

*Rules 4.1, 4.3*

# Appendix 4B (rule 4.13(a))

## Half yearly/preliminary final report

Introduced 1/12/97. Origin: Appendices 3, 4. Amended 1/7/98, 1/9/99, 1/7/2000.

Name of entity

RAMSAY HEALTH CARE LIMITED

ACN, ARBN or ARSN

001 288 768

Half yearly  
(tick)

☐

Preliminary  
final (tick)

☒

Half year/financial year ended ('current period')

30 June 2000

### Equity accounted results for announcement to the market

*Extracts from this report for announcement to the market (see note 1).*

\$A'000

Sales (or equivalent operating) revenue ( <i>item 1.1</i> )	Up	26%	to	328,220
Abnormal items after tax attributable to members ( <i>item 2.5</i> )	(Loss) of			(1,810) *
+Operating profit (loss) after tax (before amortisation of goodwill) attributable to members ( <i>item 1.26</i> )	Up	13%	to	6,758
+Operating profit (loss) after tax attributable to members ( <i>item 1.10</i> )	Up	11%	to	6,616
Extraordinary items after tax attributable to members ( <i>item 1.13</i> )	Gain (loss) of			-
+Operating profit (loss) and extraordinary items after tax attributable to members ( <i>item 1.16</i> )	Up	11%	to	6,616

  

Dividends (distributions)	Amount per security	Franked amount per security at 36% tax
Final dividend ( <i>Preliminary final report only - item 15.4</i> )	4.4¢	0.0¢
Interim dividend ( <i>Half yearly report only - item 15.6</i> )	3.0¢	0.0¢
Previous corresponding period ( <i>Preliminary final report - item 15.5; half yearly report - item 15.7</i> )	4.4¢ 3.0¢	3.5¢ 2.4¢

  

+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) ( <i>see item 15.2</i> )	16 October 2000
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Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

- \* Abnormal items relate to the write off of costs on discontinued development projects. A significant proportion of these costs relate to the cessation of the Company's involvement in the Berwick Community Hospital privatisation project.

+ See chapter 19 for defined terms.

**Consolidated profit and loss account**

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Sales (or equivalent operating) revenue	328,220	259,841
1.2 Share of associates' "net profit (loss) attributable to members" (equal to item 16.7)	Nil	Nil
1.3 Other revenue	2,038	30,103*
	<b>330,258</b>	<b>289,944</b>
1.4 <b>*Operating profit (loss) before abnormal items and tax</b>	<b>9,962</b>	<b>12,755</b>
1.5 Abnormal items before tax (detail in item 2.4)	(2,277)	(6,998)
1.6 +Operating profit (loss) before tax (items 1.4 + 1.5)	7,685	5,757
1.7 Less tax	(1,069)	207
1.8 +Operating profit (loss) after tax but before outside +equity interests	6,616	5,964
1.9 Less outside +equity interests	Nil	Nil
1.10 <b>*Operating profit (loss) after tax attributable to members</b>	<b>6,616</b>	<b>5,964</b>
1.11 Extraordinary items after tax (detail in item 2.6)	Nil	Nil
1.12 Less outside +equity interests	Nil	Nil
1.13 Extraordinary items after tax attributable to members	Nil	Nil
1.14 <b>Total +operating profit (loss) and extraordinary items after tax</b> (items 1.8 + 1.11)	<b>6,616</b>	<b>5,964</b>
1.15 +Operating profit (loss) and extraordinary items after tax attributable to outside +equity interests (items 1.9 + 1.12)	Nil	Nil
1.16 <b>+Operating profit (loss) and extraordinary items after tax attributable to members</b> (items 1.10 + 1.13)	<b>6,616</b>	<b>5,964</b>
1.17 Retained profits (accumulated losses) at beginning of financial period	27,613	29,699
1.18 If change in accounting policy as set out in clause 11 of AASB 1018 Profit and Loss Accounts, adjustments as required by that clause (include brief description)	Nil	Nil
1.19 Aggregate of amounts transferred from reserves	Nil	Nil
1.20 <b>Total available for appropriation</b> ( <i>carried forward</i> )	<b>34,229</b>	<b>35,663</b>

+ See chapter 19 for defined terms.

