RAMSAY HEALTH CARE LIMITED
ABN 57 001 288 768

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

RAMSAY HEALTH CARE LIMITED

INDEX

SECTION 1

RESULTS FOR ANNOUNCEMENT

TO THE MARKET

RAMSAY HEALTH CARE LIMITED

RESULTS FOR ANNOUNCEMENT TO THE MARKET

1.1 HIGHLIGHTS OF RESULTS

		6 months ended 31/12/2015 $000	6 months ended 31/12/2014 $000	% increase/ (decrease)
Revenue and other income (Core) from continuing operations	(3)	4,177,797	3,343,329	25.0%
Revenue from services		4,173,139	3,341,214	24.9%
Profit from continuing operations before profit on disposal of assets, finance costs, tax, depreciation, amortisation and non-core items (Core EBITDA)		606,702	511,229	18.7%
Profit from continuing operations before finance costs, tax and non-core items (Core EBIT)		425,907	377,797	12.7%
Core net profit after tax from continuing operations attributable to owners of the parent	**(1),(3)**	**237,442**	**204,409**	**16.2%**
Non-core items after tax, attributable to owners of the parent	(3)	(12,594)	(13,051)	(3.5%)
Net profit after tax for the period attributable to owners of the parent *		**224,848**	**191,358**	**17.5%**

Earnings per share (cents per share)

Core EPS - Continuing operations	**(1),(2),(3)**	**114.1c**	**97.6c**	**16.9%**
Diluted Statutory EPS - Continuing operations		**107.9c**	**91.1c**	**18.4%**

* Inclusive of the dividends payable to holders of Convertible Adjustable Rate Equity Securities (CARES)

1. 'Core net 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 net profit after tax from continuing operations adjusted for Preference Dividends, using the weighted average number of ordinary shares adjusted for the effect of dilution.
3. Refer to note 2(a) of the Consolidated Half Year Financial Statements for further information.

1.2 EARNINGS PER SHARE

	6 months ended 31/12/2015 $000	6 months ended 31/12/2014 $000
Net profit after tax for the period attributable to the owners of the parent	224,848	191,358
Less: dividend paid on Convertible Adjustable Rate Equity Securities (CARES)	(6,524)	(6,846)
Profit used in calculating basic and diluted earnings per share from continuing operations (after CARES dividend)	218,324	184,512
	Number of Shares	
Weighted average number of ordinary shares used in calculating basic earnings per share	201,124,324	201,225,462
Weighted average number of ordinary shares used in calculating diluted earnings per share	202,397,968	202,520,114

Earnings per share	**Cents per share**		**% increase/ (decrease)**
- basic (after CARES dividend)	**108.6**	**91.7**	**18.4%**
- diluted (after CARES dividend)	**107.9**	**91.1**	**18.4%**
- basic (after CARES dividend) from continuing operations	**108.6**	**91.7**	**18.4%**
- diluted (after CARES dividend) from continuing operations	**107.9**	**91.1**	**18.4%**

RAMSAY HEALTH CARE LIMITED

RESULTS FOR ANNOUNCEMENT TO THE MARKET

1.3 DIVIDEND INFORMATION

Dividends – Ordinary Shares	Amount per security	Franked amount per security
Current year - Interim dividend	47.0 c	47.0 c
Previous corresponding period - Interim dividend	40.5 c	40.5 c
Record date for determining entitlements to the interim dividend	09/03/2016	
Date the interim current year dividend is payable	30/03/2016	

Convertible Adjustable Rate Equity Securities ('CARES') Dividends	
Record date for determining entitlements to the CARES interim dividend	04/04/2016
Date the interim CARES dividend is payable	20/04/2016

The proposed interim ordinary and CARES dividends will be franked at the rate of 30% (2014: 30%).

1.4 DETAILS OF JOINT VENTURE ENTITY

The detail of the joint venture entity which contributes to Ramsay Health Care Limited's net profit is detailed below:

Name of entity	Contribution to net profit		Percentage of ownership interest	
	6 months ended 31/12/2015 $000	6 months ended 31/12/2014 $000	As at 31/12/2015	As at 31/12/2014
Equity accounted joint venture entity Ramsay Sime Darby Health Care Sdn Bhd	4,418	6,298	50%	50%
Total share of after tax profits of equity accounted investments	**4,418**	**6,298**		

1.5 DETAILS OF ENTITY OVER WHICH CONTROL HAS BEEN GAINED

Control over French private hospital operator Hôpital Privé Métropole (HPM) was gained on 17 December 2015 when Ramsay Generale de Santé, acquired 91.5% of the share capital of HPM.

1.6 NET TANGIBLE ASSETS

Net tangible assets (NTA) per share at 31 December 2015 is negative $0.26 (June 2015: $0.30).

1.7 COMMENTARY ON RESULTS

Commentary on results follows

ASX ANNOUNCEMENT

25 February 2016

RAMSAY HEALTH CARE REPORTS 16.9% RISE IN FIRST HALF YEAR CORE EPS AND A 16.2% RISE IN CORE NET PROFIT

Financial Highlights

- Core net profit[1] after tax (Core NPAT) up 16.2% to $237.4 million
- Core earnings per share[2] (Core EPS) up 16.9% to 114.1 cents
- Group:
  - Revenue up 24.9% to $4.2 billion
  - EBIT up 12.7% to $425.9 million
- Australia/Asia:
  - Australia Revenue up 7.4% to $2.2 billion
  - Australia EBIT up 9.4% to $302.7 million
  - Equity accounted share of Asia joint venture net profits of $4.4 million
- United Kingdom:
  - Revenue up 2.7% to £203.4 million
  - EBIT up 9.3% to £17.0 million
- France:
  - Revenue up 57.2% to €1.0 billion
  - EBIT up 16.5% to €53.6 million
- Interim dividend 47.0 cents fully franked, up 16.0% on the previous corresponding period

Overview

Australia's largest private hospital operator, Ramsay Health Care, today announced a Group Core Net Profit After Tax (Core NPAT) of $237.4 million for the six months to 31 December 2015, a 16.2% increase on the previous corresponding period.

