



**RAMSAY HEALTH CARE LIMITED**  
**Annual General Meeting**  
**20 November 2001**



## Chairman's Overview

- **Strong year of growth in Australian private hospital sector**
- **Operating environment conducive to further growth for Ramsay**
- **Ramsay reports record earnings performance - profit rose 142% to \$16 million in 2000 / 2001 financial year**
- **Alpha acquisition heralds Ramsay's new growth strategy**
- **Exit of Flinders completed**
- **Mildura breaks even in first 9 months**
- **Full year dividend increased 15% to 8.5 cents**
- **Significant increase in profit expected this year and next**



# Financial Highlights

## Ramsay capitalises on sustained improvement in private hospital market

- **Group revenue up 18%**
- **Group EBIT up 28%**
- **Group NPAT before abnormals up 95%**
- **EPS increases to 14.2 cents from 6.1 cents**



# Financial Performance

	Year Ended 30 June 2001 \$000's					
	** Alpha	Ramsay		Total		
	2001	2000	2001	2000	2001	%
Operating Revenue	8,869	328,220	379,058	<b>328,220</b>	<b>387,927</b>	<b>18%</b>
EBITDA	794	51,581	59,157	<b>51,581</b>	<b>59,951</b>	<b>16%</b>
EBIT	353	30,828	39,206	<b>30,828</b>	<b>39,559</b>	<b>28%</b>
Profit before tax and unusual items	129	9,962	22,283	<b>9,962</b>	<b>22,412</b>	<b>125%</b>
NPAT before unusual items	129	8,426	16,337	<b>8,426</b>	<b>16,466</b>	<b>95%</b>
Unusual Items (net of tax)	-	* (1,810)	(462)	* <b>(1,810)</b>	<b>(462)</b>	-
NPAT	129	6,616	15,875	<b>6,616</b>	<b>16,004</b>	<b>142%</b>

EBIT Margin	4.0%	9.4%	10.3%	<b>9.4%</b>	<b>10.2%</b>
EPS (cents per share)				<b>6.1</b>	<b>14.2</b>

