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RAMSAY HEALTH CARE

Briefing – 25 February 2010
Financial Results
Half Year ended 31 December 2009
Christopher Rex, Managing Director

AGENDA

- Half-year overview
- Group financial performance
- Financial performance – Australia & Indonesia, UK
- Operating environment – Australia & UK
- Brownfields progress
- French acquisition – Proclif overview
- Capital management
- Outlook

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HALF-YEAR OVERVIEW

Strong rise in Group core net profit, reflects underlying strength of the business

- Core net profit after tax up 32.7% to $91.1 million
- Core EPS up 32% to 44.6 cents
- Australia and Indonesia revenue up 7.6% to $1.4 billion
- UK revenue up 12% to £171.6 million
- Group EBIT up 16.1% to $171.6 million
  - Australia and Indonesia EBIT up 11.4% to $149.3 million
  - UK EBIT up 88% to £11.8 million
- Interim dividend 18.5 cents fully franked, up 12.1%
- Targeting core NPAT growth of 18%-20% for the 2010 financial year

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GROUP FINANCIAL PERFORMANCE

HALF-YEAR ENDED 31 DECEMBER

	2009 $m			2008 $m	% Increase
Continuing Operations	Australia/ Indonesia	UK	Group	Group	
Operating Revenue	1,360.3	322.6	1,682.9	1,607.7	4.7%
EBITDAR (1)	203.8	82.1	285.9	256.9	11.3%
EBITDA	190.9	44.4	235.3	200.8	17.2%
EBIT	149.3	22.3	171.6	147.8	16.1%
Core NPAT – Continuing Operations (2)			91.1	68.7	32.7%
Core EPS – Continuing Operations (2)			44.6¢	33.8 ¢	32.0%

Interim Dividend – fully franked	18.5¢	16.5 ¢	12.1%
EBITDAR margin%	17.0%	16.0%	100 bps

1. EBITDAR (Earnings Before Interest Tax Depreciation Amortisation and Rent) is the most comparable indicator as UK hospitals are leased

2. Core NPAT and Core EPS are from continuing operations and are before specific items and amortisation of intangibles

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RECONCILIATION TO REPORTED PROFIT

HALF-YEAR ENDED 31 DECEMBER

	2009 $m	2008 $m	% Increase
Core NPAT – continuing operations	**91.1**	**68.7**	**32.7%**
Specific items & amortisation of intangibles (net of tax)	*(12.5)*	*(14.9)*	
Reported Net Profit after Tax	**78.6**	**53.8**	**46.2%**

Specific items & amortisation of intangibles (net of tax)	2009 $m	2008 $m
Deferred annual non-cash rent expense relating to UK hospitals	11.5	12.4
Other specific items	(0.1)	1.6
	11.4	**14.0**
Amortisation of intangibles	1.1	0.9
	12.5	**14.9**