\* essentially represents proceeds on sale of non-hospital assets

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**Consolidated profit and loss account continued**

1.20	Total available for appropriation ( <i>brought forward</i> )	34,229	35,663
1.21	Dividends provided for or paid	(8,050)	(8,050)
1.22	Aggregate of amounts transferred to reserves	Nil	Nil
1.23	<b>Retained profits (accumulated losses) at end of financial period</b>	<b>26,179</b>	<b>27,613</b>

<b>Profit restated to exclude amortisation of goodwill</b>		Current period \$A'000	Previous period corresponding \$A'000
1.24	+Operating profit (loss) after tax before outside equity interests (Items 1.8) and amortisation of goodwill	6,758	5,964
1.25	Less (plus) outside +equity interests	Nil	Nil
1.26	+Operating profit (loss) after tax (before amortisation of goodwill) attributable to members	6,758	5,964

<b>Intangible, abnormal and extraordinary items</b>		<i>Consolidated – current period</i>			
		Before tax \$A'000	Related tax \$A'000	Related outside +equity interests \$A'000	Amount (after tax) attributable to members \$A'000
2.1	Amortisation of goodwill	141	Nil	Nil	141
2.2	Amortisation of other intangibles	N/A	N/A	N/A	N/A
2.3	<b>Total amortisation of intangibles</b>	141	Nil	Nil	141
2.4	Abnormal items				
	Write-off of discontinued projects	(2,894)	689		(2,205)
	Reversal of surplus rental property provision	617	(222)		395
2.5	<b>Total abnormal items</b>	(2,277)	467	Nil	(1,810)
2.6	Extraordinary items	Nil	Nil	Nil	Nil
2.7	<b>Total extraordinary items</b>	Nil	Nil	Nil	Nil

<b>Comparison of half year profits</b> ( <i>Preliminary final report only</i> )		Current year - \$A'000	Previous year - \$A'000
3.1	Consolidated +operating profit (loss) after tax attributable to members reported for the <i>1st</i> half year (item 1.10 in the half yearly report)	2,701	4,037
3.2	Consolidated +operating profit (loss) after tax attributable to members for the <i>2nd</i> half year	3,915	1,927

+ See chapter 19 for defined terms.

<b>Consolidated balance sheet</b> (See note 5)		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
<b>Current assets</b>				
4.1	Cash	12,030	13,327	11,974
4.2	Receivables	32,650	33,433	36,453
4.3	Investments	Nil	Nil	Nil
4.4	Inventories	4,516	4,730	4,795
4.5	Other (provide details if material)	Nil	Nil	Nil
4.6	<b>Total current assets</b>	<b>49,196</b>	<b>51,490</b>	<b>53,222</b>
<b>Non-current assets</b>				
4.7	Receivables	3,354	2,924	2,827
4.8	Investments in associates	Nil	Nil	Nil
4.9	Other investments	411	297	646
4.10	Inventories	Nil	Nil	Nil
4.11	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	N/A	N/A	N/A
4.12	Development properties (+mining entities)	N/A	N/A	N/A
4.13	Other property, plant and equipment (net)	391,783	444,341	436,538
4.14	Intangibles (net)	3,269	Nil	3,762
4.15	Other (provide details if material):			
	- Future income tax benefit	19,169	21,473	21,473
	- Capitalised costs	257	907	962
4.16	<b>Total non-current assets</b>	<b>418,243</b>	<b>469,942</b>	<b>466,208</b>
4.17	<b>Total assets</b>	<b>467,439</b>	<b>521,432</b>	<b>519,430</b>
<b>Current liabilities</b>				
4.18	Accounts payable	37,417	35,006	32,912
4.19	Borrowings	13,675	13,574	14,098
4.20	Provisions	15,712	16,480	14,650
4.21	Other (provide details if material)	Nil	Nil	Nil
4.22	<b>Total current liabilities</b>	<b>66,804</b>	<b>65,060</b>	<b>61,660</b>
<b>Non-current liabilities</b>				
4.23	Accounts payable	161	195	178
4.24	Borrowings	214,698	227,267	227,439
4.25	Provisions	6,588	6,342	7,192
4.26	Other (provide details if material):			
	- Deferred income tax liability	17,872	19,091	20,046
4.27	<b>Total non-current liabilities</b>	<b>239,319</b>	<b>252,895</b>	<b>254,855</b>
4.28	<b>Total liabilities</b>	<b>306,123</b>	<b>317,955</b>	<b>316,515</b>

