

RAMSAY HEALTH CARE LIMITED
ABN 57 001 288 768

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2012

RAMSAY HEALTH CARE LIMITED

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SECTION 1
RESULTS FOR ANNOUNCEMENT
TO THE MARKET

RAMSAY HEALTH CARE LIMITED

RESULTS FOR ANNOUNCEMENT TO THE MARKET

1.1 HIGHLIGHTS OF RESULTS

	Notes	6 months ended 31/12/2012 \$'000	6 months ended 31/12/2011 \$'000	% increase/ (decrease)
Revenue and other income from continuing operations		2,073,479	1,972,545	5.1%
Revenue from services		2,071,690	1,970,151	5.2%
Profit from continuing operations before finance costs, tax, depreciation, amortisation and non-core items (EBITDA before non-core items)		318,794	299,744	6.4%
Profit from continuing operations before finance costs, tax and non-core items (EBIT before non-core items)		248,427	228,277	8.8%
Core profit after tax from continuing operations	(1),(3)	148,201	131,966	12.3%
Non-core items				
- Non-cash rent expense relating to leased UK hospitals		(11,017)	(12,073)	
- Amortisation of service concession assets		(1,124)	(1,096)	
- Other		(932)	5,467	
Income tax on non-core items		3,316	1,423	
		(9,757)	(6,279)	55.4%
Net profit after tax for the period attributable to members *		138,444	125,687	10.1%
Earnings per share (cents per share)				
Core EPS - Continuing operations	(1),(2),(3)	69.1c	60.8c	13.7%
Diluted Statutory EPS - Continuing operations		64.3c	57.7c	11.4%

* The term 'members' is inclusive of the holders of CARES

1. 'Core profit after tax from continuing operations' and 'core earnings per share - continuing operations' are before non-core items and from continuing operations.
2. Core earnings per share (Core EPS) calculation is based upon Core profit after tax from continuing operations adjusted for Preference Dividends, using the weighted average of ordinary shares adjusted for the effect of dilution.
3. Refer to note 2(a) of the Consolidated Financial Statements for further information.

RAMSAY HEALTH CARE LIMITED

RESULTS FOR ANNOUNCEMENT TO THE MARKET

1.2 EARNINGS PER SHARE

	6 months ended 31/12/2012 \$000	6 months ended 31/12/2011 \$000
Net profit for the period attributable to the owners of the parent	138,444	125,687
Less: dividend paid on convertibles adjustment rate equity securities (CARES)	(8,318)	(8,982)
Profit used in calculating basic and diluted for profit (after CARES dividend) earnings per share from continuing operations	130,126	116,705
	Number of Shares	
Weighted average number of ordinary shares used in calculating basic earnings per share	200,714,286	200,978,505
Weighted average number of ordinary shares used in calculating diluted earnings per share	202,477,429	202,355,423
Earnings per share (cents per share)		
- basic (after CARES dividend)	64.8	58.1
- diluted (after CARES dividend)	64.3	57.7
- basic (after CARES dividend) from continuing operations	64.8	58.1
- diluted (after CARES dividend) from continuing operations	64.3	57.7

1.3 DIVIDEND INFORMATION

Dividends – Ordinary Shares	Amount per security	Franked amount per security
Current year - Interim dividend	29.0 ¢	29.0 ¢
Previous corresponding period - Interim dividend	25.5 ¢	25.5 ¢
Record date for determining entitlements to the interim dividend	8 March 2013	
Date the interim current year dividend is payable	27 March 2013	

Convertible Adjustable Rate Equity Securities ('CARES') Dividends		
Record date for determining entitlements to the CARES interim dividend	5 April 2013	
Date the interim CARES dividend is payable	22 April 2013	

The proposed interim ordinary and CARES dividends will be franked at the rate of 30% (2011: 30%).

1.4 NET TANGIBLE ASSETS

	31/12/2012	30/06/2012
Net tangible assets per ordinary share	\$2.63	\$2.40

RAMSAY HEALTH CARE LIMITED

RESULTS FOR ANNOUNCEMENT TO THE MARKET

1.5 COMMENTARY ON RESULTS

Commentary on results follows

ASX ANNOUNCEMENT

26 February 2013

RAMSAY HEALTH CARE REPORTS 12.3% RISE IN FIRST-HALF CORE NET PROFIT

Financial Highlights

- Core net profit¹ after tax up 12.3% to \$148.2 million
- Core earnings per share (EPS²) up 13.7% to 69.1 cents
- Group:
 - Revenue up 5.2% to \$2.1 billion
 - EBIT up 8.8% to \$248.4 million
- Australia & Indonesia:
 - Revenue up 6.7% to \$1.7 billion
 - EBIT up 10.3% to \$222.0 million
- Europe:
 - UK EBITDAR up 1.5% to £44.7 million
 - France EBITDAR up 3.4% to €12.6 million
- Interim dividend 29.0 cents fully franked, up 13.7% on the previous corresponding period
- Upgrades guidance for Core NPAT and Core EPS growth for the Group to 13% to 15% for FY13 (previously 10% to 12%)

