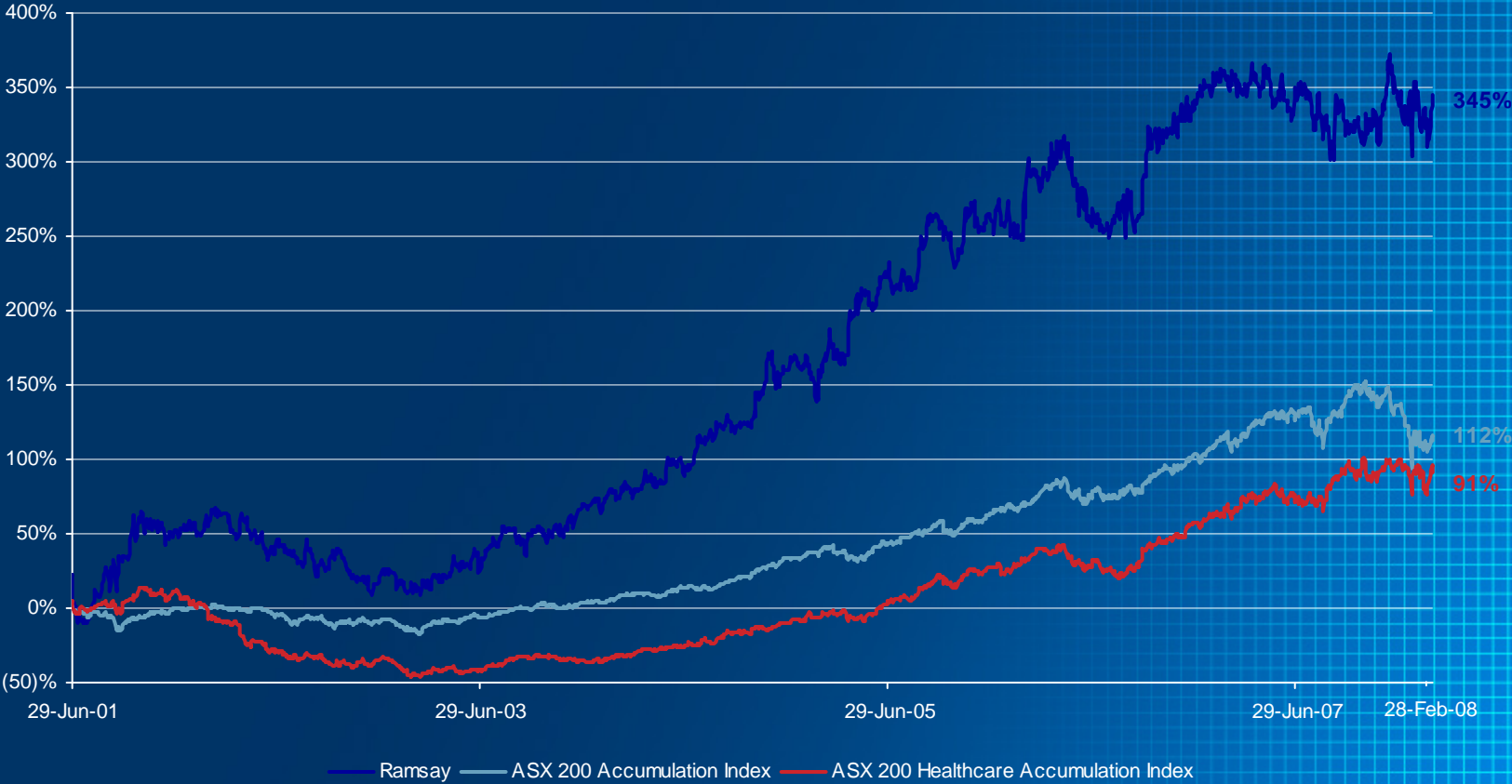
- Strong management : experienced and committed
- Strive for continuous quality improvement in patient care
- Our culture
 - Encouraging development of “The Ramsay Way”
 - Committed to managing and recognising staff performance
- Strong relationship builders
- Industry leaders in all we do
 - Education, medical teaching and nurse training
 - In HR practice – employer of choice
 - Proactive in shaping the Australian health care industry
- Focused on building shareholder value

GROWTH STRATEGY DELIVERING STRONG RETURNS



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Ramsay Total Shareholder Return