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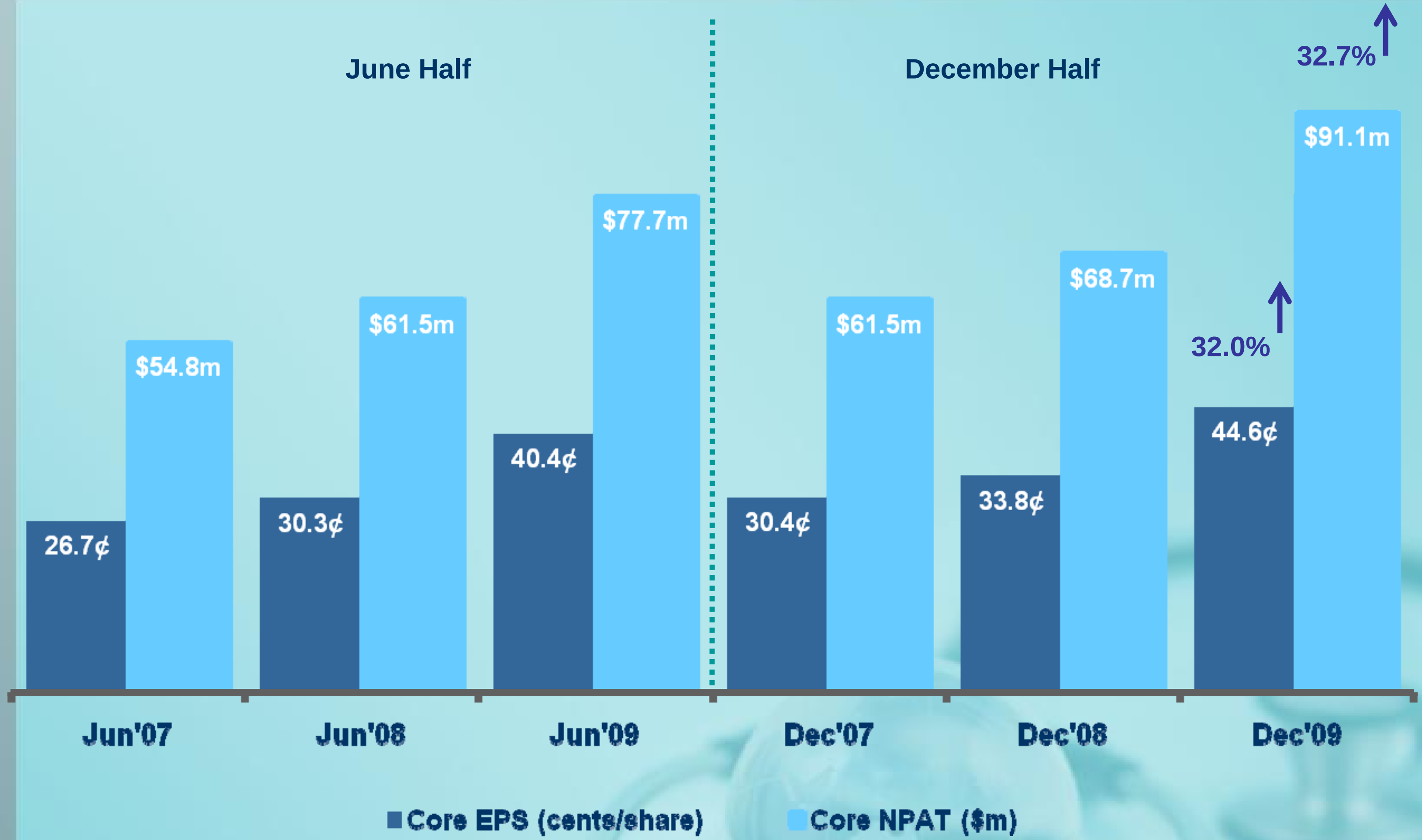
GROUP CORE NPAT AND CORE EPS



- Core NPAT up 32.7% to $91.1 million
- Core EPS up 32% to 44.6 cents

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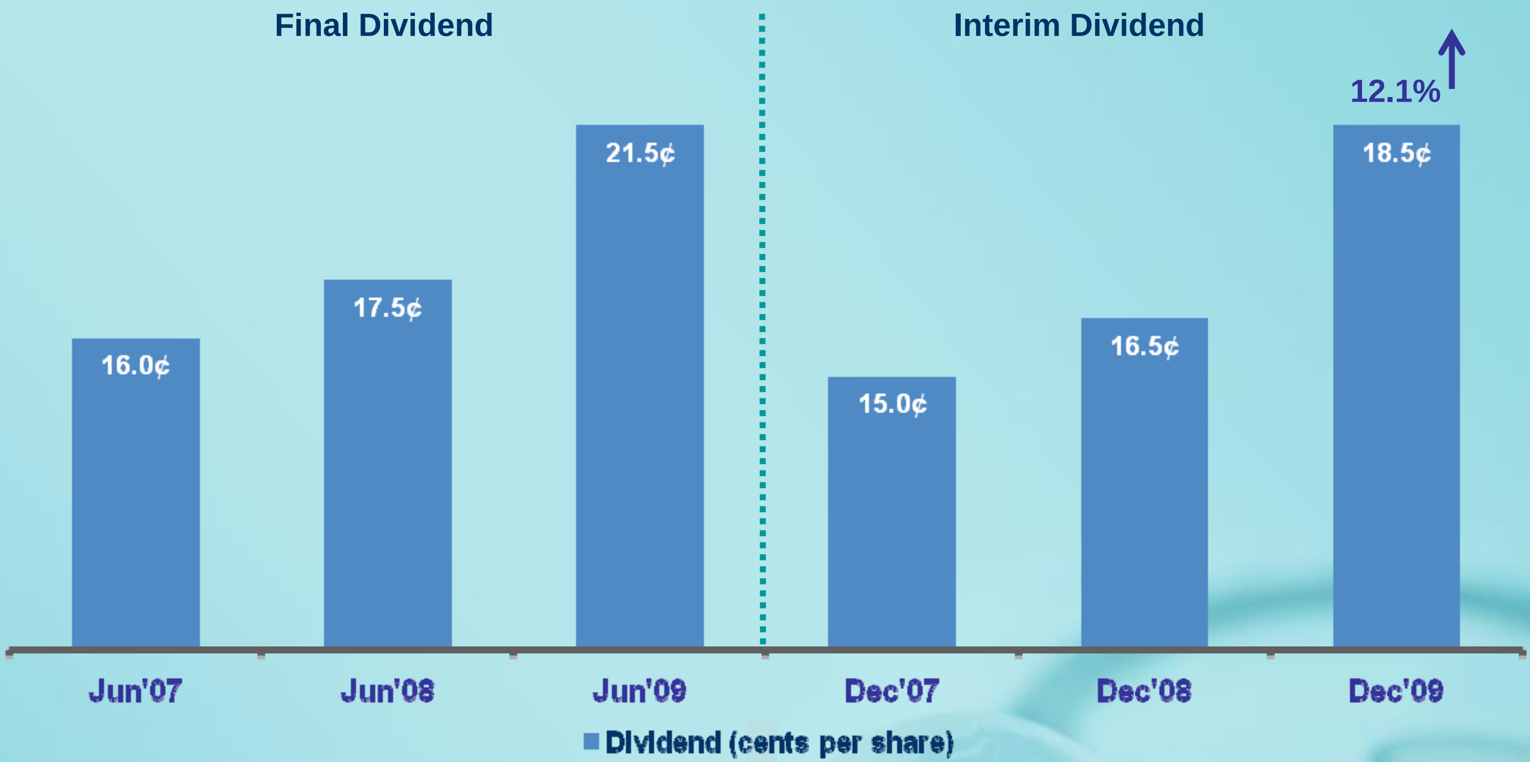
DIVIDEND GROWTH