Overview

Australia's largest private hospital operator Ramsay Health Care today announced a Group core net profit after tax from continuing operations (before non-core items) of \$148.2 million for the six months to 31 December 2012, a 12.3% increase on the previous corresponding period.

Group core net profit delivered core earnings per share (EPS) of 69.1 cents for the half, a 13.7% increase on the 60.8 cents recorded a year ago and slightly ahead of guidance announced to the market in August 2012.

Ramsay recorded a statutory net profit after tax of \$138.4 million (up 10.1% on the prior half) after deducting net non-core items of \$9.8 million (net of tax).

Included in the non-core items was the annual non-cash charge for deferred rent from the leasing of UK hospitals (\$11 million gross).

Directors are pleased to announce an interim dividend of 29.0 cents fully franked, up 13.7% on the previous corresponding period. The dividend Record Date is 8 March 2013 with payment on 27 March 2013. The Dividend Reinvestment Plan will remain suspended.

Ramsay Health Care Managing Director Christopher Rex said the business performed to expectations across Ramsay's worldwide portfolio while interest costs were slightly lower than anticipated.

¹ Before non-core items

² Before non-core items and after CARES dividends

“The 2013 half year results reflect a solid performance in all our divisions across the world. Our brownfield expansion programme is paying dividends as the new capacity created in our facilities meets the growing demand for health care. The Board has approved a further \$91 million in capacity expansions during the period,” Mr Rex said.

He said private health insurance membership in Australia remained strong (46.9% with hospital treatment insurance) and despite the challenges presented by changes to private healthcare policy in recent years, demand for healthcare would continue to increase with an ageing and expanding population.

In January 2013, Ramsay Health Care was recognized in the 2013 Global 100 Most Sustainable Corporations in the World for the second year in a row. Announced at the world economic forum in Davos, Ramsay was one of nine Australian companies that made it into the industry leading sustainability index.

Operational Highlights Australia & Indonesia

Ramsay’s Australia business achieved revenue growth of 7% and EBIT growth of 10% during the period. At hospital level EBITDA margins increased 50 basis points from 18.1% to 18.6%.

Ramsay’s Indonesian business delivered a strong operating result for the half year. In local currency (Indonesian Rupiah) revenue grew 11% and EBIT grew 46% during the period. EBITDA margins rose to 16.3% from 14.5%.

Hospital expansions continue to be a focus for Ramsay in 2013.

During the half year, a \$19.2 million expansion of Beleura and Peninsula Hospitals on the Mornington Peninsula was completed. The redevelopment includes a major expansion of surgical and mental health services at the hospitals with critical care facilities also constructed at Peninsula Private to allow for the introduction of open heart surgery for the first time in this region.

The \$47 million expansion of Greenslopes Private Hospital in Brisbane will be completed in March 2013. The development of one of the largest hospitals in the country with over 660 beds will see maternity services being offered at the hospital for the first time.

Also nearing completion is the expansion of Joondalup Health Campus in Perth. In March 2013, a 145 bed stand-alone private hospital will open on the campus, which substantially completes the \$393 million redevelopment of this hospital (\$133 million funded by Ramsay and the balance by the Western Australian State Government).

In November 2012, the Ramsay Board approved a \$56 million expansion of Warringal Private Hospital in Heidelberg, Victoria, which will see the hospital grow to a 205 bed facility with 10 operating theatres.

During the half, the Board also approved a \$4 million expansion of day surgery facilities at Shepparton Private; a \$10 million expansion of Strathfield Private in Sydney; a \$7 million expansion of mental health facilities at Mitcham Private in Melbourne; and a \$14 million theatre and day surgery development at The Avenue Private, also in Melbourne. This brings the total approved developments to approximately \$91 million for the half year.

The 200 bed Sunshine Coast University Private Hospital remains on track for an opening date of December 2013. This hospital will deliver a significant range and volume of services to public patients under the contract with Queensland Health as well as offering private patient services.

Operational Highlights Europe

Ramsay’s UK business performed to expectations with revenue increasing by 1.5% during the half year to £179.4 million. Similarly, EBITDAR rose by 1.5% to £44.7 million.

