



RAMSAY  
HEALTH CARE

**Ramsay Health Care Limited**  
ACN 001 288 768

Level 9, 154 Pacific Highway  
ST LEONARDS NSW 2065  
Tel. 61 2 9433 3444 Fax. 61 2 9433 3460

15 March 2001

Dear Fellow Shareholder,

I have great pleasure in updating you on the financial performance of your Company for the six months to 31 December 2000 and to inform you about an opportunity to participate in our Dividend Reinvestment Plan.

In the release of the half-yearly financial report, on 27 February 2001, your Directors announced a significant increase in profitability. The net profit after tax for the six months to 31 December 2000 of \$6.5 million, was more than double that of the corresponding period last year. Group revenue rose by 15% to \$186.5 million, EBIT (earnings before interest and tax) grew by 20%, and earnings per share increased to 6.0 cents from 2.5 cents in the previous corresponding half.

We were very pleased to have announced this rise in profitability, which reflects our strong hospital management, as well as our continued focus on improving efficiencies and keeping a tight rein on costs.

Importantly, with a stronger private health care environment and the sale of the loss making Flinders Private Hospital on 30 November 2000, Ramsay Health Care has a positive earnings outlook. Your Directors believe that profitability for the second half of the financial year will be at least maintained at a level with the first half, based on continuing operations without Flinders Private Hospital. As a result your Company is on track to deliver a significantly higher full-year profit than last year.

Your Directors have announced a higher interim dividend of 3.5 cents per share, unfranked, up from 3.0 cents in the previous corresponding half.

The dividend will be paid on 30 April 2001 with the record date for determining entitlements to the dividend, being 5 p.m. Tuesday 17 April 2001.

Your Directors have also decided to activate the Company's Dividend Reinvestment Plan (the 'Plan') which provides a convenient way for shareholders who reside in Australia or New Zealand to increase their shareholding in Ramsay Health Care Limited by reinvesting all or part of their dividend entitlement in ordinary shares. The Directors have also resolved to vary the terms of the Plan by offering a discount of 5% on the issue price of shares, issued under the Plan.

The full terms of the Plan are set out in the enclosed booklet, however the essential features may be summarised as follows:

- a) Participation in the Plan is optional and shareholders may elect to receive ordinary shares in lieu of the cash dividend on all or part of their dividend entitlement;
- b) Shares will be issued under the Plan at a price equal to the weighted average market price of shares traded on the Australian Stock Exchange during a period of five trading days following the relevant record date, i.e. 17 April 2001, discounted by 5%;
- c) No brokerage, commission, or other transaction costs are charged on shares issued under the Plan;
- d) Shareholders may vary or terminate their participation in the Plan at any time by lodging an application and variation notice with our share registry.

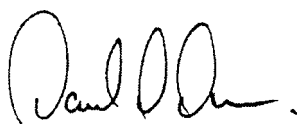
After reading the booklet, if you wish to participate in the Dividend Reinvestment Plan, please complete the enclosed application and return it directly to our share registry as soon as possible. To be effective for the interim dividend a signed application must be received at the share registry by 5 p.m. Tuesday 17 April 2001. A reply paid envelope has been enclosed for your convenience.

We are very excited about Ramsay Health Care's prospects over the medium-term. We expect conditions in the health care industry to further enhance your Company's financial position and provide opportunities for growth.

Our focus remains on ensuring that growth is focused on delivering a higher return to our shareholders in the areas of our core competencies.

Thank you for your continued support.

Yours sincerely



Paul Ramsay  
Chairman

Attachments: Terms of the Dividend Reinvestment Plan  
Application Notice

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Our Share Registry is located at:

**Computershare Registry Services Pty Limited.**

Level 3, 60 Carrington Street  
Sydney NSW 2000.

All correspondence to:  
GPO Box 7045  
Sydney NSW 1115.

Telephone: (02) 8234 5222  
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Website: [www.cshare.com.au](http://www.cshare.com.au)