



RAMSAY HEALTH CARE



UBS Healthcare Conference
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Pat Grier, Managing Director

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- Australia's largest private hospital operator with a growing portfolio of offshore assets
 - 65 hospitals and day surgery facilities across Australia and 3 hospitals in Indonesia
 - More than 7,000 beds
 - More than 20,000 staff
 - 28% of Australian private hospital market
 - Annual turnover of \$2 billion
 - Recently acquired 4th largest operator of private hospitals in the UK, Capio UK, providing a solid platform for growth outside Australia

OPERATING IN A GROWTH INDUSTRY

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- Private hospital industry offers strong fundamentals
 - Ageing population
 - Private health insurance membership is at historically high levels and growing
 - Bipartisan support for a balanced health care system

2007 FINANCIAL YEAR OVERVIEW

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- Strong profit growth with hospital margin improvement
- Very pleasing result – Core EPS up 21%, ahead of guidance of 15%-20% growth
- Hospitals performed strongly in every state
- Growth achieved despite impact from treating fewer veterans after phasing out DVA contract
- On track to realise or slightly exceed \$50 million cost and revenue synergies for Affinity
- Brownfield expansion program advanced and progressing well

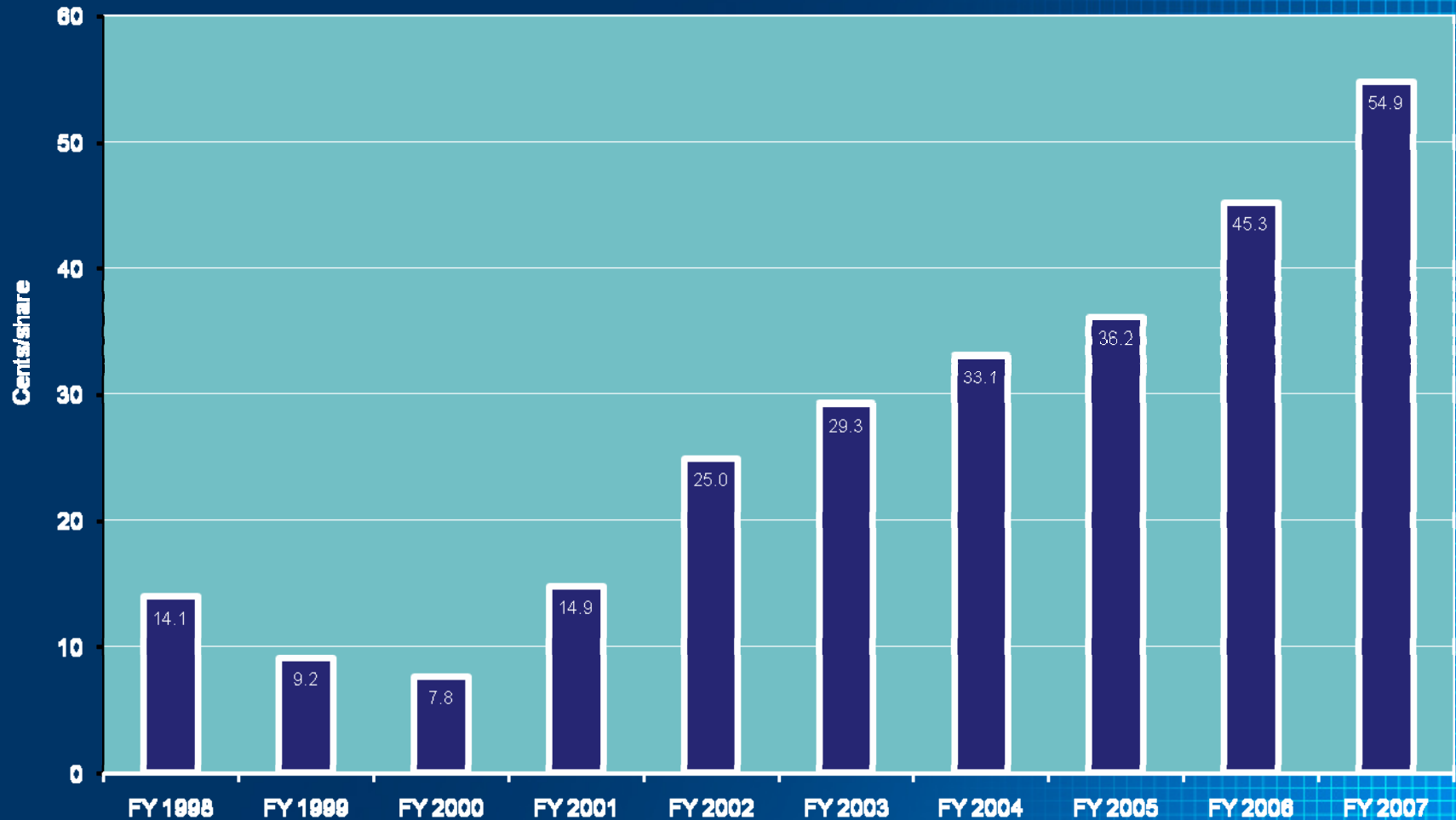
FINANCIAL HIGHLIGHTS

- Revenue from continuing operations up 6% to \$2.1 billion
- Core net profit from continuing operations up 21% to \$110.9 million
- Core EPS from continuing operations up 21% to 54.9 cents
- Basic EPS up 23% to 52.6 cents
- Group EBIDTA margin from continuing operations increased to 13% from 12.8%
- Final dividend 16 cents, making 29 cents for the year, up 21% (fully franked)
- Dividend reinvestment plan reactivated at a 2.5% discount