Whilst private medical insured (PMI) admissions remain subdued, in the half year, Ramsay UK hospitals recorded a 9% rise in NHS admissions. NHS admissions now comprise close to 70% of the total admissions to Ramsay’s UK facilities. UK operating margins before rent (EBITDAR) remain strong at approximately 25%.

The Competition Commission process investigating competition in the private health care sector in the UK is ongoing, however, healthcare reform in that country is expected to provide continuing opportunities for the private sector and this is evident through strong ongoing growth in NHS admissions to Ramsay's UK facilities.

Ramsay Santé also performed to expectations with EBITDAR increasing by 3.4% to €12.6 million.

Balance Sheet and Cash Flow

Continuing strong operating cash flow has allowed Ramsay to invest significantly in brownfields whilst maintaining a low leverage ratio. Furthermore, effective working capital management delivered a high cash conversion rate for the Group of more than 100% of operating profit (EBITDA) to gross operating cash flow.

Outlook

Across the world, positive market dynamics and an appetite for governments to engage with the private health care sector, hold Ramsay Health Care in good stead for the future.

“The growing and ageing population will continue to drive demand for health care and hospital services and our investment in capacity expansions over several years means we are well placed to meet this demand,” Mr. Rex said.

“We remain positive about acquisition opportunities overseas, including emerging markets, and the opportunity to apply our proven health care management expertise in these markets.

“We will also continue to examine opportunities in existing markets in both the private and public sectors.

“Given the strong industry fundamentals and the continuing implementation of our successful growth strategy, barring unforeseen circumstances Ramsay upgrades FY13 guidance for core NPAT and core EPS growth for the Group to 13% - 15% (previously 10% to 12%).”

Contacts:

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Summary of Financial Performance

Half Year Ended 31 December
\$ 000's

	FY2013			FY2012	% Increase
	Australia & Indonesia	Europe	Group	Group	
<u>Net Profit After Tax (NPAT)</u>					
Operating revenue	1,697,927	373,763	2,071,690	1,970,151	5.2%
EBITDA	274,350	44,444	318,794	299,744	6.4%
EBIT	221,927	26,500	248,427	228,277	8.8%
Core NPAT (1)			148,201	131,966	12.3%
Net non-core items, net of tax (2)			(9,757)	(6,279)	
Reported NPAT			138,444	125,687	10.1%

<u>Earnings Per Share, (EPS) cents</u>			
Core EPS (3)	69.1	60.8	13.7%
Reported EPS	64.3	57.7	11.4%

<u>Dividends Per Share, cents</u>			
Interim dividend, fully franked	29.0	25.5	13.7%

Notes

- (1) 'Core NPAT is before non-core items and from continuing operations.
- (2) 'Net non-core items net of tax ' include the non-cash portion of rent expense of \$7.7 million net of tax relating to the UK hospitals.
- (3) 'Core EPS' is before non-core items and from continuing operations and after CARES Dividends.

SECTION 2

FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED

31 DECEMBER 2012

RAMSAY HEALTH CARE LIMITED
AND CONTROLLED ENTITIES
A.B.N. 57 001 288 768
FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

RAMSAY HEALTH CARE LIMITED
AND CONTROLLED ENTITIES
A.B.N. 57 001 288 768
FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

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DIRECTORS' REPORT

Your directors submit their report for the half year ended 31 December 2012.

DIRECTORS

The names of the company's directors in office during the half year are as set out below. Directors were in office for this entire period unless otherwise stated.

Names

P.J. Ramsay AO - Non-Executive Chairman
M.S. Siddle - Non-Executive Deputy Chairman
C.P. Rex - Managing Director
B.R. Soden - Group Finance Director
A.J. Clark AM - Non-Executive Director
P.J. Evans - Non-Executive Director
I.P.S. Grier AM - Non-Executive Director
R.H. McGeoch AO - Non-Executive Director
K.C.D. Roxburgh - Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activities of entities within the consolidated entity during the half year were the owning and operating of private hospitals. There were no significant changes in the nature of these activities during the half year.