+ See chapter 19 for defined terms.

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4.29	Net assets	<b>161,316</b>	<b>203,477</b>	<b>202,915</b>
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+ See chapter 19 for defined terms.

**Consolidated balance sheet continued**

	<b>Equity</b>			
4.30	Capital	80,704	80,704	80,704
4.31	Reserves	* 54,432	95,160	95,160
4.32	Retained profits (accumulated losses)	26,179	27,613	27,051
4.33	Equity attributable to members of the parent entity	<b>161,316</b>	<b>203,477</b>	<b>202,915</b>
4.34	Outside +equity interests in controlled entities	Nil	Nil	Nil
4.35	<b>Total equity</b>	<b>161,316</b>	<b>203,477</b>	<b>202,915</b>
4.36	Preference capital included as part of 4.33	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**Exploration and evaluation expenditure capitalised**

*To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit.*

	Current period \$A'000	Previous corresponding period - \$A'000
5.1 Opening balance	N/A	N/A
5.2 Expenditure incurred during current period		
5.3 Expenditure written off during current period		
5.4 Acquisitions, disposals, revaluation increments, etc.		
5.5 Expenditure transferred to Development Properties		
5.6 <b>Closing balance as shown in the consolidated balance sheet (item 4.11)</b>	<b>N/A</b>	<b>N/A</b>

**Development properties**

*(To be completed only by entities with mining interests if amounts are material)*

	Current period \$A'000	Previous corresponding period - \$A'000
6.1 Opening balance	N/A	N/A
6.2 Expenditure incurred during current period		
6.3 Expenditure transferred from exploration and evaluation		
6.4 Expenditure written off during current period		
6.5 Acquisitions, disposals, revaluation increments, etc.		
6.6 Expenditure transferred to mine properties		
6.7 <b>Closing balance as shown in the consolidated balance sheet (item 4.12)</b>	<b>N/A</b>	<b>N/A</b>

+ See chapter 19 for defined terms.

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- \* Decrease in reserves relates primarily to the devaluation of the two co-located hospitals whose profitability have been slower to emerge than originally anticipated.

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+ See chapter 19 for defined terms.



## Consolidated statement of cash flows

(See note 6)

	Current period \$A'000	Previous corresponding period - \$A'000
<b>Cash flows related to operating activities</b>		
7.1 Receipts from customers	328,372	248,703
7.2 Payments to suppliers and employees	(272,692)	(221,354)
7.3 Dividends received from associates	-	-
7.4 Other dividends received	-	-
7.5 Interest and other items of similar nature received	812	408
7.6 Interest and other costs of finance paid	(21,678)	(14,472)
7.7 Income taxes paid	(2,154)	(3,678)
7.8 Other (provide details if material)	-	-
<b>7.9 Net operating cash flows</b>	<b>32,660</b>	<b>9,607</b>
<b>Cash flows related to investing activities</b>		
7.10 Payment for purchases of property, plant and equipment	(9,705)	(88,694)
7.11 Proceeds from sale of property, plant and equipment	1,227	29,695
7.12 Payment for purchases of equity investments	-	-
7.13 Proceeds from sale of equity investments	-	-
7.14 Loans to other entities	(432)	(2,897)
7.15 Loans repaid by other entities	-	-
7.16 Other (provide details if material):		
- Payment for purchase of business	(3,409)	-
- Other	-	(76)
<b>7.17 Net investing cash flows</b>	<b>(12,319)</b>	<b>(61,972)</b>
<b>Cash flows related to financing activities</b>		
7.18 Proceeds from issues of +securities (shares, options, etc.)	-	-
7.19 Proceeds from borrowings	9,332	75,041
7.20 Repayment of borrowings	(22,867)	(21,163)
7.21 Dividends paid	(8,050)	(8,050)
7.22 Other (provide details if material)	(53)	-
<b>7.23 Net financing cash flows</b>	<b>(21,638)</b>	<b>45,828</b>
<b>7.24 Net increase (decrease) in cash held</b>	<b>(1,297)</b>	<b>(6,537)</b>
7.25 Cash at beginning of period (see Reconciliation of cash)	13,327	19,864
7.26 Exchange rate adjustments to item 7.25	-	-
<b>7.27 Cash at end of period</b> (see Reconciliation of cash)	<b>12,030</b>	<b>13,327</b>