(Core Net Profit after tax from continuing operations and Core EPS from continuing operations are before specific items, amortisation of intangibles and divested operations)

CORE EPS GROWTH

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DELIVERING STRONG SHAREHOLDER RETURNS

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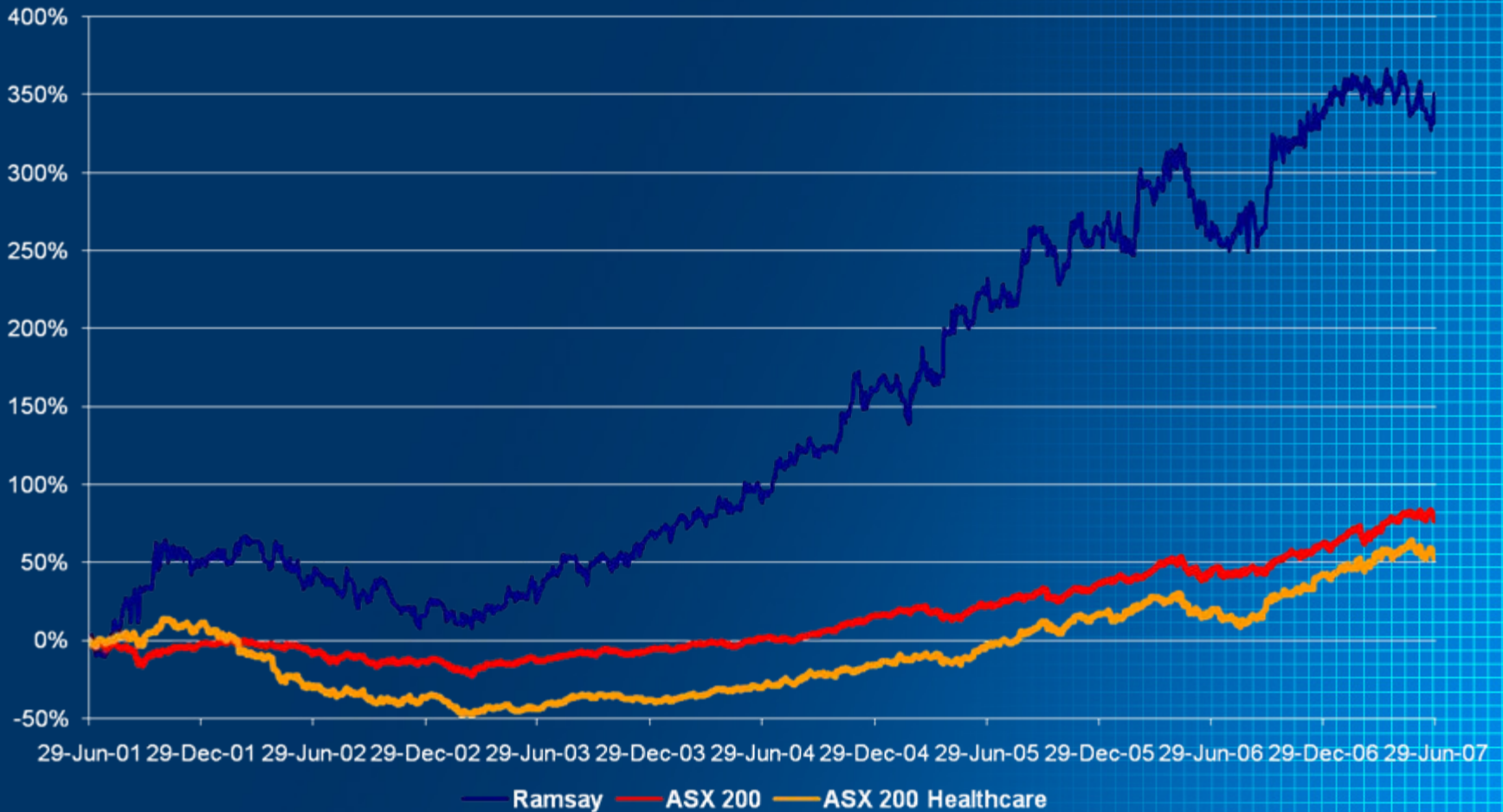


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Ramsay Total Shareholder Return



STRATEGY FOR FUTURE GROWTH

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- Continuing to grow earnings at hospital level
 - Solid organic growth to continue
 - Strategy to manage veterans' hospital transition
 - Further benefits of Affinity acquisition expected
- Brownfield expansions
 - Approximately \$550 million in expansions underway
 - Aims to address unmet demand and attract increased referrals in major metropolitan areas
 - Lower risk, higher return on investment, enhances portfolio
- Acquisitions
 - Further stand-alone hospital acquisitions in Australia possible
 - Investigating opportunities in Australia close to core competencies
 - Offshore growth opportunities

OFFSHORE EXPANSION OPTIONS

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- Which markets has Ramsay explored?
 - Asia : high growth potential but purchase multiples too high
 - US : good dynamics but currently too volatile
 - Focusing efforts on expansion opportunities in the UK

WHY RAMSAY CAN BE SUCCESSFUL OFFSHORE

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- Ramsay's management model can be successfully exported – why?
 - 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

WHY THE UK?