REVIEW AND RESULTS OF OPERATIONS

A summary of consolidated statutory revenue and earnings is set out below for the six months ended 31 December

	2012	2011	
	\$000	\$000	% Change
Revenue from services	2,071,690	1,970,151	5.2%
Statutory earnings before interest, tax, depreciation and amortisation (EBITDA)	306,611	292,957	4.7%
Statutory earnings before interest and tax (EBIT)	235,120	220,394	6.7%
Net profit attributable to owners of the parent	138,444	125,687	10.1%

Statutory earnings per share

	2012	2011	% Change
Basic earnings per share	64.8c	58.1c	11.5%
Diluted earnings per share	64.3c	57.7c	11.4%

DIRECTORS' REPORT (CONTINUED)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

Financial highlights

Ramsay's statutory net profit attributable to the owners of the parent for the half year ended 31 December 2012 was \$138.4 million, a 10.1% increase on the previous corresponding period. Basic statutory earnings per share was 64.8 cents for the half year, an 11.5% increase.

The result was driven by solid performance in all divisions across the world and contribution from our completed brownfield developments.

In Australia, Ramsay achieved revenue growth of 7% and EBIT growth of 10% during the period. In Indonesia, Ramsay recorded a strong operating result with revenue growth of 11% and EBIT growth of 46% in the local currency.

Ramsay's UK business performed to expectations. NHS admissions increased by 9% which now comprise close to 70% of the total admissions to Ramsay's UK facilities. The UK operating margins before rent (EBITDAR) remain strong at approximately 25%.

Ramsay Santé also performed to expectations with EBITDAR increasing by 3.4%

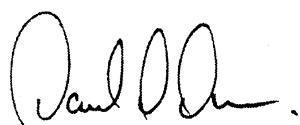
AUDITORS' INDEPENDENCE DECLARATION

The written Auditors' Independence Declaration in relation to the review of the half year financial report has been included at page 15, and forms part of this report.

ROUNDING

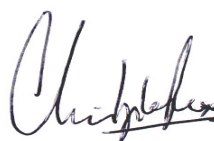
The amounts contained in this report and in the half year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.



P.J. Ramsay AO
Non-Executive Chairman

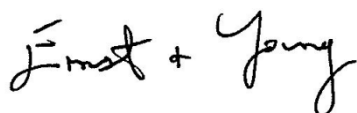
Sydney, 26 February 2013



C.P. Rex
Managing Director

Auditor's Independence Declaration to the Directors of Ramsay Health Care Limited

In relation to our review of the financial report of Ramsay Health Care Limited for the half-year ended 31 December 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'Ernst + Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'D. Simmonds'.

David Simmonds
Partner
26 February 2013

**CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	Notes	2012 \$000	2011 \$000
Revenue and other income			
Revenue from services		2,071,690	1,970,151
Interest income		1,666	2,394
Revenue – income from the sale of development assets		2,200	5,005
Other Income – profit on sale of assets		190	7,405
Total revenue and other income		2,075,746	1,984,955
Employee benefits costs		(1,013,969)	(959,232)
Occupancy costs		(130,718)	(126,251)
Service costs		(104,841)	(106,186)
Medical consumables and supplies		(516,590)	(493,580)
Depreciation and amortisation		(71,491)	(72,563)
Cost of goods sold – book value development assets sold		(1,351)	(4,355)
Total expenses, excluding finance costs		(1,838,960)	(1,762,167)
Profit from continuing operations before tax and finance costs		236,786	222,788
Finance costs		(36,081)	(39,384)
Profit before income tax from continuing operations		200,705	183,404
Income tax		(62,282)	(57,747)
Net profit for the period	2(a)(ii)	138,423	125,657
Attributable to non-controlling interests		(21)	(30)
Attributable to owners of the parent		138,444	125,687
		138,423	125,657
Earnings per share (cents per share)			
Basic earnings per share			
Profit (after CARES dividend)	7	64.8	58.1
Profit (after CARES dividend) from continuing operations	7	64.8	58.1
Diluted earnings per share			
Profit (after CARES dividend)	7	64.3	57.7
Profit (after CARES dividend) from continuing operations	7	64.3	57.7