Group Core NPAT delivered Core EPS of 114.1 cents for the half year, an increase of 16.9% on the 97.6 cents recorded in the previous corresponding period.

The Company's reported net profit after tax (after adjusting for non-core items) of $224.9 million was up 17.5% on the prior half.

Directors are pleased to announce a fully-franked interim dividend of 47.0 cents, up 16.0% on the previous corresponding period. The dividend Record Date is 9 March 2016 with payment on 30 March 2016.

Strategy

Ramsay Health Care Managing Director Christopher Rex said the Company had delivered another good result.

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[1] *Before non-core items*
[2] *Core net profit after CARES dividends*

In particular, he said the Australian business had an excellent half, recording solid organic admissions growth as well as positive contributions coming from recently opened brownfield developments.

"We are continuing to expand our facilities to meet demand and to this end, we have completed $126 million worth of new developments so far this financial year."

He said the rest of Ramsay's operations around the world were all performing well with volume growth at existing facilities and growth through acquisition having a positive impact.

In December 2015, Ramsay Générale de Santé finalised the acquisition of the HPM Group of hospitals in Lille, bringing its total cluster of hospitals in Lille to 11, and giving Ramsay's French business a strong presence in this region. Ramsay now has 124 facilities in France.

At the same time, Mr Rex said the Company was continuing to explore opportunities in existing and new markets.

"We maintain our interest in Asia and the opportunities that this region presents and are continuing to progress several prospects there."

In August, Ramsay Health Care announced a strategic alliance with the International Consortium for Health Outcomes Measurement (ICHOM) which will see the Company take a global leadership position in measuring, reporting and benchmarking patient outcomes.

Operations

During the half year, Ramsay's Australian business achieved revenue growth of 7.4% and EBIT growth of 9.4% on the previous corresponding period, driven by solid admissions growth.

"We are very pleased with our Australian hospital performance so far this year, which continues to experience good demand growth in line with our expectations," Mr Rex said.

He said Ramsay was participating in the relevant government reviews currently underway in Australia and he was confident that they would achieve sensible, realistic outcomes which would only serve to further enhance the existing health care system.

"Rising demand for health care is a key issue for all the markets in which we operate and so government reviews and investigating new modes of health care delivery will be part of the vernacular for the foreseeable future. However, whatever measures are put in place, demand for health care will continue to rise due in most part to unchangeable demographic factors."

Ramsay's UK business continues to perform well. NHS admissions increased by 8% and EBIT increased 9.3% on the previous corresponding period to £17.0 million. Strong operating margins (EBITDAR) continue to be achieved in the UK.

"After a period of negative tariff change in the UK, recently released tariffs indicate an increase on average of around 1% from April this year," Mr Rex said.

Ramsay's French business, Ramsay Générale de Santé, performed to expectations. Revenue increased by 57.2% and EBITDAR increased by 49.6%, reflecting the additional three months earnings contribution from Générale de Santé in this half compared to the corresponding prior half year period.

Brownfields Capacity Expansion

During the first six months, Ramsay Health Care completed 186 beds and 8 operating theatres totalling $126M, as part of its brownfield capacity expansion programme. These projects came on line towards the end of the first half.

As part of this programme , Ramsay Health Care opened 60 new beds and six theatres at Hollywood Private Hospital as well as a 56 bed new accommodation wing at Cairns Private Hospital, both in October.

In addition to these developments, Ramsay Health Care opened the new Wollongong Private Hospital in January 2016. The 151 bed hospital with 10 theatres, replaces the existing 101 bed Figtree Private Hospital, which will be converted to a rehabilitation facility, which together will help to service growing demand in the Illawarra region.

Over the next twelve months, Ramsay Health Care will open a further 400 (310 net) beds and 12 theatres including major developments at Peninsula Private in Melbourne; St George Private and North Shore Private in Sydney and New Farm Clinic in Brisbane.

Acquisitions

Towards the end of December, Ramsay Générale de Santé completed the acquisition of the HPM Group, consisting of 9 hospitals in Lille, France.

With this acquisition, Ramsay Générale de Santé's expanded presence in the greater Lille area will now comprise 11 facilities with 2,180 employees, 700 doctors and is expected to treat approximately 160,000 patients per annum.

In China, the conditional contract for Ramsay Sime Darby to form a joint venture with Jinxin in Chengdu continues to evolve but still requires a number of significant conditions precedent to be satisfied by Jinxin to allow completion.

Balance Sheet and Cash Flow

Ramsay's robust balance sheet and strong cash flow generation continues to provide us with the flexibility to fund the increasing demand for brownfield capacity expansion, future acquisitions and ongoing working capital needs. Furthermore, the Group Consolidated Leverage Ratio of 2.7 times is within our internal parameters.

Outlook

Mr Rex said the demand for health care would continue to be driven by a combination of ageing; population growth, emerging technology and the rising rate of chronic disease.

"In particular, the future impact of the baby boomers moving into the 70 plus age group is going to substantially impact utilisation of hospital services in Australia, but also throughout the world, over the next two decades.

"With our strategically located portfolio of quality hospitals, Ramsay Health Care is well-prepared for this future demand and will continue to invest in our facilities to meet the needs of the communities they serve.

"Utilising our global experience in acquiring and integrating hospitals, we will continue to canvas opportunities in new and existing markets."