+ See chapter 19 for defined terms.

## Non-cash financing and investing activities

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

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## Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
8.1 Cash on hand and at bank	3,833	5,106
8.2 Deposits at call	119	113
8.3 Bank overdraft	Nil	Nil
8.4 Other – restricted cash deposits	8,078	8,108
8.5 <b>Total cash at end of period</b> (item 7.26)	<b>12,030</b>	<b>13,327</b>

## Ratios

	Current period	Previous corresponding Period
<b>Profit before abnormals and tax / sales</b>		
9.1 Consolidated +operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)	3.0%	4.9%
<b>Profit after tax / +equity interests</b>		
9.2 Consolidated +operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.33)	4.1%	2.93%

## Earnings per security (EPS)

	Current period	Previous corresponding period
10.1 Calculation of the following in accordance with AASB 1027: <i>Earnings per Share</i>		
(a) Basic EPS	6.08¢	5.48¢
(b) Diluted EPS (if materially different from (a))	6.08¢	5.48¢
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	108,783,866	108,783,866

+ See chapter 19 for defined terms.

<b>NTA backing</b> <i>(see note 7)</i>	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	\$1.44	\$1.85

**Details of specific receipts/outlays, revenues/ expenses**

	Current period \$A'000	Previous corresponding period - \$A'000
12.1 Interest revenue included in determining item 1.4	812	408
12.2 Interest revenue included in item 12.1 but not yet received (if material)	Nil	Nil
12.3 Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	21,678	14,472
12.4 Interest costs excluded from item 12.3 and capitalised in asset values (if material)	Nil	4,239
12.5 Outlays (except those arising from the +acquisition of an existing business) capitalised in intangibles (if material)	Nil	Nil
12.6 Depreciation and amortisation (excluding amortisation of intangibles)	20,617	14,939

**Control gained over entities having material effect**

*(See note 8)*

13.1 Name of entity (or group of entities)	N/A
13.2 Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was +acquired	N/A
13.3 Date from which such profit has been calculated	N/A
13.4 +Operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	N/A

+ See chapter 19 for defined terms.

## Loss of control of entities having material effect

(See note 8)

14.1	Name of entity (or group of entities)	N/A
14.2	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	\$
14.3	Date to which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	\$
14.5	Contribution to consolidated +operating profit (loss) and extraordinary items from sale of interest leading to loss of control	\$

## Reports for industry and geographical segments

*Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this report. However, the following is the presentation adopted in the Appendices to AASB 1005 and indicates which amounts should agree with items included elsewhere in this report.*

### Segments

The economic entity operates within the health care industry predominantly in Australia.

## Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	31 October 2000
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfers received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	16 October 2000
15.3	If it is a final dividend, has it been declared? (Preliminary final report only)	Yes

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+ See chapter 19 for defined terms.