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	Notes	2012 \$000	2011 \$000
Net profit for the period		138,423	125,657
Items that will not be reclassified to net profit			
Actuarial loss on defined benefit plans		-	(811)
Items that may be subsequently reclassified to net profit			
Cash flow hedges			
Loss taken to equity		(2,868)	(17,331)
Transferred to income statement		5,235	7,135
Net loss on bank loan designated as a hedge of a net investment		(3,175)	(2,691)
Foreign currency translation		5,855	(5,169)
Income tax relating to components of other comprehensive income	5	(710)	3,066
Other comprehensive income/(expense) for the period, net of tax		4,337	(15,801)
Total comprehensive income for the period		142,760	109,856
Attributable to non-controlling interests		(21)	(30)
Attributable to the owners of the parent		142,781	109,886
		<u>142,760</u>	<u>109,856</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	As at 31/12/2012 \$000	As at 30/06/2012 \$000
ASSETS		
Current assets		
Cash and cash equivalents	267,797	173,418
Trade receivables	408,320	422,167
Inventories	103,401	105,035
Other current assets	48,538	47,440
	828,056	748,060
Assets classified as held for sale	1,150	1,150
Total current assets	829,206	749,210
Non-current assets		
Other financial assets	2,202	2,445
Property, plant and equipment	1,929,320	1,846,459
Goodwill and intangible assets	874,815	870,643
Deferred tax asset	92,125	81,089
Non-current prepayments	10,663	10,748
Non-current receivables	23,702	25,355
Total non-current assets	2,932,827	2,836,739
TOTAL ASSETS	3,762,033	3,585,949
LIABILITIES		
Current liabilities		
Trade and other payables	567,525	579,342
Interest-bearing loans and borrowings	29,063	31,483
Derivative financial instruments	13,324	14,521
Provisions	149,428	147,162
Income tax payable	43,306	37,512
Total current liabilities	802,646	810,020
Non-current liabilities		
Interest-bearing loans and borrowings	1,142,566	1,037,575
Provisions	283,860	264,342
Pension liability	16,158	18,142
Derivative financial instruments	13,290	14,519
Other creditors	5,740	5,297
Deferred tax liability	29,245	29,853
Total non-current liabilities	1,490,859	1,369,728
TOTAL LIABILITIES	2,293,505	2,179,748
NET ASSETS	1,468,528	1,406,201
EQUITY		
Issued capital	713,523	713,523
Treasury shares	(25,443)	(23,259)
Convertible Adjustable Rate Equity Securities (CARES)	252,165	252,165
Cash flow hedges	(18,592)	(20,249)
Share based payment reserve	25,543	23,101
Vested employee equity	(12,238)	(9,384)
Other reserves	(27,079)	(29,759)
Retained earnings	568,475	507,868
Parent interests	1,476,354	1,414,006
Non-controlling interests	(7,826)	(7,805)
TOTAL EQUITY	1,468,528	1,406,201

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	Changes in Equity for the Half Year to 31 December 2012						Balance at 31 December 2012
	Balance at 1 July 2012	Dividends	Shares purchased for executive performance share plan	Treasury shares vesting to employees in the period	Share based payment reserve	Total comprehensive income for the half year, net of tax	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Issued capital	713,523	-	-	-	-	-	713,523
Treasury shares	(23,259)	-	(8,064)	5,880	-	-	(25,443)
Convertible preference shares - CARES	252,165	-	-	-	-	-	252,165
Share based payment reserve	23,101	-	-	(3,026)	5,468	-	25,543
Cash flow hedges	(20,249)	-	-	-	-	1,657	(18,592)
Bank loan designated as a hedge of a net investment	88,735	-	-	-	-	(3,175)	85,560
Foreign currency translation	(118,494)	-	-	-	-	5,855	(112,639)
Retained earnings	507,868	(77,837)	-	-	-	138,444	568,475
Vested employee equity	(9,384)	-	-	(2,854)	-	-	(12,238)
Owners of the parent	1,414,006	(77,837)	(8,064)	-	5,468	142,781	1,476,354
Non-controlling interests	(7,805)	-	-	-	-	(21)	(7,826)
Total equity	1,406,201	(77,837)	(8,064)	-	5,468	142,760	1,468,528

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Changes in Equity for the Half Year to 31 December 2011						Balance at 31 December 2011
	Balance at 1 July 2011	Dividends	Shares purchased for executive performance share plan	Treasury shares vesting to employees in the period	Share based payment reserve	Total comprehensive income for the half year, net of tax	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Issued capital	713,523	-	-	-	-	-	713,523
Treasury shares	(18,474)	-	(4,636)	4,857	-	-	(18,253)
Convertible preference shares - CARES	252,165	-	-	-	-	-	252,165
Share based payment reserve	13,867	-	-	(2,975)	5,066	-	15,958
Cash flow hedges	(14,489)	-	-	-	-	(7,130)	(21,619)
Bank loan designated as a hedge of a net investment	93,174	-	-	-	-	(2,691)	90,483
Foreign currency translation	(112,071)	-	-	-	-	(5,169)	(117,240)
Retained earnings	393,228	(68,195)	-	-	-	124,876	449,909
Vested employee equity	(7,502)	-	-	(1,882)	-	-	(9,384)
Owners of the parent	1,313,421	(68,195)	(4,636)	-	5,066	109,886	1,355,542
Non-controlling interests	(9,558)	-	-	-	-	(30)	(9,588)
Total equity	1,303,863	(68,195)	(4,636)	-	5,066	109,856	1,345,954