\* Previously disclosed as abnormal in 2000

\*\* Alpha results are for the month of June only



## **Deliberate focus on fundamentals delivers record result**

### **An important year of delivering results and targeting growth**

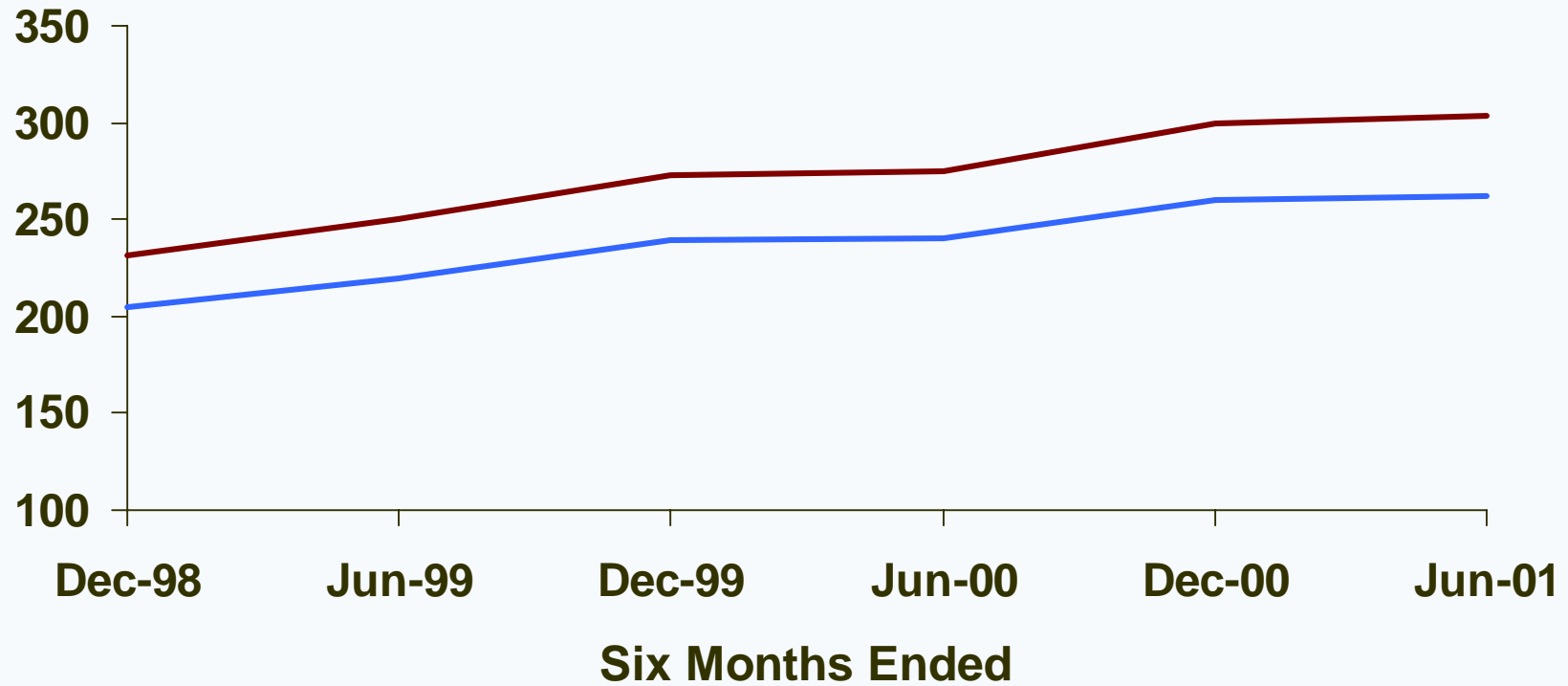
- **Hospital management expertise delivers competitive advantage to Ramsay**
- **Good health fund relationships lead to significant health fund rate increases**
- **Strong portfolio of hospitals**
- **Balance sheet and debt restructuring**
- **Targeted growth opportunities**



# Operational Performance

## Occupancy - Patient Days

Days (000's)