Based on the strength of the first half results and the continuation of robust growth across all our operations, and barring unforeseen circumstances, Ramsay upgrades guidance for Core NPAT and Core EPS growth to 15% to 17% for full FY2016 (previously 12% to 14%).

Contacts:

Christopher Rex	Carmel Monaghan
Managing Director	Marketing & Public Affairs Manager
Ramsay Health Care	Ramsay Health Care
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Attachment: Summary of Financial Performance.

Attachment:

Summary of Financial Performance

	Half Year Ended 31 December $ 000's		
	1st Half FY2016	**1st Half FY2015**	
	Group	**Group**	**% Increase**
Net Profit After Tax (NPAT)			
Operating revenue	4,173,139	3,341,214	24.9%
EBITDA	606,702	511,229	18.7%
EBIT	425,907	377,797	12.7%
Core NPAT attributable to members of the parent (1)	**237,442**	**204,409**	**16.2%**
Non-core items, net of tax (3)	(12,594)	(13,051)	
Reported NPAT	224,848	191,358	17.5%
Earnings Per Share, (EPS) cents			
Core EPS (2)	**114.1**	**97.6**	**16.9%**
Reported EPS	107.9	91.1	18.4%
Dividends Per Share, cents			
Interim dividend, fully franked	47.0	40.5	16.0%

Notes

(1) 'Core NPAT' attributable to members of the parent is before non-core items and from continuing operations. In accordance with the accounting standards Générale de Santé has been consolidated from 1 October 2014. The non-controlling interest's share of Générale de Santé NPAT (51.2%) has been removed in arriving at the Core NPAT attributable to members of the parent.

(2) 'Core EPS' is derived from core net profit after CARES Dividends.

(3) 'Non-core items, net of tax', include the non-cash portion of rent expense of $8.4 million, net of tax, relating to the UK hospitals.

SECTION 2

FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED

31 DECEMBER 2015

RAMSAY HEALTH CARE LIMITED

AND CONTROLLED ENTITIES

A.B.N. 57 001 288 768

FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

RAMSAY HEALTH CARE LIMITED

AND CONTROLLED ENTITIES

A.B.N. 57 001 288 768

FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

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DIRECTORS' REPORT

Your directors submit their report for the half year ended 31 December 2015.

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

M.S. Siddle - Non-Executive Chairman
P.J. Evans - Non-Executive Deputy Chairman
C.P. Rex - Managing Director
B.R. Soden - Group Finance Director
A.J. Clark AM - 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
P. Akopiantz – Non-Executive Director
M. Seale - 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 and managing of public hospitals through "private / public collaborations". 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.

Summary of statutory earnings	**2015 $000**	**2014 $000**	**% Change**
Revenue from services	4,173,139	3,341,214	24.9%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	590,662	494,961	19.3%
Earnings before interest and tax (EBIT)	408,490	360,119	13.4%
Net profit attributable to owners of the parent	224,848	191,358	17.5%

	2015	**2014**	**% Change**
Basic earnings per share (after CARES dividend)	108.6c	91.7c	18.4%
Diluted earnings per share (after CARES dividend)	107.9c	91.1c	18.4%

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 2015 was $224.8 million, a 17.5% increase on the previous corresponding period. Basic statutory earnings per share was 108.6 cents for the half year, an 18.4% increase.

The result was driven by volume growth at existing facilities as well as positive impact from the most recent acquisitions and brownfield developments.

During the half year, Ramsay's Australian business achieved revenue growth of 7.4% and EBIT growth of 9.4% on the back of strong admissions growth.

Ramsay's UK business continues to grow strongly. NHS admissions increased by 8% and EBIT increased 9.3% to £17 million. Strong operating margins (EBITDAR) continue to be achieved in the UK.

Ramsay's French business, Ramsay Générale de Santé performed to expectations. Revenue increased by 57.2% and EBITDAR increased by 49.6%.

AUDITOR'S INDEPENDENCE DECLARATION

The written Auditor's Independence Declaration in relation to the review of the half year financial report has been included at page 14, 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 98/100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the Directors.

M.S. Siddle
Chairman

C.P. Rex
Managing Director

Sydney, 25 February 2016

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

As lead auditor for the review of Ramsay Health Care Limited for the half-year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ramsay Health Care Limited and the entities it controlled during the financial period.