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$000	2011 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,087,272	2,003,571
Payments to suppliers and employees		(1,753,604)	(1,677,865)
Income tax paid		(68,961)	(62,506)
Finance costs		(38,544)	(61,243)
Net cash flows from operating activities		226,163	201,957
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(145,176)	(95,002)
Interest received		1,599	2,394
Proceeds from sale of property, plant & equipment		3,013	36,568
Net cash flows used in investing activities		(140,564)	(56,040)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(77,837)	(68,195)
Repayment of principal to bondholders		(1,548)	(1,429)
Repayment of finance lease - principal		(2,608)	(2,589)
Proceeds /(Repayment) of borrowings		97,354	(48,899)
Purchase of ordinary shares		(8,064)	(4,636)
Net cash flows from / (used in) financing activities		7,297	(125,748)
Net increase in cash and cash equivalents		92,896	20,169
Net foreign exchange differences on cash held		1,483	(2,675)
Cash and cash equivalents at beginning of period		173,418	226,545
Cash and cash equivalents at end of period	4	267,797	244,039

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

1. CORPORATE INFORMATION

The financial report of Ramsay Health Care Limited and controlled entities (the 'Group') for the half year ended 31 December 2012 was authorised for issue in accordance with a resolution of the directors on the 26 February 2013.

Ramsay Health Care Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

The nature of operations of the Group is described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The half year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards including AASB 134 "*Interim Financial Reporting*" and other authoritative pronouncements of the Australian Accounting Standards Board. It does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year financial report should be read in conjunction with the annual financial report of Ramsay Health Care Limited as at 30 June 2012.

It is also recommended that the half year financial report be considered together with any public announcements made by Ramsay Health Care Limited and its controlled entities during the half year ended 31 December 2012 in accordance with the continuous disclosure obligations arising under the ASX listing rules.

The half year financial report has been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

The financial report is presented in Australian dollars and all values are rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. This is an entity to which the Class Order applies.

The Directors believe that the core profit (segment result) after tax from continuing operations, and the core earnings per share from continuing operations measures, provide additional useful information which is used for internal segment reporting and therefore would be useful for shareholders.

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

	2012 \$000	2011 \$000
(i) Reconciliation of net profit attributable to owners of the parent to core profit (segment result)		
Net profit attributable to owners of the parent	138,444	125,687
Add/(less) non-core items:		
- Non-cash rent expense relating to leased UK hospitals	11,017	12,073
- Amortisation - service concession assets	1,124	1,096
- Profit on sale of assets	-	(7,405)
- Income from the sale of development assets	(2,200)	(5,005)
- Book value of development assets sold	1,351	4,355
- Acquisition, disposal, and development costs	2,015	2,769
- (Gain)/loss on interest rate hedge	(67)	80
Income tax on non-core items	(3,316)	(1,423)
Non-controlling interests in non-core items net of tax	(167)	(261)
	9,757	6,279
Core profit (segment result) after tax from continuing operations	148,201	131,966
Core earnings per share from continuing operations		
Core profit after tax from continuing operations (above)	148,201	131,966
Less: CARES dividend	(8,318)	(8,982)
Core profit after tax from continuing operations used to calculate core earnings per share from continuing operations	139,883	122,984
Weighted average number of ordinary shares adjusted for effect of dilution	202,477,429	202,355,423
Core earnings per share from continuing operations	69.1c	60.8c

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(ii) Reconciliation of statutory income statement to core (segment) income statement

The table below reconciles the statutory consolidated income statement to the core (segment) consolidated income statement. The non-core items listed at 2(a)(i) are excluded from the relevant line items in the consolidated statutory income statement to ascertain the core (segment) consolidated income statement.

	2012 \$000	2012 \$000	2012 \$000
	Statutory consolidated income statement	Non-core items as listed at 2(a)(i)	Core (segment) consolidated income statement
Revenue and other income			
Revenue from services	2,071,690	-	2,071,690
Interest income	1,666	(67)	1,599
Revenue – income from the sale of development assets	2,200	(2,200)	-
Other income – profit on sale of assets	190	-	190
Total revenue and other income	2,075,746	(2,267)	2,073,479
Employee benefits costs	(1,013,969)	-	(1,013,969)
Occupancy costs	(130,718)	11,017	(119,701)
Service costs	(104,841)	2,015	(102,826)
Medical consumables and supplies	(516,590)	-	(516,590)
Depreciation and amortisation	(71,491)	1,124	(70,367)
Cost of goods sold – book value development assets sold	(1,351)	1,351	-
Total expenses, excluding finance costs	(1,838,960)	15,507	(1,823,453)
Profit from continuing operations before tax and finance costs	236,786	13,240	250,026
Finance costs	(36,081)	-	(36,081)
Profit before income tax from continuing operations	200,705	13,240	213,945
Income tax	(62,282)	(3,316)	(65,598)
Net profit for the year	138,423	9,924	148,347
Attributable to non-controlling interests	(21)	167	146
Attributable to owners of the parent	138,444	9,757	148,201
	138,423	9,924	148,347