- Interim dividend up 12.1%, tracking full-year guidance for Core EPS growth of 10%-12%
- Capacity to grow dividends highlights the resilience of our business

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FINANCIAL PERFORMANCE – AUSTRALIA/INDONESIA

HALF-YEAR ENDED 31 DECEMBER

	2009 $m	2008 $m	% Increase
Operating Revenue	1,360.3	1,264.0	7.6%
EBITDAR	203.8	183.8	10.9%
EBITDA	190.9	171.4	11.4%
EBIT	149.3	134.1	11.4%

- Australia and Indonesia, the Group's historical base operations, performed strongly on all operating levels
- Hospital EBITDA margins (excluding prostheses) 19.2%, up from 18.3% in the pcp
- Hospital EBIT margins (excluding prostheses) 15.8%, up from 15.1% in the pcp

Note: pcp - prior corresponding period

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FINANCIAL PERFORMANCE – UK

HALF-YEAR ENDED 31 DECEMBER

	2009 £m	2008 £m	% Increase
Operating Revenue	171.6	153.2	12.0%
EBITDAR	43.8	32.9	33.0%
EBITDA	23.7	13.3	78.0%
EBIT	11.8	6.3	87.9%

	2009 $m	2008 $m	% Increase
EBIT ($A)	22.3	13.7	63.3%

- Operating revenue up 12% to £171.6 million
- EBITDAR margin 25.5%, up from 21.5% in the pcp
- EBIT margin 6.9%, up from 4.1% in the pcp
- NHS work continuing to grow in private hospitals

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Note: pcp - prior corresponding period

OPERATING ENVIRONMENT – AUSTRALIA

- Stable and robust operating environment
- the 2010 intergenerational report confirms strong growth in future demand for health care
  - Population growth
  - Ageing population
  - Rising demand for higher quality care
  - Higher incidence of chronic diseases
  - Technology
- Private Health Insurance remains attractive
  - Percentage of population with hospital treatment coverage at 31 December 2009, steady at 44.7%

OPERATING ENVIRONMENT - UK

- UK economy starting to show positive signs
- Potential for PMI and self pay volumes to recover
- Pressure on public spending going forward including NHS
- Support for competitive market for NHS services
- Opportunities emerging for increased private sector role
- Negotiations for Wave 1 ISTC contracts are continuing and close to being finalised

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BROWNFIELDS PROGRESS - AUSTRALIA

