



22 November 2005

ASX ANNOUNCEMENT

RAMSAY HEALTH CARE ON TRACK FOR FY2006 TARGET

Australia's largest private hospital operator Ramsay Health Care said today that results for the first four months of the 2006 financial year are in line with expectations from both the Ramsay hospitals and the retained Affinity hospitals, acquired in April 2005.

Ramsay Health Care Managing Director Pat Grier told the company's annual general meeting today that the operational and financial performance across the Ramsay portfolio was pleasing.

For the first four months of FY2006, admissions were up 6.6% at Ramsay hospitals and up 4.4% at the retained Affinity hospitals.

"The "hold-separate" arrangement with the ACCC for the Affinity hospitals was lifted only in late August, but we have made solid progress in the implementation of our integration plan for the retained Affinity hospitals," Mr Grier said.

"We are on track to achieve our target for a significant net profit rise in the 2006 financial year due to the full year contribution from the Affinity hospitals, which will equate to low double digit EPS growth due to the higher number of shares we have on issue compared with a year ago," Mr Grier said.

He said Ramsay has short-listed potential purchasers for the additional five hospitals it is required by the ACCC to sell and expects to execute a sale by the end of calendar 2005.

Mr Grier also told the meeting that while the company's strategic review of its portfolio is still underway, it is investigating a number of expressions of interest to purchase its aged care business.

"We have received a number of expressions of interest in our aged care business, which is now a much smaller part of the company after the acquisition of Affinity. We are assessing these interests along with other strategic alternatives," Mr Grier said.

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