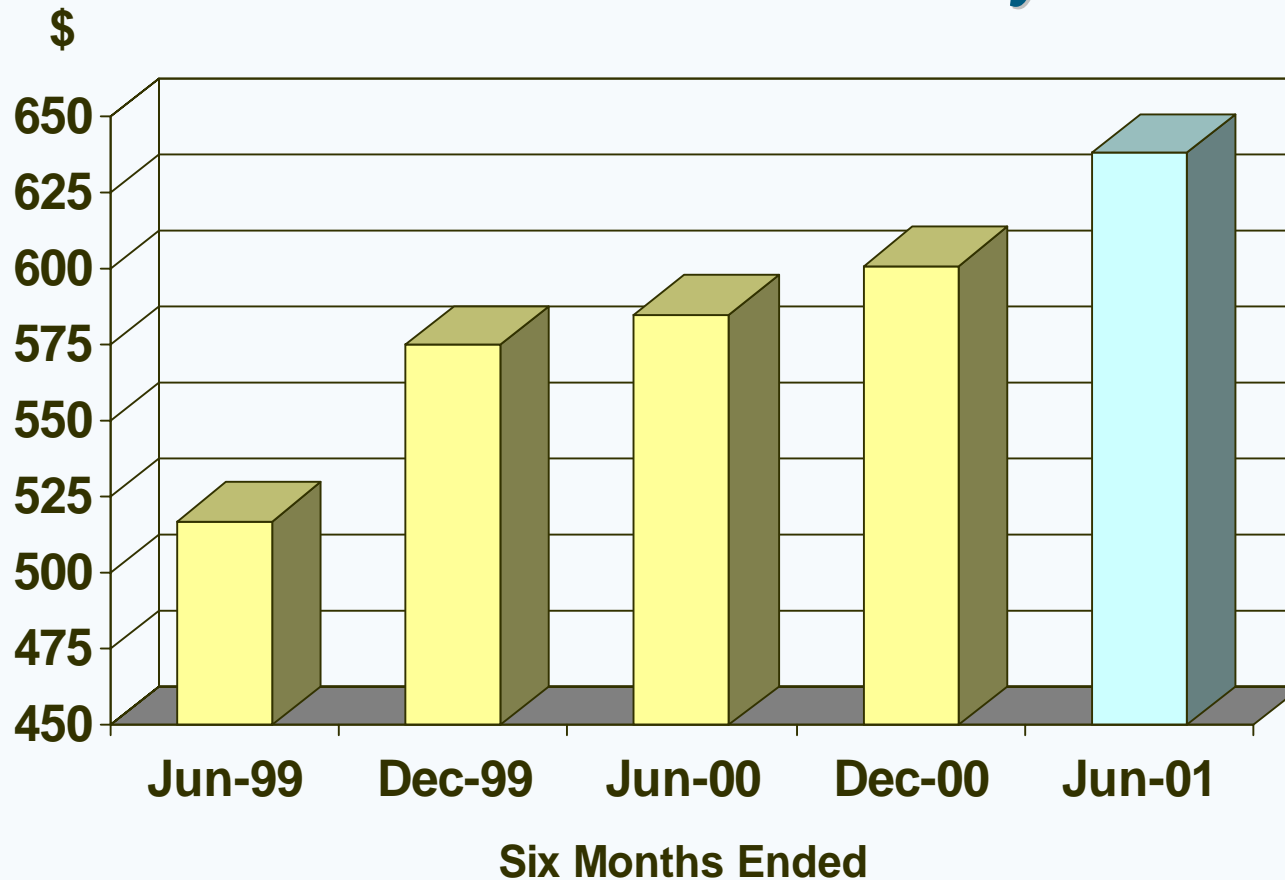


— In-Patients — + Day Patients



# Operational Performance (continued)

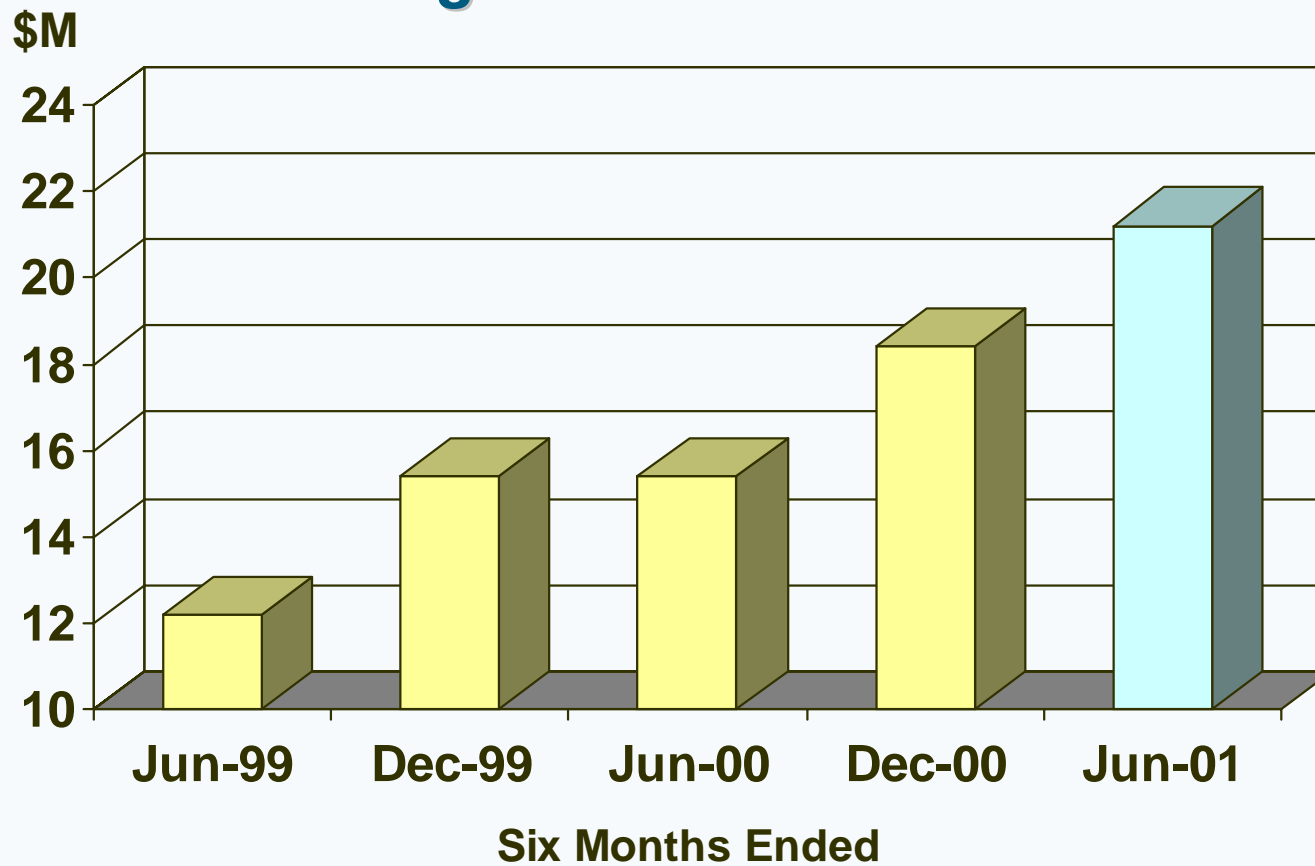
## Revenue Per Patient Day





# Operational Performance (continued)

## *Earnings before Interest & Tax*

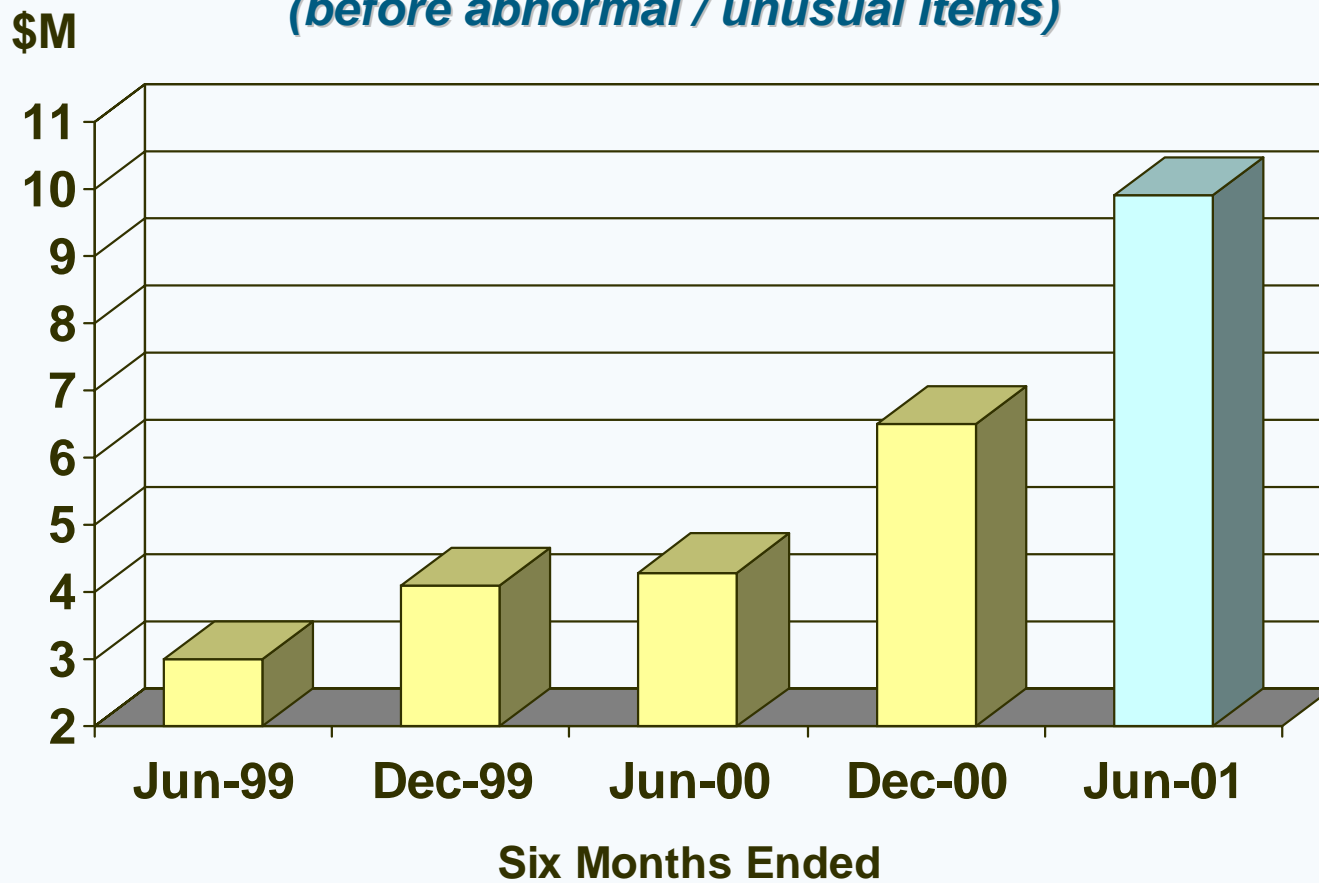