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(ii) Reconciliation of statutory income statement to core (segment) income statement (continued)

	2011 \$000	2011 \$000	2011 \$000
	Statutory consolidated income statement	Non-core items as listed at 2(a)(i)	Core (segment) consolidated income statement
Revenue and other income			
Revenue from services	1,970,151	-	1,970,151
Interest income	2,394	-	2,394
Revenue – income from the sale of development assets	5,005	(5,005)	-
Other income – profit on sale of assets	7,405	(7,405)	-
Total revenue and other income	1,984,955	(12,410)	1,972,545
Employee benefits costs	(959,232)	-	(959,232)
Occupancy costs	(126,251)	12,073	(114,178)
Service costs	(106,186)	2,769	(103,417)
Medical consumables and supplies	(493,580)	-	(493,580)
Depreciation and amortisation	(72,563)	1,096	(71,467)
Cost of goods sold – book value development assets sold	(4,355)	4,355	-
Total expenses, excluding finance costs	(1,762,167)	20,293	(1,741,874)
Profit from continuing operations before tax and finance costs	222,788	7,883	230,671
Finance costs	(39,384)	80	(39,304)
Profit before income tax from continuing operations	183,404	7,963	191,367
Income tax	(57,747)	(1,423)	(59,170)
Net profit for the year	125,657	6,540	132,197
Attributable to non-controlling interests	(30)	261	231
Attributable to owners of the parent	125,687	6,279	131,966
	125,657	6,540	132,197

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) New Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except as discussed below.

The Group has adopted the following new and amended AASB Interpretation as of 1 July 2012:

- AASB 2011 – 9 Amendments to Australian Accounting Standards – Presentation of other Comprehensive Income (AASB 1,5,7,101,112,120,121,132,133,134,1039 &1049)

This interpretation had no impact on the financial position or performance of the Group.

	As at 31/12/2012 \$000	As at 31/12/2011 \$000
3. DIVIDENDS PAID		
(a) Dividends declared and paid during the period on ordinary shares:		
<i>Previous year final dividend paid</i>		
Franked dividends - ordinary		
(34.5 cents per share) (2011: 29.5 cents)	<u>69,718</u>	<u>59,614</u>
(b) Dividends proposed and not recognised as a liability on ordinary shares:		
<i>Interim dividend proposed</i>		
Franked dividends - ordinary		
(29.0 cents per share) (2011: 25.5 cents)	<u>58,604</u>	<u>51,250</u>
(c) Dividends declared and paid during the period on CARES:		
<i>Previous year final dividend paid</i>		
Franked dividends - CARES	<u>8,318</u>	<u>8,982</u>
(d) Dividends proposed and not recognised as a liability on CARES:		
<i>Interim dividend proposed</i>		
Franked dividends - CARES	<u>7,190</u>	<u>8,695</u>

The tax rate at which paid dividends have been franked is 30% (2011: 30%). 100% of the proposed dividends will be franked at the rate of 30% (2011: 30%).

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	As at 31/12/2012 \$000	As at 31/12/2011 \$000
4. CASH AND CASH EQUIVALENTS		
For the purpose of the half year consolidated statement of cash flows, cash and cash equivalents are comprised of the following:		
Cash at bank	267,797	244,039
	6 months ended 31/12/2012	6 months ended 31/12/2011
5. TAX RELATING TO OTHER COMPREHENSIVE INCOME		
Disclosure of tax effects relating to each component of other comprehensive income		
- Cashflow hedges taken to equity	860	5,206
- Cashflow hedges transferred to the income statement	(1,570)	(2,140)
	(710)	3,066

6. SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director and the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the region in which the service is provided, as this is the Group's major risk and has the most effect on the rate of return, due to differing health care systems in the respective countries. The group has two reportable operating segments being Asia Pacific and Europe.

Discrete financial information about each of these operating businesses is reported to the Managing Director and his management team on at least a monthly basis.

Types of services

The reportable operating segments derive their revenue primarily from providing health care services to both public and private patients in the community.