**Amount per security**

		Amount per security	Franked amount per security at 36% tax	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> <b>Final dividend:</b> Current year	4.4¢	Nil	Nil
15.5	Previous year	4.4¢	3.5¢	Nil
15.6	<i>(Half yearly and preliminary final reports)</i> <b>Interim dividend:</b> Current year	3.0¢	Nil	Nil
15.7	Previous year	3.0¢	2.4¢	Nil

**Total dividend (distribution) per security (interim *plus* final)**

*(Preliminary final report only)*

	Current year	Previous year
15.8 +Ordinary securities	7.4¢	7.4¢
15.9 Preference +securities	N/A	N/A

**Half yearly report - interim dividend (distribution) on all securities or  
Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 +Ordinary securities	4,786	4,786
15.11 Preference +securities	N/A	N/A
15.12 <b>Total</b>	<b>4,786</b>	<b>4,786</b>

The +dividend or distribution plans shown below are in operation.

N/A
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The last date(s) for receipt of election notices for the +dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions)

N/A
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+ See chapter 19 for defined terms.

### Details of aggregate share of profits (losses) of associates

Entity's share of associates'		Current period \$A'000	Previous corresponding period - \$A'000
16.1	Operating profit (loss) before income tax	-	-
16.2	Income tax expense	-	-
16.3	Operating profit (loss) after income tax	-	-
16.4	Extraordinary items net of tax	-	-
16.5	Net profit (loss)	-	-
16.6	Outside equity interests	-	-
16.7	Net profit (loss) attributable to members	-	-

### Material interests in entities which are not controlled entities

*The economic entity has an interest (that is material to it) in the following entities. If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from xx/xx/xx") or disposal ("to xx/xx/xx").*

Name of entity		Percentage of ownership interest held at end of period or date of disposal		Contribution to *operating profit (loss) and extraordinary items after tax (item 1.14)	
17.1	Equity accounted associates	Current period	Previous corresponding period	Current period - \$A'000	Previous corresponding period- \$A'000
		N/A	N/A	N/A	N/A
17.2	Total				
17.3	Other material interests				
17.4	Total				

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+ See chapter 19 for defined terms.

## Issued and quoted securities at end of current period

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

Category of *securities	Total number	Number quoted	Issue price per security (see note 15) (cents)	Amount paid up per security (see note 15) (cents)
18.1 <b>Preference *securities</b> <i>(description)</i>	-	-	-	-
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	-	-	-	-
18.3 <b>*Ordinary securities</b>	108,783,866	108,783,866	N/A	N/A
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	-	-	-	-
18.5 <b>*Convertible debt securities</b> <i>(description and conversion factor)</i>	-	-	-	-
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
18.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date (if any)</i>
	2,307,500	-	\$1.85	17/09/02
	155,000	-	\$1.85	23/09/02
	217,500	-	\$1.85	15/12/03
18.8 Issued during current period	-	-	-	-
18.9 Exercised during current period	-	-	-	-
18.10 Expired during current period	230,000	-	\$1.85	various
18.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
18.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

# Expiry date is five years after issue. In each case, none of the options are exercisable within two years of the date of issue up to 40% of the options are exercisable after 2 years, a further 20% of the options are exercisable in the final three months of each of the subsequent three years.

+ See chapter 19 for defined terms.

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**Comments by directors**

*Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Law) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.*

**Basis of accounts preparation**

*If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last <sup>+</sup>annual report and any announcements to the market made by the entity during the period. [Delete if preliminary final statement.]*

Material factors affecting the revenues and expenses of the economic entity for the current period

Refer to attachment entitled "Comment by Directors"

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

N/A

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Dividends in the current financial year are not expected to be franked as there are insufficient franking credits available.

Changes in accounting policies since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly report in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure.)*

No material changes

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<sup>+</sup> See chapter 19 for defined terms.



## Additional disclosure for trusts

19.1	Number of units held by the management company or responsible entity or their related parties.	N/A
19.2	A statement of the fees and commissions payable to the management company or responsible entity.  Identify: <ul style="list-style-type: none"><li>• initial service charges</li><li>• management fees</li><li>• other fees</li></ul>	N/A

## Annual meeting

*(Preliminary final report only)*

The annual meeting will be held as follows:

Place	Quay West, 98 Gloucester Street, The Rocks, Sydney NSW 2000
Date	21 November 2000
Time	2.30pm
Approximate date the +annual report will be available	

## Compliance statement

- 1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 13).