Ernst & Young

David Simmonds
Partner
25 February 2016

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CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Notes	2015 $000	2014 $000
Revenue and other income			
Revenue from services		4,173,139	3,341,214
Interest income		4,640	2,115
Revenue – income from the sale of development assets		1,806	1,129
Other Income – net profit on disposal of non-current assets		1,618	-
Total revenue and other income		**4,181,203**	**3,344,458**
Employee benefits costs		(2,176,248)	(1,708,727)
Occupancy costs		(325,099)	(238,325)
Service costs		(135,220)	(130,820)
Medical consumables and supplies		(952,894)	(775,229)
Depreciation, amortisation and impairment		(182,172)	(134,842)
Cost of goods sold – book value of development assets sold		(858)	(579)
Total expenses, excluding finance costs		**(3,772,491)**	**(2,988,522)**
Share of profit of joint venture		4,418	6,298
Profit from continuing operations before tax and finance costs		**413,130**	**362,234**
Finance costs		(70,959)	(57,756)
Profit before income tax from continuing operations		**342,171**	**304,478**
Income tax		(102,464)	(104,443)
Net profit for the period	2(a)(ii)	**239,707**	**200,035**
Attributable to non-controlling interests		14,859	8,677
Attributable to owners of the parent		**224,848**	**191,358**
		239,707	**200,035**
Earnings per share (cents per share)			
Basic earnings per share			
Profit (after CARES dividend)	7	108.6	91.7
Profit (after CARES dividend) from continuing operations	7	108.6	91.7
Diluted earnings per share			
Profit (after CARES dividend)	7	107.9	91.1
Profit (after CARES dividend) from continuing operations	7	107.9	91.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	2015 $000	2014 $000
Net profit for the period	**239,707**	**200,035**
Items that will not be reclassified to net profit		
Actuarial loss on defined benefits plan	(28)	(3,602)
Items that may be subsequently reclassified to net profit		
Cash flow hedges		
Loss taken to equity	(21,485)	(9,756)
Transferred to Income Statement	2,985	2,119
Net loss on bank loan designated as a hedge of a net investment	(15,554)	(23,443)
Foreign currency translation	3,108	31,107
Income tax relating to components of other comprehensive income	6,346	2,236
Other comprehensive expense for the period, net of tax	**(24,628)**	**(1,339)**
Total comprehensive income for the period	**215,079**	**198,696**
Attributable to non-controlling interests	6,585	3,440
Attributable to the owners of the parent	**208,494**	**195,256**
	215,079	**198,696**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	As at 31/12/2015 $000	As at 30/06/2015 $000
ASSETS			
Current assets			
Cash and cash equivalents	4	216,063	315,861
Trade and other receivables		964,921	996,234
Inventories		201,411	191,745
Income tax receivable		44,994	26,180
Prepayments		100,630	99,620
Other current assets		7,605	12,318
		1,535,624	1,641,958
Assets classified as held for sale		9,279	11,818
Total current assets		**1,544,903**	**1,653,776**
Non-current assets			
Other financial assets		32,819	26,596
Investment in joint venture		198,650	211,573
Property, plant and equipment		3,808,790	3,591,806
Goodwill and intangible assets		2,101,630	1,878,342
Deferred tax asset		209,418	204,977
Non-current prepayments		12,225	12,426
Derivative financial instruments	9	-	5,933
Non-current receivables		45,316	31,549
Total non-current assets		**6,408,848**	**5,963,202**
TOTAL ASSETS		**7,953,751**	**7,616,978**
LIABILITIES			
Current liabilities			
Trade and other payables		1,550,768	1,610,417
Interest-bearing loans and borrowings	8	116,111	425,198
Derivative financial instruments	9	13,203	10,778
Provisions		91,255	82,218
Income tax payable		36,945	42,021
Total current liabilities		**1,808,282**	**2,170,632**
Non-current liabilities			
Interest-bearing loans and borrowings	8	3,299,870	2,724,071
Provisions		483,960	492,255
Defined employee benefit obligation		72,777	67,715
Derivative financial instruments	9	19,374	9,442
Other creditors		10,452	9,572
Deferred tax liability		335,013	310,204
Total non-current liabilities		**4,221,446**	**3,613,259**
TOTAL LIABILITIES		**6,029,728**	**5,783,891**
NET ASSETS		**1,924,023**	**1,833,087**
EQUITY			
Issued capital		713,523	713,523
Treasury shares		(67,779)	(80,190)
Convertible Adjustable Rate Equity Securities (CARES)		252,165	252,165
Cash flow hedges		(21,005)	(12,238)
Share based payment reserve		60,958	66,240
Vested employee equity		(36,510)	(22,426)
Other reserves		(19,931)	(12,357)
Retained earnings		1,051,166	955,114
Parent interests		**1,932,587**	**1,859,831**
Non-controlling interests		**(8,564)**	**(26,744)**
TOTAL EQUITY		**1,924,023**	**1,833,087**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Changes in Equity for the Half Year to 31 December 2015								
	Balance at 1 July 2015	**Dividends paid to ordinary shareholders of the parent entity**	**Shares purchased for executive performance share plan**	**Treasury shares vesting to employees in the period**	**Share based payment reserve**	**Acquisition of subsidiary**	**Dividends paid to outside equity interest**	**Total comprehensive income for the half year, net of tax**	**Balance at 31 December 2015**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Issued capital	713,523	-	-	-	-	-	-	-	713,523
Treasury shares	(80,190)	-	(22,837)	35,248	-	-	-	-	(67,779)
Convertible preference shares - CARES	252,165	-	-	-	-	-	-	-	252,165
Share based payment	66,240	-	-	(21,164)	15,882	-	-	-	60,958
Cash flow hedges	(12,238)	-	-	-	-	-	-	(8,767)	(21,005)
Bank loan designated as a hedge of a net investment in a subsidiary	76,675	-	-	-	-	-	-	(15,554)	61,121
Foreign currency translation	(70,064)	-	-	-	-	-	-	7,980	(62,084)
Acquisition of non-controlling interests	(18,968)	-	-	-	-	-	-	-	(18,968)
Retained earnings	955,114	(128,783)	-	-	-	-	-	224,835	1,051,166
Vested employee equity	(22,426)	-	-	(14,084)	-	-	-	-	(36,510)
Owners of the parent	**1,859,831**	**(128,783)**	**(22,837)**	**-**	**15,882**	**-**	**-**	**208,494**	**1,932,587**
Non-controlling interests	**(26,744)**	**-**	**-**	**-**	**-**	**12,325**	**(730)**	**6,585**	**(8,564)**
Total equity	**1,833,087**	**(128,783)**	**(22,837)**	**-**	**15,882**	**12,325**	**(730)**	**215,079**	**1,924,023**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Changes in Equity for the Half Year to 31 December 2014								
	Balance at 1 July 2014	**Dividends paid to ordinary shareholders of the parent entity**	**Shares purchased for executive performance share plan**	**Treasury shares vesting to employees in the period**	**Share based payment reserve**	**Acquisition of subsidiary / non-controlling interest**	**Dividends paid to outside equity interest**	**Total comprehensive income for the half year, net of tax**	**Balance at 31 December 2014**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Issued capital	713,523	-	-	-	-	-	-	-	713,523
Treasury shares	(50,330)	-	(25,342)	23,478	-	-	-	-	(52,194)
Convertible preference shares - CARES	252,165	-	-	-	-	-	-	-	252,165
Share based payment	48,276	-	-	(17,521)	13,315	-	-	-	44,070
Cash flow hedges	(10,914)	-	-	-	-	-	-	(5,402)	(16,316)
Bank loan designated as a hedge of a net investment in a subsidiary	61,302	-	-	-	-	-	-	(23,443)	37,859
Foreign currency translation	(61,650)	-	-	-	-	-	-	33,408	(28,242)
Acquisition of non-controlling interests	-	-	-	-	-	(20,946)	-	-	(20,946)
Retained earnings	766,656	(109,510)	-	-	-	-	-	190,693	847,839
Vested employee equity	(16,469)	-	-	(5,957)	-	-	-	-	(22,426)
Owners of the parent	**1,702,559**	**(109,510)**	**(25,342)**	**-**	**13,315**	**(20,946)**	**-**	**195,256**	**1,755,332**
Non-controlling interests	**41,085**	**-**	**-**	**-**	**-**	**(84,033)**	**(102,989)**	**3,440**	**(142,497)**
Total equity	**1,743,644**	**(109,510)**	**(25,342)**	**-**	**13,315**	**(104,979)**	**(102,989)**	**198,696**	**1,612,835**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Notes	2015 $000	2014 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,262,628	3,419,991
Payments to suppliers and employees		(3,733,488)	(2,908,503)
Income tax paid		(100,110)	(96,622)
Finance costs		(65,308)	(76,117)
Net cash flows from operating activities		**363,722**	**338,749**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(241,988)	(194,970)
Interest received		4,640	2,115
Acquisition of business, net of cash received	5	(189,694)	(620,250)
Acquisition of non-controlling interests	4	-	(19,199)
Deferred payment on investment in joint venture	4	(23,298)	(14,876)
Net cash flows used in investing activities		**(450,340)**	**(847,180)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to ordinary shareholders of the parent entity		(128,783)	(109,510)
Dividends paid to outside equity interest		(730)	(102,989)
Hospital infrastructure payments to be reimbursed		(18,442)	-
Repayment of principal to bondholders		(1,969)	(1,817)
Repayment of finance lease - principal		(33,387)	(1,411)
Proceeds of borrowings		640,710	1,843,528
Repayment of borrowings		(357,054)	(945,146)
Purchase of ordinary shares		(22,837)	(25,342)
Repayment of outside equity interests		(96,732)	-
Net cash flows (used in) / from financing activities		**(19,224)**	**657,313**
Net (decrease) / increase in cash and cash equivalents		(105,842)	148,882
Net foreign exchange differences on cash held		6,044	2,421
Cash and cash equivalents at beginning of period		315,861	167,885
Cash and cash equivalents at end of period	4	**216,063**	**319,188**