REASON FOR SUCCESS – FINANCIALLY DISCIPLINED

- Growth only pursued if financial criteria and hurdles are satisfied
 - Targeting 15% ROI over to short-to-medium term
- Willing to consider investments outside hospitals if financial criteria is met and if compatible with hospitals
- Ramsay has made many financially disciplined acquisitions that have been successfully integrated

HALF YEAR RESULTS OVERVIEW (PRE CAPIO UK)

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- Strong half-year result on like-for-like basis
 - Half-year core EPS growth tracking towards full-year guidance for low double-digit growth
 - Strong organic growth across the portfolio with the minimal remaining synergies from Affinity achieved
 - Veterans' hospitals: Greenslopes turnaround started, Hollywood still being stabilised
 - Brownfields expansion program progressing well

FINANCIAL PERFORMANCE (PRE CAPIO UK)

| | Half Year ended 31 December | | |
|--|-----------------------------|----------------|--------------|
| | 2007 | 2006 | |
| | \$ m | \$ m | % Inc. |
| <u>Continuing Operations</u> | | | |
| Operating Revenue | 1,128.9 | 1,055.2 | 7.0% |
| EBITDA | 153.5 | 138.5 | 10.8% |
| EBIT | 120.4 | 108.5 | 11.0% |
| Core NPAT – continuing operations | 63.6 | 56.2 | 13.2% |
| Core EPS – continuing operations | 31.6¢ | 27.8¢ | 13.5% |
| | | | |
| Interim dividend – fully franked | 15.0 ¢ | 13.0 ¢ | 15.4% |
| <i>(Core NPAT - continuing operations and Core EPS – continuing operations are before specific items, amortisation of intangibles and divested operations)</i> | | | |

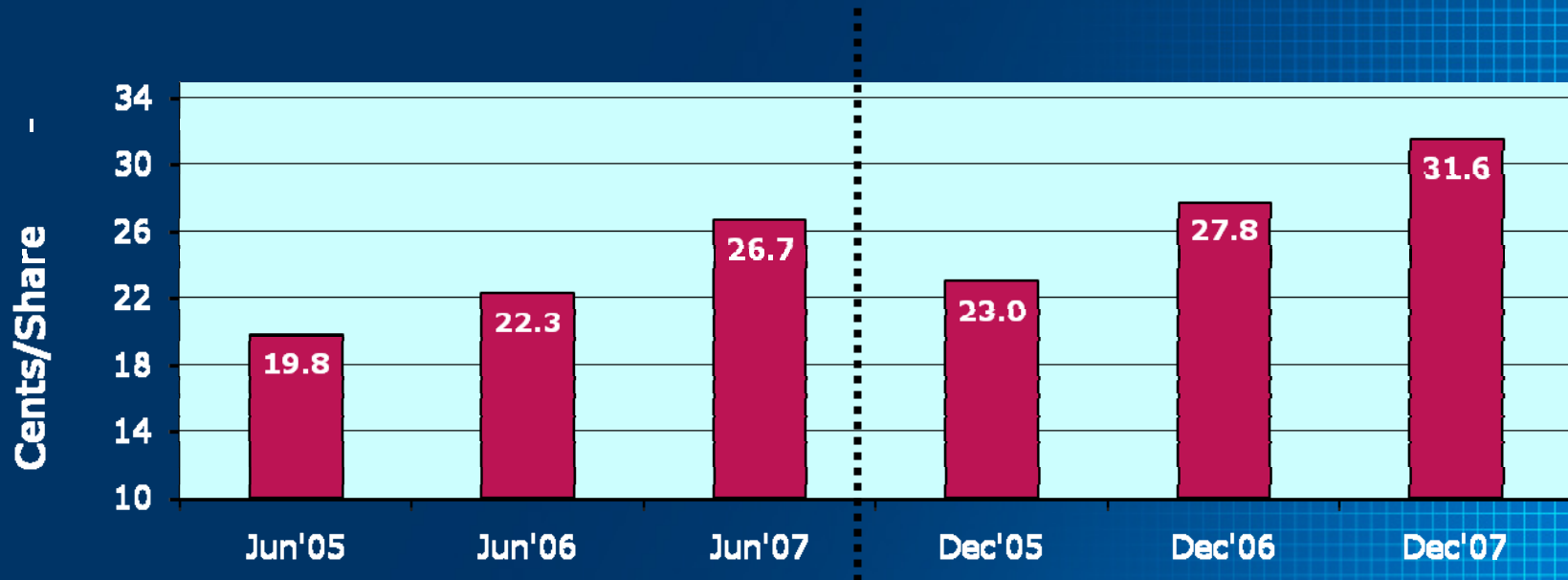
GROUP FINANCIAL PERFORMANCE (INCLUDING CAPIO UK)

