

20 December 2004

FOR YOUR PROMPT ATTENTION

Australian resident shareholders

SPP Closing Date – 5.00pm (Sydney time), 14 January 2005

Dear Ramsay Health Care Limited Shareholder

Opportunity to participate in Share Purchase Plan

The enclosed documents are important. Please read them carefully.

We are pleased to provide you with details of Ramsay Health Care Limited's (Ramsay Health Care) Share Purchase Plan (SPP). The SPP provides eligible shareholders with the opportunity to participate in a capital raising of up to \$10 million at the same issue price as shares, which were offered under the equity placement announced on 2 December 2004 (\$7.35).

The SPP is an offer for you to apply to purchase shares at the placement price of \$7.35 per share; it is your choice whether you participate or not. However, the offer is non-renounceable, which means that you cannot transfer your right to purchase shares under the offer to anyone else.

Why we are undertaking a SPP?

Ramsay has achieved strong returns from investing in the expansion and enhancement of our existing facilities, which is a key component of our growth strategy. We are in the advanced stages of planning further expansion and enhancements at a number of our facilities, including Hollywood in Perth, Greenslopes in Brisbane, and Sydney's North Shore Private Hospital.

In addition, as previously advised to the market, Ramsay Health Care has plans in place to build our own aged care facilities and we are also actively investigating acquisitions of aged care facilities.

The \$80 million placement announced on 2 December 2004, will ensure we retain financial flexibility to pursue identified and future investment opportunities. The placement was strongly over subscribed by institutional investors and was supported by Ramsay Health Care founder, major shareholder and Chairman, Paul Ramsay, who agreed to subscribe for \$40 million in shares at the same price as the recent placements and this SPP (\$7.35), subject to Ramsay Health Care shareholder approval or an ASX waiver of the requirement for such a meeting.

The \$10 million SPP is intended to give smaller investors the opportunity to participate in the announced capital raising at the placement price of \$7.35 per share.

Investors should note that although the placement price represented a discount to the closing price of Ramsay Health Care shares on ASX prior to announcement of the capital raising, Ramsay Health Care's share price has since fallen back below this price. On 16 December 2004, Ramsay Health Care shares closed at \$6.82.

What is the SPP?

Under the SPP, Australian residents on the share register of Ramsay as at 5.00pm (Sydney time) 30 November 2004 may subscribe for of the following under the SPP: \$5,000, \$3,000, \$1,000 or \$500 worth of Ramsay Health Care shares. The issue price of shares under the SPP will be at the placement price of \$7.35.

It is important to note that Ramsay Health Care's share price may change between the date of this offer and the date when Shares are issued under the SPP. Changes to the market price of Ramsay Health Care's shares after the date of this offer will not be reflected in the SPP issue price. This means the price paid under the SPP may exceed the price at which the shares are trading on the ASX at the time the shares are allotted under the SPP.

Amount to be raised.

The Board has resolved that a maximum of \$10 million will be raised under the SPP. If the SPP is oversubscribed and applications are received in excess of that amount, applications will be scaled back. Such scaling may not be on a pro rata basis and Ramsay Health Care will have the sole discretion to decide which eligible shareholders will be issued with shares under the SPP.

Closing date.

If you wish to participate in the SPP, please complete the enclosed application form and forward it to Ramsay Health Care's share registry at the address shown on the application form, together with your payment (in Australian dollars). Completed application forms and full payment must be actually received by the registry prior to the close of the offer at 5.00pm (Sydney time), 14 January 2005 to be valid. Applications received after that date may not be accepted.

If the application form is not accompanied by the correct application amount, Ramsay reserves the right to return your application form along with your payment and not allot any new shares to you.

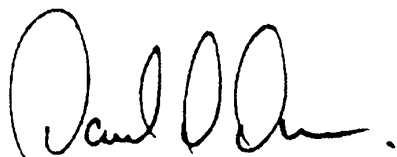
When shares will be issued.

It is anticipated that shares will be issued under the SPP on or about 20 January 2005. New shares will rank equally with existing fully paid ordinary shares in Ramsay. It is expected that the new shares allotted to you under the SPP will be quoted on ASX on or about 20 January 2004 and you should receive your holding statement or confirmation advice shortly after that date. Fractional entitlements will be rounded down and any application monies relating only to such roundings will be paid to charities nominated by the Board.

Further information.

You should seek independent advice from your financial or other professional adviser in relation to whether applying for shares under the SPP is an appropriate investment for you. If you have any questions in relation to the SPP, please contact Ramsay Health Care's share registry on 1300 855 080.

Yours sincerely



Paul Ramsay AO
Chairman



Patrick Grier
Managing Director

Ramsay Health Care Limited
Share Purchase Plan
Terms and Conditions

All persons registered as holders of fully paid ordinary shares of Ramsay Health Care Limited (Ramsay Health Care) at 5pm (Sydney time) on 30 November 2004 with a registered address in Australia (Eligible Shareholders) may participate in the Share Purchase Plan (the SPP). Participation in the SPP is optional and is subject to these terms and conditions.