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2015

1. CORPORATE INFORMATION

The financial report of Ramsay Health Care Limited and controlled entities (the 'Group') for the half year ended 31 December 2015 was authorised for issue in accordance with a resolution of the directors on the 25 February 2016.

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 2015.

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 2015 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 98/100. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

	2015 $000	2014 $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	**224,848**	**191,358**
Add/(less) non-core items:		
- Non-cash portion of rent expense relating to leased UK hospitals *(a)*	11,753	10,938
- Amortisation - service concession assets	1,359	1,410
- Net profit on disposal of non-current assets	(1,600)	-
- Income from the sale of development assets	(1,806)	(1,129)
- Book value of development assets sold	858	579
- Acquisition, disposal, and development costs	6,853	5,880
Income tax on non-core items	(4,076)	(3,907)
Non-controlling interests in non-core items net of tax	(747)	(720)
	12,594	13,051
Core profit (segment result) after tax from continuing operations	**237,442**	**204,409**
Core earnings per share from continuing operations		
Core profit after tax from continuing operations (above)	237,442	204,409
Less: CARES dividend	(6,524)	(6,846)
Core profit after tax from continuing operations used to calculate core earnings per share from continuing operations	230,918	197,563
Weighted average number of ordinary shares adjusted for effect of dilution	202,397,968	202,520,114
Core diluted earnings per share from continuing operations	114.1c	97.6c

(a) Accounted for in accordance with AASB 117 Leases and UIG 115 Operating Leases - Incentives

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.

	2015 $000 Statutory consolidated Income Statement	2015 $000 Non-core items as listed at 2(a)(i)	2015 $000 Core (segment) consolidated Income Statement
Revenue and other income			
Revenue from services	4,173,139	-	4,173,139
Interest income	4,640	-	4,640
Revenue – income from the sale of development assets	1,806	(1,806)	-
Other income – net profit on disposal of non-current assets	1,618	(1,600)	18
Total revenue and other income	**4,181,203**	**(3,406)**	**4,177,797**
Employee benefits costs	(2,176,248)	-	(2,176,248)
Occupancy costs	(325,099)	11,753	(313,346)
Service costs	(135,220)	6,853	(128,367)
Medical consumables and supplies	(952,894)	-	(952,894)
Depreciation, amortisation and impairment	(182,172)	1,359	(180,813)
Cost of goods sold – book value of development assets sold	(858)	858	-
Total expenses, excluding finance costs	**(3,772,491)**	**20,823**	**(3,751,668)**
Share of profit of joint venture	4,418	-	4,418
Profit from continuing operations before tax and finance costs	**413,130**	**17,417**	**430,547**
Finance costs	(70,959)	-	(70,959)
Profit before income tax from continuing operations	**342,171**	**17,417**	**359,588**
Income tax	(102,464)	(4,076)	(106,540)
Net profit for the period	**239,707**	**13,341**	**253,048**
Attributable to non-controlling interests	14,859	747	15,606
Attributable to owners of the parent	**224,848**	**12,594**	**237,442**
	239,707	**13,341**	**253,048**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(ii) Reconciliation of statutory Income Statement to core (segment) Income Statement (continued)