RAMSAY HEALTH CARE

| | Half Year ended 31 December | | |
|--|-----------------------------|----------------|---------------|
| | 2007 | 2006 | |
| | \$ m | \$ m | % Inc. |
| <u>Continuing Operations (including Capio UK)</u> | | | |
| Operating Revenue | 1,188.1 | 1,055.2 | 12.6% |
| EBITDA | 156.6 | 138.5 | 13.0% |
| EBIT | 120.1 | 108.5 | 10.7% |
| Core NPAT – continuing operations | 61.2 | 56.2 | 9.0% |
| Core EPS – continuing operations | 30.2¢ | 27.8¢ | 8.6% |
| <u>Group Items</u> | | | |
| <i>NPAT – divested operations</i> | <i>(0.7)</i> | <i>0.1</i> | |
| <i>Specific items and amortisation of intangibles (net of tax)</i> | <i>(9.6)</i> | <i>(1.3)</i> | |
| Net Profit after Tax | 50.9 | 54.8 | (7.0%) |
| <i>(Core NPAT - continuing operations is before specific items, amortisation of intangibles and divested operations)</i> | | | |

CORE EPS GROWTH (PRE CAPIO UK)

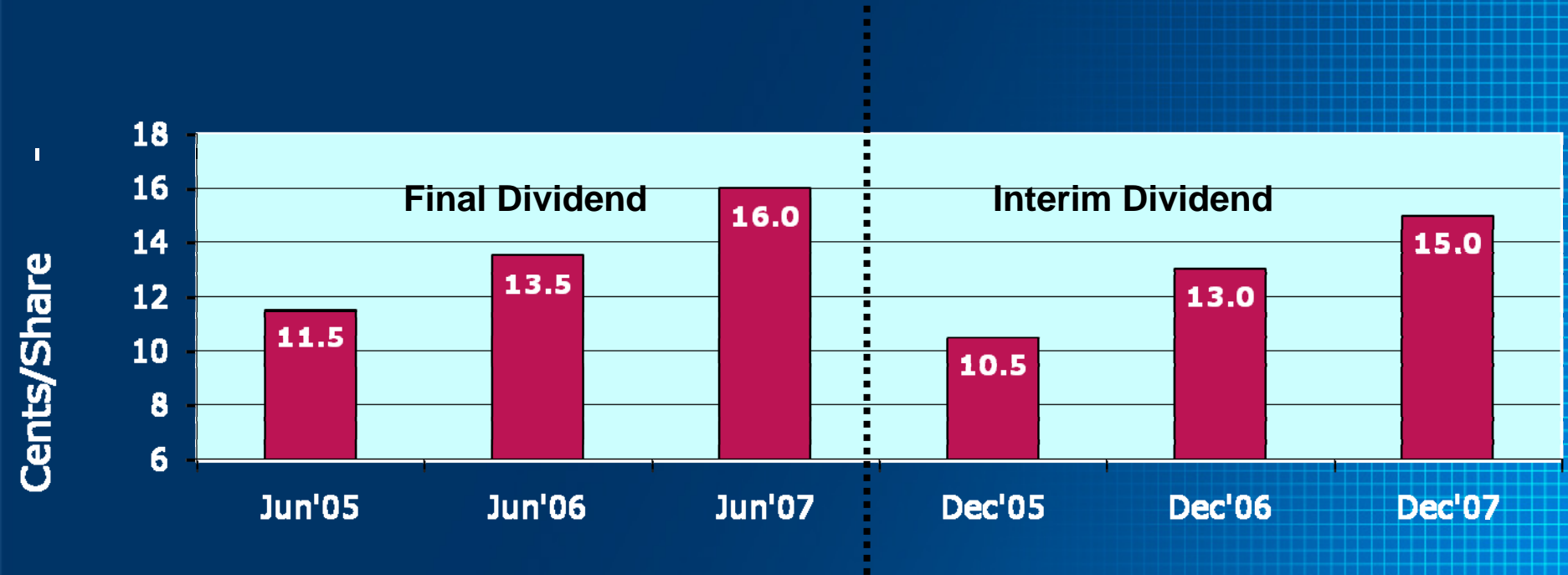
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- Core EPS up 13.5%
- Better than planned