# Financial Performance

## Net Profit After Tax

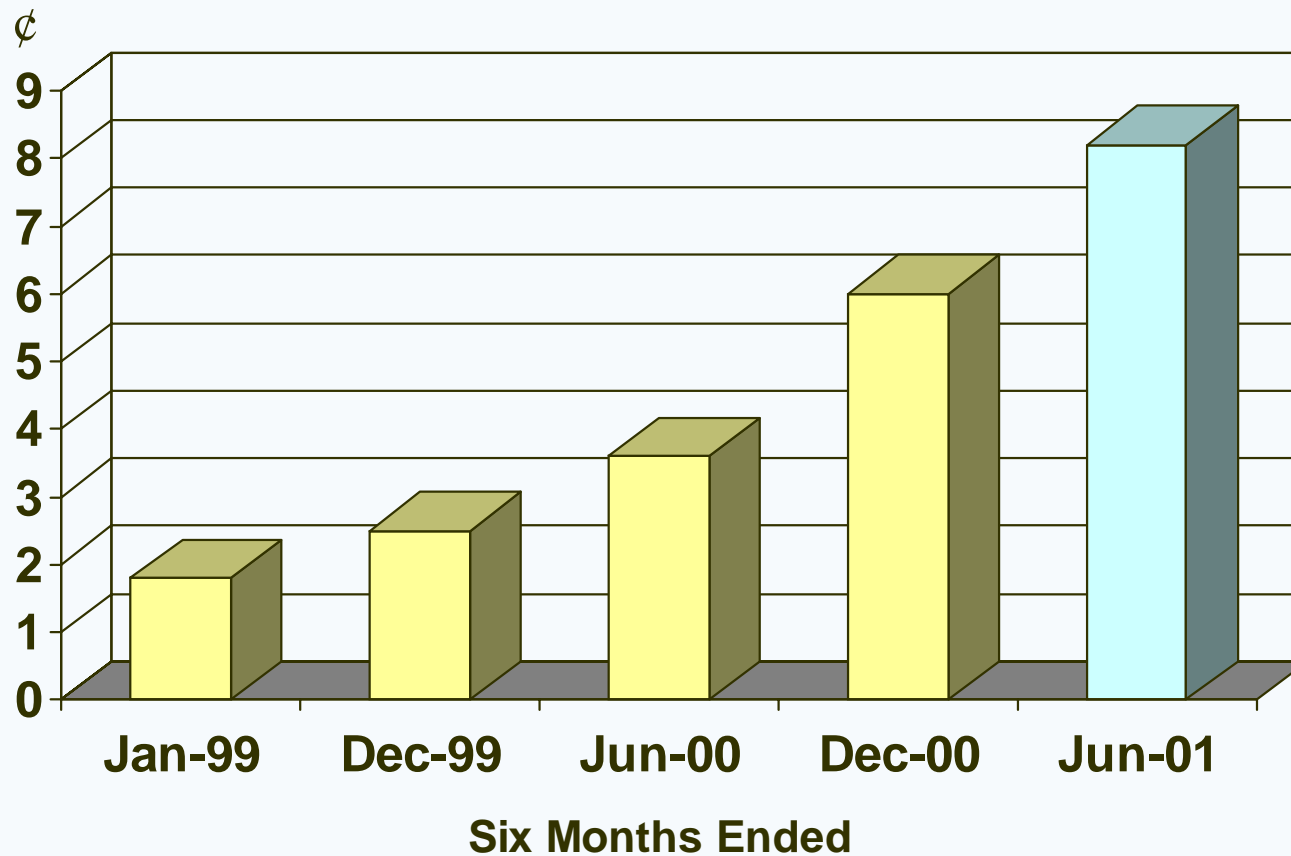
*(before abnormal / unusual items)*





# Financial Performance (continued)

## *Earnings Per Share*





# Strong Hospital Portfolio

**Ramsay now the 2nd largest hospital operator in Australia with 22 hospitals**

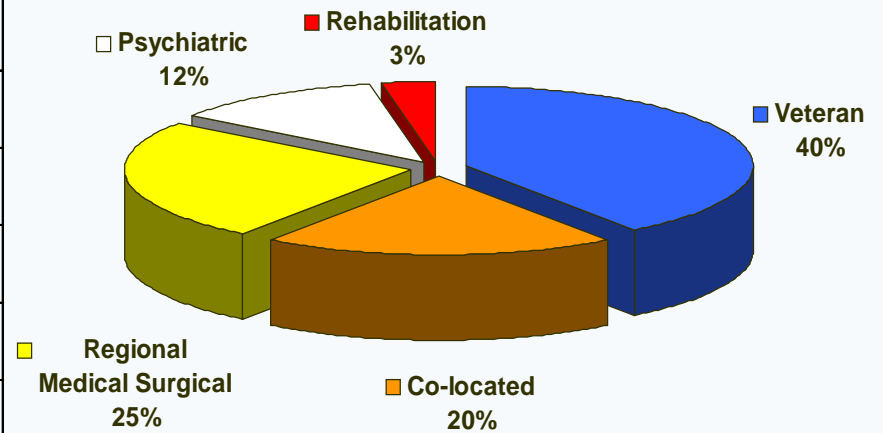
- **Alpha acquisition rounds off hospital portfolio, providing diversification into rehabilitation**
- **Ramsay leader in psychiatric care**
- **Leading position in regional medical surgical**
- **Co-located hospitals in strong position with significant upside potential**
- **Veteran hospitals provide diversified income stream secured by government contracts**



# Hospital Portfolio

Operating Division	Number of Hospitals	Licensed Beds
Veteran	2	787
Co-located	3	364
Regional Medical / Surgical	7	635
Psychiatric	8	538
Rehabilitation	2	131
<b>Totals</b>	<b>22</b>	<b>2,455</b>