Accounting policies and inter-segment transactions

Transfer prices between operating segments are on an arms length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment results include transfers between the segments. These transfers are eliminated on consolidation.

The accounting policies used by the Group in reporting segments are the same as those contained in Note 2 to the accounts and in prior periods.

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

6. SEGMENT INFORMATION (CONTINUED)

	Total and Continuing operations		
	Asia Pacific \$000	Europe \$000	Total \$000
Six months ended 31 December 2012			
Revenue			
Revenue from services	1,697,927	373,763	2,071,690
Total revenue before intersegment revenue	1,697,927	373,763	2,071,690
Intersegment revenue	1,647	-	1,647
Total segment revenue	1,699,574	373,763	2,073,337
Results			
Segment net profit after tax	141,422	6,779	148,201
Finance costs	(19,787)	(16,294)	(36,081)
Interest income	1,406	260	1,666
Income tax expense	(60,151)	(2,131)	(62,282)
Depreciation	(49,566)	(17,629)	(67,195)
Amortisation - software	(2,856)	(316)	(3,172)
Amortisation - service concession assets	(1,124)	-	(1,124)
Six months ended 31 December 2011			
Revenue			
Revenue from services	1,591,914	378,237	1,970,151
Total revenue before intersegment revenue	1,591,914	378,237	1,970,151
Intersegment revenue	2,187	-	2,187
Total segment revenue	1,594,101	378,237	1,972,338
Results			
Segment net profit after tax	126,675	5,291	131,966
Finance costs	(19,873)	(19,511)	(39,384)
Interest income	2,207	187	2,394
Income tax expense	(54,014)	(3,733)	(57,747)
Depreciation	(47,259)	(18,336)	(65,595)
Amortisation - software	(5,526)	(346)	(5,872)
Amortisation - service concession assets	(1,096)	-	(1,096)

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

6. SEGMENT INFORMATION (CONTINUED)

	2012 \$000	2011 \$000
i) Segment revenue reconciliation to income statement		
Total segment revenue	2,073,337	1,972,338
Inter - segment sales elimination	(1,647)	(2,187)
Interest income	1,666	2,394
Revenue – Income from the sale of development assets	2,200	5,005
Other income – Profit on the sale of assets	190	7,405
Total revenue and other income per income statement	<u>2,075,746</u>	<u>1,984,955</u>

ii) Segment net profit after tax reconciliation to income statement

The executive management committee meets on a monthly basis to assess the performance of each segment by analysing the segment's core net profit after tax. A segment's core net profit after tax excludes income and expenses from non-core items. Refer to note 2(a) for the reconciliation of net profit attributable to owners of the parent to core profit (segment result) after tax.

7. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent (after deducting the CARES dividend) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after deducting the CARES dividend) by the weighted average number of ordinary shares outstanding during the period plus the bonus element of the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	As at 31/12/12 \$000	As at 31/12/11 \$000
Net profit for the period attributable to the owners of the parent	138,444	125,687
Less: dividend paid on Convertibles Adjustable Rate Equity Securities (CARES)	(8,318)	(8,982)
Profit used in calculating basic and diluted for profit (after CARES dividend) earnings per share from continuing operations	<u>130,126</u>	<u>116,705</u>
	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	200,714,286	200,978,505
Effect of dilution – share rights not yet vested (a)	1,763,143	1,376,918
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>202,477,429</u>	<u>202,355,423</u>

(a) *The share rights granted to Executives but not yet vested, have the potential to dilute basic earnings per share.*

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

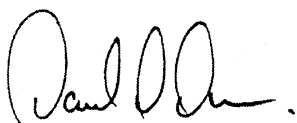
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Ramsay Health Care Limited, we state that:

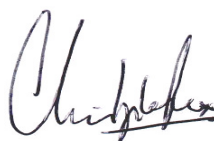
In the opinion of the directors:

- (a) the financial information and notes of the consolidated entity are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the financial position as at 31 December 2012 and the performance for the half year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001.
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



P.J. Ramsay AO
Non-Executive Chairman



C.P. Rex
Managing Director

Sydney, 26 February 2013

To the members of Ramsay Health Care Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ramsay Health Care Limited, which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ramsay Health Care Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

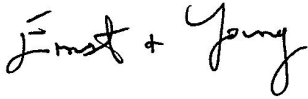
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ramsay Health Care Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A stylized, handwritten signature of 'Ernst & Young' in a cursive script.

Ernst & Young

A handwritten signature of David Simmonds, consisting of a large, stylized 'D' followed by a horizontal line.

David Simmonds
Partner
Sydney
26 February 2013