INTERIM DIVIDEND UP 15.4 %

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HALF YEAR OPERATIONAL HIGHLIGHTS (PRE CAPIO UK)



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- Strong growth on like-for-like basis
- Group EBIT up 11% on strong performance across portfolio
- Strong organic EBIT growth in all states except Western Australia (marginally diluted by Hollywood)
- Hospital EBIT growth 9%
- Veterans' hospitals improving
- Total admissions up 3.7%
- Cost containment continues across the portfolio resulting in improved margins
- Group EBIT margin up to 10.7% from 10.3%

- Brownfield developments to start being commissioned and delivering earnings growth from the end of FY08 onwards
- Ramsay already committed \$550M for enhancements and capacity expansion which includes the creation of mega referral centres
- Approx 25% spent
- Average construction profile 18 months
- All projects are tracking well
- Opportunities exist to create additional mega referral centres across the country

- Competition constraints mean Ramsay cannot make further meaningful acquisitions in Australia
- Ramsay can be successful offshore
 - Ability to run our business on relatively low revenue base
 - Ability to generate good returns from running a cost efficient business
 - Excellent marketing skills help us grow patient volumes

- Strong growth potential
 - Outsourcing of National Health Service to private sector presents significant upside
 - All indications are that Government is fully committed to NHS reform agenda
- Private Medical Insurance (PMI)
 - Stable market
- Similar culture
 - UK and Australian markets are very similar, ability to export Ramsay's model

- 4th largest operator of private hospitals in the UK
- Diverse business and revenue source
 - 23 private hospitals across England with 895 beds and 50 operating theatres
 - 9 Independent Sector Treatment Centres (ISTCs)
 - 2 neurological rehabilitation homes
 - 22-apartment retirement village
 - In-hospital pathology services
 - Fixed & mobile radiology units
 - Day surgery unit
 - London-based ophthalmology unit

- Well positioned to capitalise on changing landscape
- Size and dynamics perfect for Ramsay to make foray into UK market
 - Good strategic fit
 - Easy to manage, integrate
- Forced sale due to competition regulations
- Experienced, self sufficient Capio UK management team remained with the business

RAMSAY UK – FUTURE GROWTH

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- Rising NHS activity encouraging
 - Increasing number of spot contracts have been negotiated
 - Choose & Book rising through improved marketing
 - Number of NHS patients treated at Ramsay UK hospitals in calendar 2007 more than double 2006
- Well positioned to benefit from further government outsourcing in coming months

RAMSAY UK – FUTURE GROWTH

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- Full patient choice to be officially launched in April 2008 but staged use of Choose & Book already in place and increasing
- Ramsay model forecasts slow growth in patient choice. Current activity suggests model is conservative
- Still investigating bolt-ons
 - Agreed to acquire the BMI Nottingham Hospital on March 3, 2008
 - Classic Hospitals expensive
 - Other opportunities will be investigated to enhance the value of Ramsay UK

- Australia
 - Strong organic growth to continue
 - Strong industry fundamentals to underpin growth
 - Will investigate opportunities to invest in hospitals where there are no competition issues and/or in health care businesses close to core competencies
- Overseas
 - Ramsay UK presents significant growth opportunities
 - Investigating bolt-on acquisitions with quick EPS growth
 - Privatisation occurring in various markets around the world, Ramsay's model can be successfully exported
- In the next five years Ramsay's offshore business could approach the size of its Australian business

OUTLOOK

RAMSAY GROUP FY08



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- Capio UK performing to expectations, 1.5-2.0 cents/share dilutive in FY08
- Capio UK expected to be Core EPS accretive in FY10 and beyond
- Including Capio UK, Ramsay is targeting low double-digit growth for the total group for FY08, on the back of strong growth in Australia



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QUESTIONS

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