- Strong growth potential
 - Outsourcing of National Health Services (NHS) to private sector presents significant upside
 - Up to £1 billion per year of NHS outsourcing expected to be available to private sector by 2008
- Private Medical Insurance (PMI)
 - Stable market
- Similar culture
 - UK and Australian markets are very similar, ability to export Ramsay's model

SNAPSHOT OF CAPIO

- 4TH largest operator of private hospitals in the UK
 - 22 private hospitals across England with 854 beds and 48 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

RATIONALE FOR CAPIO

- Why Capiro?
- High quality hospital portfolio
 - Majority are purpose built
 - Well equipped with latest diagnostic and treatment technologies
- Size of portfolio
 - Good strategic fit
 - Easy to manage, integrate
- Forced sale

RATIONALE FOR CAPIO

- Strong executive team
 - Experienced and self sufficient
 - Experience in winning government contracts
 - Strong reputation for clinical excellence
 - Local market expertise
 - Will help maximise earnings

TRANSACTION SUMMARY

- Purchase price £193 million
- Attractive acquisition multiple of 6.9 x FY2008 EBITDA
- Core EPS accretive 2nd full year and beyond
- Enhances top-line and operating earnings growth profile
- Forced sale
- Debt funded, retaining significant flexibility for further acquisitions (especially bolt-on acquisitions) and brownfield expansions
- Transaction due to settle Q2 FY2008

3 LINES OF BUSINESS

- Capio generates revenue through three lines of business
 - PMI
 - Self pay (25% of Capio's revenues in CY06)
 - NHS outsourcing which comprises:
 - Spot contracts
 - ISTCs
 - Patient Choice

- Stable PMI market volumes
 - 11% of the population has PMI
 - Market predominantly driven by corporate purchasers
- Capio has strong relationships with all PMI providers
 - Broad national coverage
 - Size and scale
 - Strong relationships with all PMI funders (all Capio hospitals in leading PMI provider networks)

- UK healthcare market dominated by NHS
- Spending on private sector outsourcing grown significantly in recent years
 - Government policy to improve NHS services and drive down waiting lists
- Up to £1 billion of NHS outsourcing expected to be available to the private sector by 2008

- 24 ISTCs introduced in 2003, to generate £2 billion of revenues over 5 years
 - Capiro awarded largest, single government outsourcing contract in first phase
 - Commenced 2005 for initial 5-year term, to generate a total £240 million in revenues.
 - Aims to deliver 110,000 procedures at 9 separate sites
 - Capiro awarded Cumbria and Lancashire contract in second phase, more than £100 million over 5 years
 - Aims to deliver 11,000 procedures/year and up to 44,000 outpatients/year at existing Capiro sites

- Patient Choice initiative gradually introduced under Government's Extended Choice Network Scheme over last 12 months, fully implemented by 2008
 - Aims to provide choice of treatment facility to NHS patients and reduce wait lists
 - Allows patients to choose whether they want public or private facility
 - Every Capio hospital accredited for patient choice
- Patient Choice to account for approx. 10% of Capio's business by FY11

CRITICAL TO SUCCESS

- Critical to the success of Capio are:
 1. Operational improvements
 2. Bolt-on acquisitions
 3. Marketing and lobbying

OPERATIONAL IMPROVEMENTS

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- Excellent management
- Efficiency gains
 - Using Ramsay's strong management skills to help improve operations
 - Capacity to take on additional work without increasing labour costs and with minimal capex requirements

BOLT-ON ACQUISITIONS

- Opportunities for single hospital or small group of hospitals (6-10 facilities)
- Quicker EPS growth
- Similar profile to Capio hospitals

- Ramsay re-branding to begin in coming weeks, post settlement
- Strong focus to drive patient choice
 - Local marketing to Primary Care Trusts (PCTs), GPs and patients
 - Working with local commissioners
 - Community awareness programme
- Each ISTC manager responsible for promoting their unit to GPs, PCTs and the general public

- Existing core business tracking well for low double-digit growth in FY08, despite end of DVA contracts
- Capio Core EPS accretive in 2nd full year and beyond
- Our well-planned growth strategy to create a world class company
 - Building mega referral centres across the country, reinforcing Ramsay's leading position in Australia
 - Offshore expansion to propel growth
 - In the next five years, Ramsay's offshore business could be as big as Australian business



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QUESTIONS

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