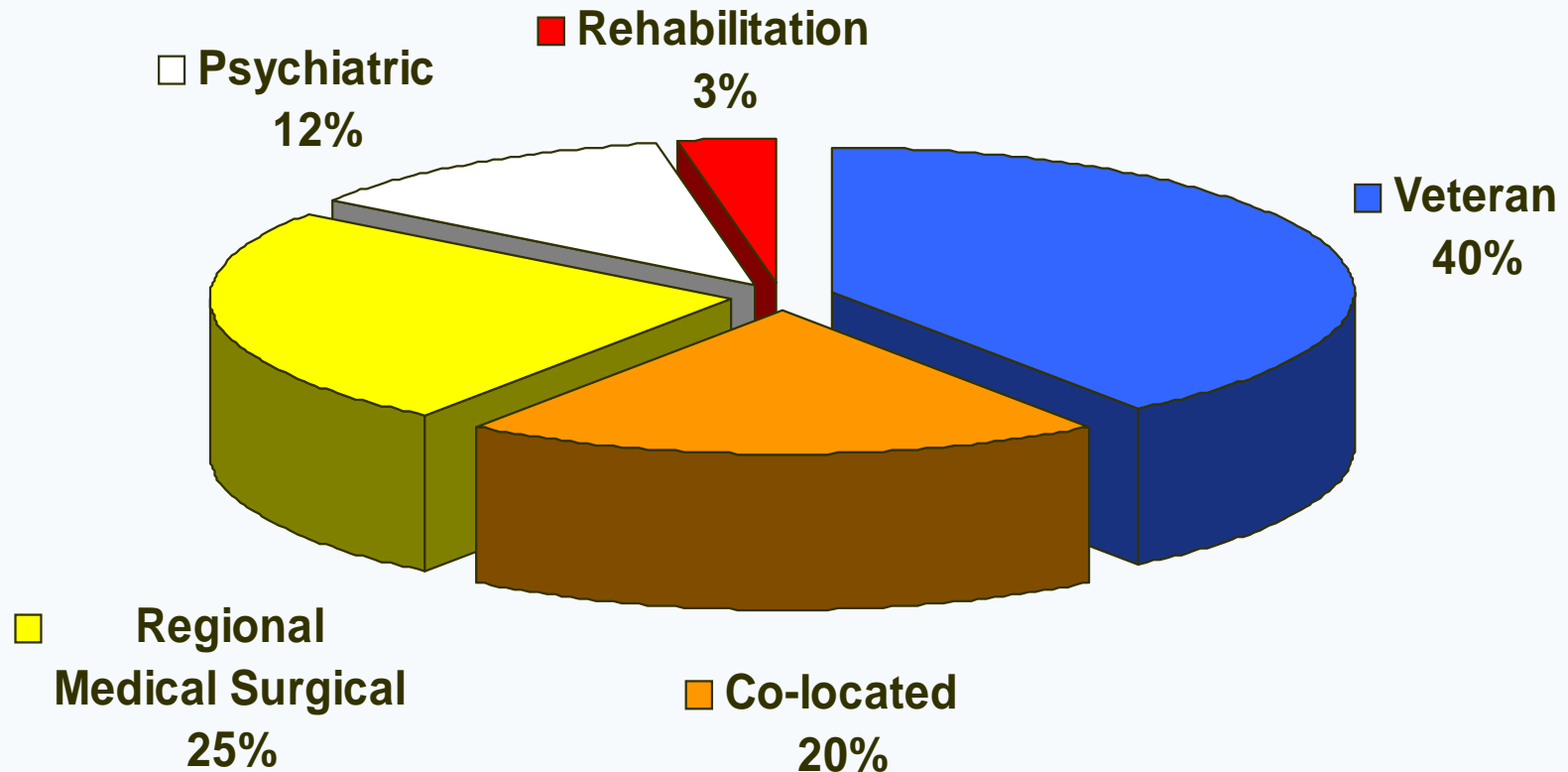
Revenue by Operating Division





# Hospital Portfolio (continued)

## Revenue by Operating Division





## **Stronger balance sheet, capital structure**

- **Successful completion of \$31m share placement results in lower gearing**
- **New debt funding structure provides increased flexibility**
- **Funds made accessible for acquisitions, expansion**
- **Cash flow strong, up from \$32m to \$52m**