- Ramsay has spent approximately $380 million of the $675 million (gross) approved for expansion projects in Australia
- Net investment to be $590 million after the sale of medical suites over FY09-FY11
- Including the Hollywood redevelopment, expenditure on completed projects to date totals approximately $295 million
- All completed projects on time and on or under budget
- All projects under development progressing well

PROCLIF ACQUISITION DETAILS

- Acquisition of 57% interest in Proclif, the second largest private hospital group in the Paris region, for €87m ($142m)
  - Implied enterprise value of €172m ($281m), 9.1x estimated CY09 EBITDA and 8.1x forecast CY10 EBITDA
  - Remaining 43% interest held by Predica (wholly owned subsidiary of Crédit Agricole)
- Proclif estimated CY09 results
  - Revenue ~ €133m
  - EBITDA ~ €19m
- Core EPS accretive by FY12
- Debt funded through existing Australian senior facility
- Transaction subject to EU regulatory approvals, expected to close by the end of March 2010

Note:

EUR/AUD: 1.633

CY = Calendar Year

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THE FRENCH HOSPITAL SECTOR

The French acute care market is an attractive sector with strong fundamentals

Stable and popular system	• Free choice and universal cover whether care is provided in private or public hospitals • Integrated public and private systems
Steadily growing demand	• Underpinned by strong demographics : – Ageing population – Increasing birth rate – Growth in outpatient treatments
Sensible and sustainable funding regime	• DRG pricing system with regulated yearly increases set by authorities during national health budgeting exercise • 92% of cost of care to patient covered by social security; top-up PMI cover remaining costs including consultant fees and additional services
High barriers to entry	• Tightly regulated supply – Strict authorisation process for any creation or change in capacity per specialty • Only way to penetrate market is through acquisitions
Highly fragmented market	• Limited market share of the private sector • Highly fragmented market: 400+ small operators • 5 largest operators represent 27% of private market share • Market opportunity for consolidation through acquisition of regional clusters to develop a solid national position

WHY PROCLIF?

The acquisition of Proclif is a key enabler to Ramsay's French expansion strategy and establishes a solid platform for future growth

Well-established business	• Second largest private hospital operator in the greater Paris region • Nine specialist hospitals benefiting from significant capital expenditure on new equipment and refurbishment over the last two years to create state-of-the-art facilities • Opportunity to achieve enhanced margins • Highly regarded and experienced local management team
Platform for future growth	• Proclif has evolved by acquisition and provides a solid base for expansion and further acquisitions • Introduction of Predica as a local investment partner in Proclif enhances joint opportunities in the French market

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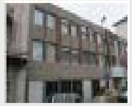
PROCLIF HOSPITALS

Nine hospitals, 978 beds in greater Paris region (Île-de-France)

