



ASX ANNOUNCEMENT

31 August 2005

RAMSAY TO BEGIN INTEGRATION OF AFFINITY HOSPITALS

Ramsay Health Care advises that the Australian Consumer and Competition Commission (ACCC) has formally granted a variation to Ramsay's 'hold separate' undertaking which will enable Ramsay to begin integrating the Affinity hospitals it will be retaining into the Ramsay business.

Ramsay acquired Affinity's 51 hospitals in April 2005 and has held separate these hospitals pending the ACCC's final determination.

The 17 Affinity hospitals that are to be divested will continue to be held separate and managed independently of the Ramsay group until they are sold. Ramsay has also committed to selling an additional two Ramsay hospitals to address the ACCC's competition issues.

Ramsay Managing Director Pat Grier said management would begin immediately to implement its integration plan for the 34 Affinity hospitals.

"We are pleased that we can begin actively managing the Affinity hospitals that we are retaining. We look forward to welcoming the staff and doctors to the Ramsay group and to achieving our targets for synergies and future earnings from these Affinity hospitals," Mr Grier said.

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