Identify other standards used

Nil

- 2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

- 3 This report does give a true and fair view of the matters disclosed (see note 2).

+ See chapter 19 for defined terms.

**Appendix 4B (rule 4.13(a))**  
**Half yearly/preliminary final report**

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4 This report is based on +accounts to which one of the following applies.

(Tick one)

☐

The +accounts have been audited.

☐

The +accounts have been subject to review.

☒

The +accounts are in the process of being audited or subject to review.

☐

The +accounts have *not* yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*). (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Law.*)

6 The entity has a formally constituted audit committee.

Sign here: .....  
(Director/Company secretary)

Date: 6 September 2000

Print name: .....Bruce Soden.....

## Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section.

2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

3. **Consolidated profit and loss account**

Item 1.1 The definition of "operating revenue" and an explanation of "sales revenue" (or its equivalent) and "other revenue" are set out in *AASB 1004: Disclosure of Operating Revenue*.

Item 1.2 'Share of associates' "net profit (loss) attributable to members" would form part of "other revenue" in *AASB 1004* to the extent that a profit is to be reported. ASX has elected to require disclosure of a share of a loss in the same location for consistency of presentation.

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+ See chapter 19 for defined terms.

- Item 1.4      “+operating profit (loss) before abnormal items and tax” is calculated before dealing with outside +equity interests and extraordinary items, but after deducting interest on borrowings, depreciation and amortisation.
- Item 1.7      This item refers to the total tax attributable to the amount shown in item 1.6. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as operating expenses (eg, fringe benefits tax).
4.      **Income tax**    If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.
5.      **Consolidated balance sheet**  
**Format**    The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029* and *AASB 1034*. Banking institutions, trusts and financial institutions identified in an ASIC Class Order dated 2 September 1997 may substitute a clear liquidity ranking for the Current/Non-Current classification.
- Basis of revaluation**    If there has been a material revaluation of non-current assets (including investments) since the last +annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of *AASB 1029* and paragraph 11 of *AASB 1030: Application of Accounting Standards etc.*
6.      **Statement of cash flows**    For definitions of “cash” and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. +Mining exploration entities may use the form of cash flow statement in Appendix 5B.
7.      **Net tangible asset backing**    Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the +ordinary securities (ie, all liabilities, preference shares, outside +equity interests etc). +Mining entities are *not* required to state a net tangible asset backing per +ordinary security.
8.      **Gain and loss of control over entities**    The gain or loss must be disclosed if it has a material effect on the +accounts. Details must include the contribution for each gain or loss that increased or decreased the entity’s consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.

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+ See chapter 19 for defined terms.

9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. However, an entity may report exact figures, if the \$A'000 headings are amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
10. **Comparative figures** Comparative figures are the unadjusted figures from the previous corresponding period. However, if there is a lack of comparability, a note explaining the position should be attached.
11. **Comparative figures when equity accounted information first included in the accounts** There will be a lack of comparability in the figures for the previous corresponding period when equity accounted information is first included if this information has a material effect on the consolidated accounts. If it does have a material effect, attach a note providing a better comparison by restating "Operating profit (loss) after tax attributable to members" (item 1.10) and "Investments in associates" (item 4.8) for the previous corresponding period to incorporate equity accounted information. In addition, as required by Note 1, no directional or percentage changes in profit are to be reported in the "For announcement to the market" section. Where the disclosures were not previously required in Appendix 4B, no comparatives need be shown.
12. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the +ASIC under the Corporations Law must also be given to ASX. For example, a directors' report and statement, if lodged with the +ASIC, must be given to ASX.
13. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one) must be complied with.
14. **Corporations Law financial statements** As at 1/7/96, this report may be able to be used by an entity required to comply with the Corporations Law as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
15. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.