	2014 $000 Statutory consolidated Income Statement	2014 $000 Non-core items as listed at 2(a)(i)	2014 $000 Core (segment) consolidated Income Statement
Revenue and other income			
Revenue from services	3,341,214	-	3,341,214
Interest income	2,115	-	2,115
Revenue – income from the sale of development assets	1,129	(1,129)	-
Other income – net profit on disposal of non-current assets	-	-	-
Total revenue and other income	**3,344,458**	**(1,129)**	**3,343,329**
Employee benefits costs	(1,708,727)	-	(1,708,727)
Occupancy costs	(238,325)	10,938	(227,387)
Service costs	(130,820)	5,880	(124,940)
Medical consumables and supplies	(775,229)	-	(775,229)
Depreciation, amortisation and impairment	(134,842)	1,410	(133,432)
Cost of goods sold – book value of development assets sold	(579)	579	-
Total expenses, excluding finance costs	**(2,988,522)**	**18,807**	**(2,969,715)**
Share of profit of joint venture	6,298	-	6,298
Profit from continuing operations before tax and finance costs	**362,234**	**17,678**	**379,912**
Finance costs	(57,756)	-	(57,756)
Profit before income tax from continuing operations	**304,478**	**17,678**	**322,156**
Income tax	(104,443)	(3,907)	(108,350)
Net profit for the period	**200,035**	**13,771**	**213,806**
Attributable to non-controlling interests	8,677	720	9,397
Attributable to owners of the parent	**191,358**	**13,051**	**204,409**
	200,035	**13,771**	**213,806**

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 follows:

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretation as of 1 July 2015:

- AASB 2014 - 1 *Amendments to Australian Accounting Standards - Part A - Annual Improvements to IFRSs 2010 - 2012 Cycle*
- AASB 2014 - 1 *Amendments to Australian Accounting Standards - Part A - Annual Improvements to IFRSs 2011 - 2013 Cycle*
- AASB 2014 - 1 *Amendments to Australian Accounting Standards - Part B - Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)*

The adoption of these Amendments to Australian Accounting Standards and AASB Interpretations did not have any significant impact on the financial position or performance of the Group.

	As at 31/12/2015 $000	As at 31/12/2014 $000
3. DIVIDENDS PAID		
(a) Dividends declared and paid during the period on ordinary shares:		
Previous year final dividend paid		
Franked dividends - ordinary		
(60.5 cents per share) (2014: 51.0 cents)	122,259	103,061
(b) Dividends proposed and not recognised as a liability on ordinary shares:		
Interim dividend proposed		
Franked dividends - ordinary		
(47.0 cents per share) (2014: 40.5 cents)	94,978	81,842
(c) Dividends declared and paid during the period on CARES:		
Previous year final dividend paid		
Franked dividends - CARES	6,524	6,846
(d) Dividends proposed and not recognised as a liability on CARES:		
Interim dividend proposed		
Franked dividends – CARES	6,433	6,888

The tax rate at which paid dividends have been franked is 30% (2014: 30%). 100% of the proposed dividends will be franked at the rate of 30% (2014: 30%).

	As at 31/12/2015 $000	As at 31/12/2014 $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:

	As at 31/12/2015 $000	As at 31/12/2014 $000
Cash at bank	216,063	319,188

Joint Venture

On 1 July 2013, Ramsay acquired a 50% equity ownership in a joint venture with Sime Darby Berhad (a Malaysian listed company) through the contribution of our Indonesian assets and cash payments to Sime Darby Berhad over 3 years. On 1 July 2015, $23 million (2014: $15 million) deferred payment was paid to Sime Darby Berhad and, as at 31 December 2015, $29 million deferred payment remained.

Acquisition of Non-Controlling Interest - 2015

	Note	$000
Cash payment in relation to subsequent purchase of non-controlling interest in Générale de Santé SA	5	16,049
Cash payment in relation to purchase of non-controlling interest in other entity		3,150
Total cash payments for acquisitions of non-controlling interests		19,199

5. BUSINESS COMBINATIONS

Other Acquisitions - 2016

Over the past six months, Ramsay has acquired other businesses within the healthcare sector. The amounts recognised for these business combinations in the financial statements for the half year ended 31 December 2015 have been determined on a provisional basis only.

	$000
Fair value of identifiable net assets	2,399
Goodwill arising on acquisition	8,255
Acquisition date fair value of consideration transferred	10,654
The cash outflow on acquisition is as follows	
Cash paid	(10,654)

5. BUSINESS COMBINATIONS (continued)

HPM - 2016

On 17 December 2015, Ramsay Générale de Santé acquired 91.5% of the share capital of Hôpital Privé Métropole (HPM). Ramsay Générale de Santé has provisionally recognised the fair values of the identifiable assets and liabilities of HPM as follows, based upon the best information available as of the reporting date. Due to the timing of the acquisition and the extent of diligence underpinning this accounting, the amounts recognised for the HPM business combination in the financial statements for the half year ended 31 December 2015 have been determined on a provisional basis only. Ramsay shall until the end of the measurement period obtain and consider the information necessary about facts and circumstances that existed as of the acquisition date and, if known, would have affected the recognition and measurement of the amounts recognised as of that date for the HPM business combination, in order to retrospectively adjust the provisional amounts recognised:

	$000
Cash	9,287
Accounts Receivable	31,852
Inventory	2,250
Corporate tax receivable	319
Other assets	5,172
Property, plant and equipment	87,794
Intangible assets	4,176
Other financial assets	6,326
Creditors and accruals	(59,243)
Interest-bearing liabilities	(52,047)
Provisions and other liabilities	(5,248)
Deferred income tax liability	(15,730)
Fair value of identifiable net assets	**14,908**
Non-controlling interest	(12,325)
Goodwill arising on acquisition	185,744
	188,327
Acquisition date fair value of consideration transferred	
Cash paid	188,327
	188,327
Direct costs relating to the acquisition - included within service costs	1,614
The cash outflow on acquisition is as follows:	
Net cash acquired with the subsidiary	9,287
Cash paid	(188,327)
Net consolidated cash outflow	(179,040)

The goodwill of $185,744,000 comprises the value of synergies expected to be achieved as a result of combining HPM with the rest of the Group, as well as intangible assets that do not qualify for separate recognition. This acquisition provides a number of strategic benefits consistent with Ramsay's growth strategy and enables the Group to reinforce its market leadership in the Lille metropolitan area in France. None of the goodwill recognised is expected to be deductible for income tax purposes. The goodwill balance represents goodwill attributable to the parent only.

The Group has elected to measure the non-controlling interests in the acquiree at their proportionate share in the recognised amounts of the acquiree's identifiable net assets. The non-controlling interests in the acquiree at the time of the business combination represent 8.5% of the share capital of HPM and other non-controlling interests within the HPM group.

The fair value of the acquired receivables amounts to $31,852,000. The gross contractual amount receivable is $33,293,000, however only the fair value amount of $31,852,000 is expected to be collected.

The results of HPM from acquisition to 31 December 2015 are not material and therefore have not been disclosed separately.

The revenue and results of the total Ramsay Group, for the half-year ended 31 December 2015, as though HPM was acquired on 1 July 2015, would not be significantly different to the Group results as reported.

5. BUSINESS COMBINATIONS (continued)

Générale de Santé - 2015

On 1st October 2014, Ramsay acquired a controlling interest in Générale de Santé, a leading private hospital operator and healthcare services group in France listed on the Euronext Paris Eurolist, thereby significantly enlarging and enhancing its operations in that geographic segment.

The primary reason for the business combination is the acquisition of a controlling interest in Générale de Santé. Ramsay has entered into a shareholders' agreement with Predica in order to organise their future relationships as shareholders of Générale de Santé of which they together hold 83.43% of the shares and 75.72% of the theoretical voting rights upon completion of the acquisition transaction. The shareholders' agreement provides for the composition of the board of directors and other corporate governance undertakings. Ramsay has obtained control of Générale de Santé by virtue of the provisions of the shareholders' agreement entered into with Predica, together with the acquisition of 47.55% of the share capital and 43.16% of the theoretical voting rights of Générale de Santé.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Générale de Santé as at the date of acquisition are as follows:

	$000
Accounts receivable	341,670
Inventory	54,809
Corporate tax receivable	22,180
Property, plant and equipment	1,268,693
Intangible assets	23,639
Financial assets	20,698
Other assets	81,991
Bank overdraft	(76,815)
Creditors and accruals	(569,491)
Interest-bearing liabilities	(855,994)
Provisions and other liabilities	(147,358)
Deferred income tax liability	(183,201)
Fair value of identifiable net liabilities	**(19,179)**
Non-controlling interests	(5,565)
Goodwill arising on acquisition	644,994
	620,250
Acquisition date fair value of consideration transferred	
Cash paid	620,250
	620,250
Direct costs relating to the acquisition - included within service costs	
Expensed in the year ended 30 June 2014	9,775
Expensed in the year ended 30 June 2015	2,829
	12,604
The cash outflow on acquisition is as follows:	
Cash paid	(620,250)
Net consolidated cash outflow	(620,250)

5. BUSINESS COMBINATIONS (continued)

Générale de Santé - 2015 (continued)

The goodwill of $644,994,000 comprises the value of synergies expected to be achieved as a result of combining Générale de Santé with the rest of the Group, as well as intangible assets that do not qualify for separate recognition. This acquisition provides a number of strategic benefits consistent with Ramsay's growth strategy and enables the Group to become the leader in private hospitals in France with significant market share. None of the goodwill recognised is expected to be deductible for income tax purposes. The goodwill balance represents goodwill attributable to the parent only.

The Group has elected to measure the non-controlling interests in the acquiree at their proportionate share in the recognised amounts of the acquiree's identifiable net liabilities. The non-controlling interests in the acquiree at the time of the business combination represent 52.42% of the share capital of Générale de Santé.

The fair value of the acquired receivables amounts to $341,670,000. The gross contractual amount receivable is $350,562,000, however only the fair value amount of $341,670,000 is expected to be collected.

From the date of acquisition through to 30 June 2015, Générale de Santé has contributed $1,933,775,000 of revenue and $88,188,000 to the Group profit before income tax from continuing operations for the year ended 30 June 2015. If Générale de Santé had been acquired on 1 July 2014, the revenue for the Group for the year ended 30 June 2015 would have been $7,911,557,000 and the profit before income tax from continuing operations for the Group for the year ended 30 June 2015 would not have been significantly different to the Group profit before tax as reported for the year ended 30 June 2015.

Acquisition of additional interest in Générale de Santé

On 7 and 13 of November 2014, the Group acquired a total additional 1.24% interest in the voting shares of Générale de Santé, increasing its ownership interest to 48.80%. Cash consideration of $16,049,000 was paid to non-controlling shareholders.