Clinique Lambert
127 beds

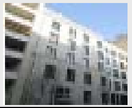
CMC Val Notre Dame

Bezons	Asnieres
83 beds	57 beds



Clinique de la Montagne
80 beds

Clinique de la Muette
83 beds

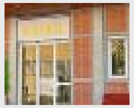


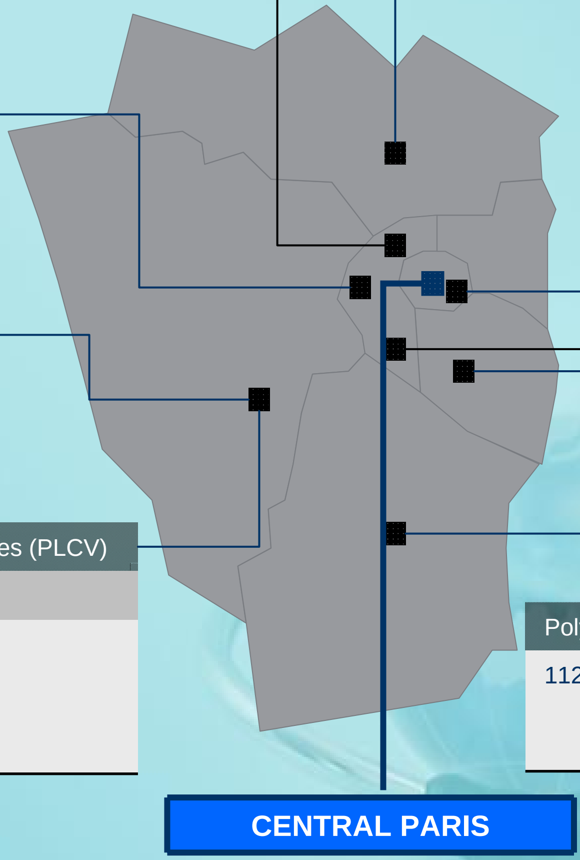
Clinique des Franciscaines
145 beds

CMCO Evry (Mousseau)
187 beds

Polyclinique de Versailles (PLCV)
La Maye
104 beds

Polyclinique Villeneuve St Georges
112 beds





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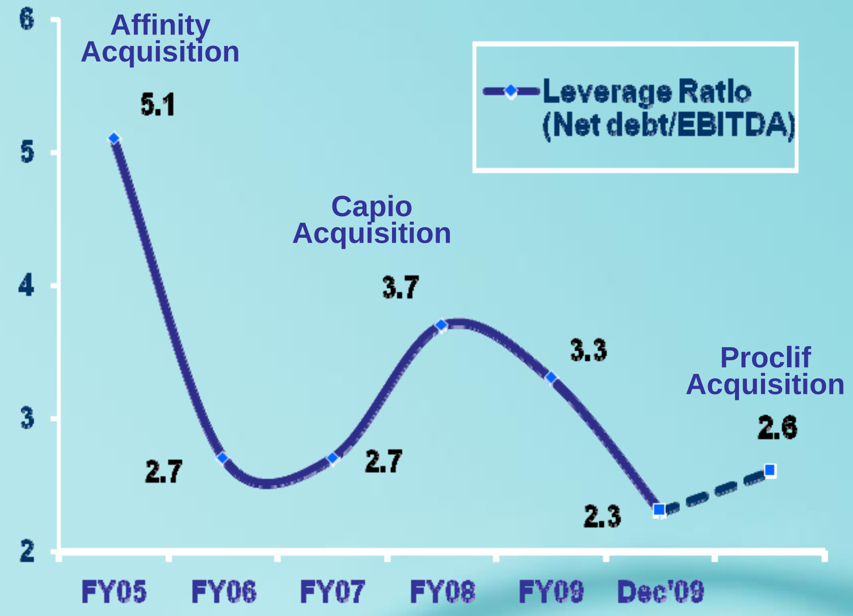
CAPITAL MANAGEMENT

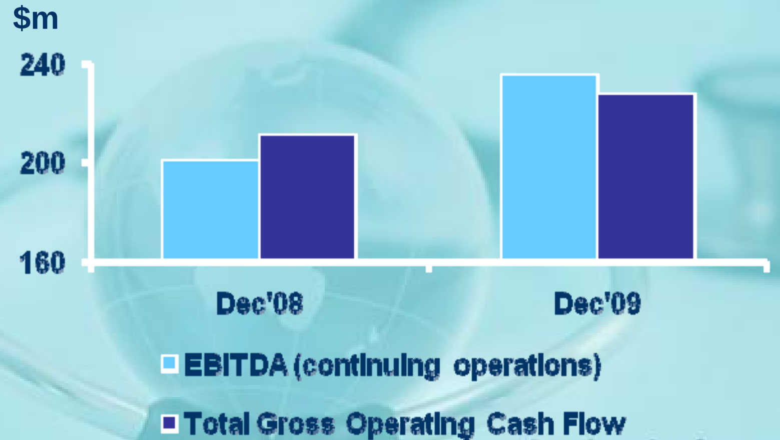
Debt profile

- Committed senior bank debt facilities of ~ $1.9 billion in place until November 2012
- Headroom of $500-$600 million after allowing for Proclif acquisition and funding of current brownfield commitments



Cashflow

- Approximately 75% of debt is hedged at fixed rates
- High cash conversion rate (97%)



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STRONG GROWTH STRATEGY

- Continuing our strategy to become a major global hospital provider
- Three main drivers of growth
  - Organic
  - Brownfield investment
  - Further offshore acquisitions
    - France
    - Other markets
    - Prudent approach, with acquisitions in new markets only pursued when execution/integration risks of preceding acquisitions have largely been overcome

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OUTLOOK

- Underlying business in excellent shape and continues to grow strongly
- Proclif acquisition marks first major step into dynamic French market
- UK business fully integrated and performing strongly
- Australian/Indonesian business continues to grow, underpinned by favourable demographics
- Earnings from pipeline of quality brownfields expected to contribute positively to EPS in FY11
- Barring unforseen circumstances, Ramsay reaffirms recently upgraded guidance for core NPAT growth of 18%-20% for the Group for the 2010 financial year, translating to core EPS growth of 10%-12%

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Questions