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+ See chapter 19 for defined terms.



## COMMENT BY DIRECTORS

Despite the tough health insurance environment the Directors of Ramsay Health Care are pleased to announce improved results, reporting a net profit before abnormal items of \$8.4 million and an operating profit of \$6.6 million for the year ended 30 June 2000. (an increase of 11% on the previous year).

Detailed below is a summary of results:

	Year ended 30 June \$000						
	Established Hospitals		Co-located Hospitals		Total		%
	2000	1999	2000	1999	2000	1999	
Operating Revenue	<u>257,705</u>	<u>232,661</u>	<u>70,515</u>	<u>27,180</u>	<u>328,220</u>	<u>259,841</u>	<u>26%</u>
EBITDA	47,331	40,081	4,250	1,677	51,581	41,758	
EBIT	34,474	27,914	(3,646)	(1,095)	30,828	26,819	
Profit before tax and abnormals					9,962	12,755	
NPAT before abnormals					8,426	9,982	
Abnormal loss (net of tax)					(1,810)	(4,018)	
NPAT	<u></u>	<u></u>	<u></u>	<u></u>	<u>6,616</u>	<u>5,964</u>	<u>11%</u>
EBIT Margin	13.4%	12.0%	-	-	9.4%	10.3%	
EPS (cents per share)					6.1	5.5	

Overall group revenue rose by 26% to \$328 million, while group NPAT before abnormals was \$8.4 million, after absorbing a full year's impact of depreciation and interest costs associated with North Shore Private Hospital and Flinders Private Hospital. (As compared with 8 months for North Shore Private Hospital and 2 months for Flinders Private Hospital in the previous year).

+ See chapter 19 for defined terms.

The net profit for the year after tax and an abnormal loss of \$1.8 million was \$6.6 million, an increase of 11% over the previous year. The abnormal loss arose from the write-off of a number of discontinued development projects including the Company's withdrawal from the Berwick Community Hospital privatisation, the Princess Alexandra co-location, and the Austin Repatriation privatisation project.

Revenue from the established hospitals (i.e. the veteran hospitals, rural medical surgical hospitals and psychiatric hospitals) rose by 11% to \$258 million, while EBIT increased by 24% to \$34 million, giving an EBIT margin of 13.4% as compared with 12% for the previous year.

The performance of the co-located hospitals (i.e. North Shore Private Hospital and Flinders Private Hospital) has continued to be adversely affected by the difficult health insurance environment. Despite a continued growth in occupancy and an improvement in revenue per patient day, the level of reimbursement from private health funds has not been commensurate with the high cost of acute care and the quality service provided by these hospitals. Management will continue to negotiate with private health insurers for an improvement in reimbursement rates.

In accordance with their annual review of hospital carrying values the Directors have effected a net devaluation of \$40.7 million against the consolidated asset revaluation reserve. This includes a devaluation of \$37 million for North Shore and Flinders private hospitals on the basis that while there has been an encouraging improvement in performance, profitability for each hospital has not emerged as quickly as anticipated.

Construction of the new Mildura Base Hospital is now complete, with commissioning scheduled for 19 September 2000. This hospital is a 153-bed privatised public hospital facility with a fifteen-year contract to provide a wide range of services to the people of the Sunraysia District. The hospital is forecast to break-even in the first twelve months after commissioning and the Company is working closely with the Victorian Government to ensure its success.

On the basis of the Company's improving performance and an anticipated recovery within the private healthcare sector the Directors are pleased to declare a final dividend for the year of 4.4 cents per share. The dividend will be unfranked and payable on 31 October 2000. The record date for determining entitlement to the dividend is 16 October 2000. This will bring the total dividend paid for the year to 7.4 cents per share.

Given the success of the federal Governments initiatives and the increase private health insurance the Directors have cautious expectations for continued recovery within the healthcare industry in the foreseeable future and a significant improvement in the Company's profitability in the ensuing financial year.

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+ See chapter 19 for defined terms.