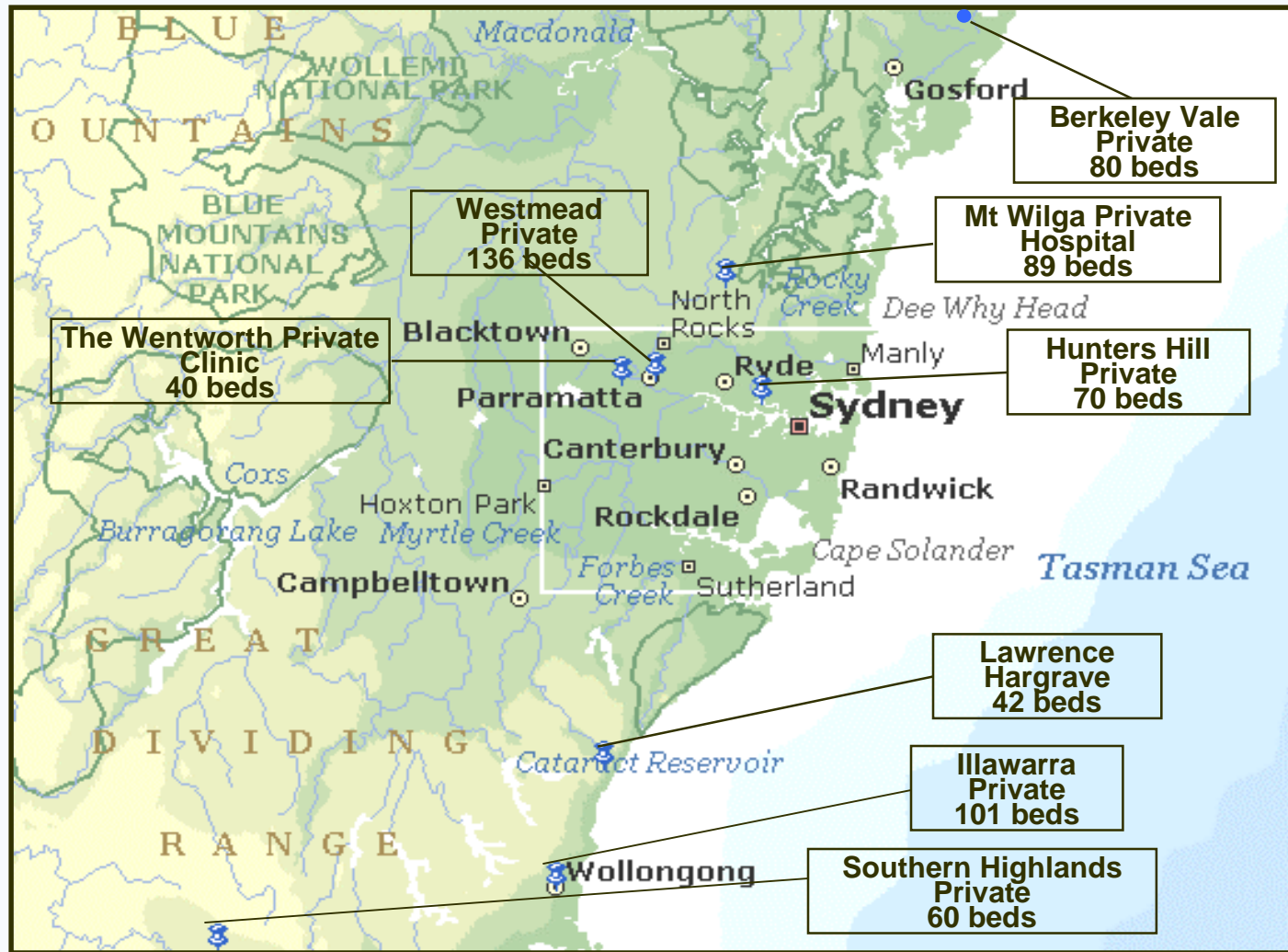


# Significance of Alpha Acquisition

- **Alpha lifts Ramsay NSW market share to 18%**
- **An additional 8 hospitals and 618 beds**
- **Increased profit through health fund rebate parity with Ramsay**
- **Full integration to achieve further cost savings**
- **More capacity to meet increasing demand for private hospital beds**
- **Westmead Private Hospital offers significant potential with reduced start up risk**



# Significance of Alpha Acquisition





# Ramsay's Growth Strategy

- **Strong organic growth through good management of existing hospitals**
- **Invest in existing hospitals to increase capacity in most efficient way - \$50 million expansion program planned over next 2 years**
- **Continue to investigate potential hospital acquisitions**
- **Explore opportunities outside of hospitals but close to core competencies**



# Outlook

- **Continued upside at North Shore Private**
- **Alpha provides additional capacity**
- **Westmead Private has significant potential**
- **Organic growth of existing operations**
- **Expansion program underway**
- **Continued improvement in health fund environment**



## Outlook - Earnings Certainty

- **Expectations at 30 June 2001 were for 50% NPAT rise this year**
- **Ramsay comfortable with NPAT market consensus of \$24 to \$27 million**
- **Trading since 30 June 2001 shows profit tracking towards top end of the range**



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