1. Entitlements to participate in the SPP are not renounceable.
2. Key dates include:

Announcement of SPP to ASX:	2 December 2004
Record date to determine entitlements:	30 November 2004
Despatch of letter and terms to shareholders:	20 December 2004
Closing date for application for shares:	14 January 2005
Date of allotment:	20 January 2005
Despatch of statements:	21 January 2005
3. Eligible Shareholders may select only one of the following options to acquire shares in Ramsay Health Care under the SPP: Option A – \$5,000 worth of fully paid ordinary shares; Option B – \$3,000 worth of fully paid ordinary shares; Option C – \$1,000 worth of fully paid ordinary shares; Option D – \$500 worth of fully paid ordinary shares.
4. The maximum value of \$5,000 will apply even if a shareholder receives more than one SPP entitlement from Ramsay Health Care (for example as a result of holding more than one shareholding under separate share accounts).
5. Ramsay Health Care reserves the right to reject any application for shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these terms and conditions.
6. By completing the application form and providing a cheque or bank draft in payment of the application monies, each Eligible Shareholder:
 - (a) certifies that the aggregate of the application price for the ordinary shares the subject of the application and any other ordinary shares applied for by the shareholder under the SPP does not exceed \$5,000; and
 - (b) authorizes Ramsay Health Care to place its name on the register of members in respect of the shares that are issued to the Eligible Shareholder under the SPP and agrees to be bound by the Constitution of Ramsay Health Care.
7. Applications may only be made on the application form dispatched to Eligible Shareholders and, to be valid, must be actually received by Ramsay Health Care's share registry at the address shown on the application form prior to 5.00pm (Sydney time) on 14 January 2005 (Closing Date). Applications received after that date may not be accepted, at the discretion of Ramsay Health Care. If the exact amount of application monies is not tendered with the application form, Ramsay Health Care reserves the right to reject the application. Applications and payments under the SPP may not be withdrawn once they have been received by Ramsay Health Care's share registry.

8. If two or more persons are recorded in the register of members as jointly holding shares in Ramsay Health Care they are taken to be a single registered holder and a certification by any of them pursuant to paragraph 9(a) is taken to be a certification by all of them.
9. Shares under the SPP will be issued at the Placement Price of \$7.35.
10. The market price of the shares on the ASX may rise and fall between the date of this SPP offer and the date that Ramsay Health Care allots the shares to Eligible Shareholders under the SPP. This means the price paid under the SPP may exceed the price at which Shares are trading on the ASX at the time the shares are allotted under the SPP.
11. If Ramsay Health Care shares are subject to a trading halt, suspended or otherwise unable to be traded on ASX, at any time during the Specified Period, the Specified Period will be extended by one trading day for each trading day or part thereof for which Ramsay Health Care's shares are subject to a trading halt, suspended or otherwise unable to be traded.
12. If an Eligible Shareholder's payment is dishonored, Ramsay Health Care may cancel the allotment and any shares allocated to that shareholder.
13. The Board has resolved that a maximum of \$10 million will be raised under the SPP. If the SPP is oversubscribed and applications are received in excess of that amount, applications will be scaled back, with preference being given to those applications received earliest. Such scaling may not be on a pro rata basis and Ramsay Health Care will have the sole discretion to decide which Eligible Shareholders will be issued with shares under the SPP.
14. Subject to paragraph 21, unapplied application monies will be refunded without interest. When fewer shares are allocated than were applied for by an Eligible Shareholder, the surplus monies will be returned, without interest, within 21 days of the Closing Date.
15. The Shares will be issued on or about 20 January 2005. Ramsay Health Care will write to Eligible Shareholders that have applied for Shares to inform them of the number of Shares that have been issued to them on 21 January 2005.
16. Ramsay Health Care will, at the appropriate time, make application for the shares allotted to be listed for quotation on the official list of AX and ASX.
17. Shares issued under the SPP will rank equally with existing fully paid ordinary shares in Ramsay Health Care and will carry the same voting rights, dividend rights and other entitlements as at the date of allotment.
18. Fractional entitlements will be rounded down and Ramsay Health Care will pay any application monies relating to such roundings to charities nominated by the Board of Ramsay Health Care.
19. No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and issue of, shares under the SPP.

20. Ramsay Health Care may determine, in any manner it thinks fit, any disputes or anomalies that arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any applicant or application for shares. The decision of Ramsay Health Care will be conclusive and binding on all persons to whom the determination relates.
21. Ramsay Health Care may at any time irrevocably determine that an application is valid, in accordance with these terms and conditions, even if the application is incomplete, contains errors or is otherwise defective. Ramsay Health Care and its officers and agents are authorized to correct any error in, or omission from, application forms by the insertion of the missing details.
22. Ramsay Health Care may issue fewer shares than an Eligible Shareholder applies for under the SPP (or none at all) if Ramsay Health Care believes that issuing those shares would breach any law or rules of ASX. If that occurs, clause 13 will apply.
23. Ramsay Health Care reserves the right to waive compliance with any provision of the SPP's terms and conditions. Ramsay Health Care may, in its absolute discretion, modify, suspend, terminate or correct the SPP at any time.
24. Eligible Shareholders may obtain Ramsay Health Care's most recent annual report and 30 June 2004 financial statements free of charge from Ramsay Health Care.
25. If you have any questions in relation to these terms or conditions or how to make application, you may ring Ramsay Health Care's share registry on 1300 855 080. Ramsay Health Care's share registrar will not provide financial, investment or taxation advice.
26. We recommend that you contact your stockbroker, accountant or professional adviser before investing in Ramsay Health Care's shares under the SPP.