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ASX ANNOUNCEMENT

RAMSAY HEALTH CARE ON TRACK FOR FY07 GUIDANCE

Australia's largest private hospital operator Ramsay Health Care said today that trading for the first four months of the 2007 financial year (July-October) are in line with its expectations for growth of 15% to 20% in core earnings per share (EPS) for the full year.

Ramsay Health Care Managing Director Pat Grier told the company's Annual General Meeting today that margins improved solidly in the four months compared with a year ago, reflecting the realisation of cost and revenue synergies from Affinity, operating enhancements at the Affinity hospitals under Ramsay management, as well as ongoing operating efficiencies across the group.

Admissions across the Ramsay hospital portfolio increased approximately 4% over the four month period, compared with industry average growth of approximately 2.5% (for the September quarter)

In addition, the company has received satisfactory outcomes from private health insurance negotiations, particularly in Queensland where the health funds have positively responded to the big increases in nursing wages.

At the AGM, Mr Grier also detailed the areas where Ramsay would seek to develop large multi-service hospitals to attract increased referrals in major metropolitan areas as part of its brownfields capacity expansion program.

The areas include Brisbane (Greenslopes), Gold Coast (Pindara, John Flynn), Sydney (North Shore, Westmead, and St George Private Hospitals), Melbourne (Warringal, Frances Perry) and Perth (Hollywood, Joondalup).

Ramsay has advised previously that it has financial capacity to invest up to \$400 million in enhancements and capacity expansion of its hospital portfolio.

Contacts:

Mr Pat Grier
Managing Director
Ramsay Health Care
(02) 9433 3444

Paula Hannaford
Gavin Anderson & Company
(02) 9552 4499
0413 940 180