	$000
Cash consideration paid to non-controlling shareholders	16,049
Carrying value of the additional interest acquired in Générale de Santé	486
Difference recognised in acquisition of non-controlling interests reserve within equity	16,535

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 country 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 three reportable operating segments being Asia Pacific, UK and France.

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 arm's 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.

	Total and Continuing operations			
	Asia Pacific $000	**UK $000**	**France $000**	**Total $000**
Six months ended 31 December 2015				
Revenue				
Revenue from services	2,188,779	431,840	1,552,520	4,173,139
Total revenue before intersegment revenue	2,188,779	431,840	1,552,520	4,173,139
Intersegment revenue	4,627	-	-	4,627
Total segment revenue	2,193,406	431,840	1,552,520	4,177,766
Earnings before interest, tax, depreciation and amortisation (EBITDA) [1]	**374,213**	**55,569**	**176,920**	**606,702**
Depreciation and amortisation	(67,073)	(19,430)	(94,310)	(180,813)
Profit on disposal of non-current assets	18	-	-	18
Earnings before interest and tax (EBIT) [2]	**307,158**	**36,139**	**82,610**	**425,907**
Interest				(66,319)
Income tax expense				(106,540)
Segment (core) net profit after tax [3]				**253,048**
Attributable to non-controlling interest				(15,606)
Segment (core) net profit after tax, attributable to owners of the parent [4]				**237,442**
Non-core items net of tax, attributable to owners of the parent				(12,594)
Net profit attributable to owners of the parent				**224,848**

[1] "EBITDA" is a non-statutory profit measure and represents profit from continuing operations before interest, tax, depreciation, amortisation and non-core items.
[2] "EBIT" is a non-statutory profit measure and represents profit from continuing operations before interest, tax and non-core items.
[3] "Segment (core) net profit after tax" is a non-statutory profit measure and represents profit from continuing operations before non-core items.
[4] "Segment (core) net profit after tax attributable to owners of the parents" is a non-statutory profit measure and represents profit from continuing operations before non-core items that are attributable to the owners of the parent

6. SEGMENT INFORMATION (CONTINUED)

As at 31 December 2015

Assets & liabilities	**Asia Pacific $000**	**UK $000**	**France $000**	**Adjustments & Eliminations**	**Total $000**
Segment assets	4,195,661	1,464,908	3,674,738	(1,381,556)	7,953,751
Segment liabilities	(2,328,263)	(734,882)	(2,966,583)	-	(6,029,728)

	Total and Continuing operations			
	Asia Pacific $000	**UK $000**	**France $000**	**Total $000**
Six months ended 31 December 2014				
Revenue				
Revenue from services	2,037,384	362,204	941,626	3,341,214
Total revenue before intersegment revenue	2,037,384	362,204	941,626	3,341,214
Intersegment revenue	3,669	-	-	3,669
Total segment revenue	2,041,053	362,204	941,626	3,344,883
Earnings before interest, tax, depreciation and amortisation (EBITDA) [1]	**345,577**	**45,622**	**120,030**	**511,229**
Depreciation and amortisation	(62,157)	(17,180)	(53,494)	(132,831)
Profit/(loss) on disposal of non-current assets	(601)	-	-	(601)
Earnings before interest and tax (EBIT) [2]	**282,819**	**28,442**	**66,536**	**377,797**
Interest				(55,641)
Income tax expense				(108,350)
Segment (core) net profit after tax [3]				**213,806**
Attributable to non-controlling interest				(9,397)
Segment (core) net profit after tax, attributable to owners of the parent [4]				**204,409**
Non-core items net of tax, attributable to owners of the parent				(13,051)
Net profit attributable to owners of the parent				**191,358**

[1] "EBITDA" is a non-statutory profit measure and represents profit from continuing operations before interest, tax, depreciation, amortisation and non-core items.
[2] "EBIT" is a non-statutory profit measure and represents profit from continuing operations before interest, tax and non-core items.
[3] "Segment (core) net profit after tax" is a non-statutory profit measure and represents profit from continuing operations before non-core items.
[4] "Segment (core) net profit after tax attributable to owners of the parents" is a non-statutory profit measure and represents profit from continuing operations before non-core items that are attributable to the owners of the parent

As at 30 June 2015

Assets & liabilities	**Asia Pacific $000**	**UK $000**	**France $000**	**Adjustments & Eliminations**	**Total $000**
Segment assets	4,134,630	1,530,548	3,449,070	(1,497,270)	7,616,978
Segment liabilities	(2,304,715)	(798,144)	(2,725,721)	44,689	(5,783,891)

6. SEGMENT INFORMATION (CONTINUED)

	2015 $000	2014 $000
i) Segment revenue reconciliation to Income Statement		
Total segment revenue	4,177,766	3,344,883
Inter - segment sales elimination	(4,627)	(3,669)
Interest income	4,640	2,115
Revenue – Income from the sale of development assets	1,806	1,129
Other income – Profit on the disposal of non-current assets	1,618	-
Total revenue and other income per Income Statement	4,181,203	3,344,458

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 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 31/12/2015 $000	As at 31/12/2014 $000
Net profit for the period attributable to the owners of the parent	224,848	191,358
Less: dividend paid on Convertible Adjustable Rate Equity Securities (CARES)	(6,524)	(6,846)
Profit used in calculating basic and diluted for profit (after CARES dividend) earnings per share from continuing operations	218,324	184,512
	Number of Shares	**Number of Shares**
Weighted average number of ordinary shares used in calculating basic earnings per share	201,124,324	201,225,462
Effect of dilution – share rights not yet vested *(a)*	1,273,644	1,294,652
Weighted average number of ordinary shares adjusted for the effect of dilution	202,397,968	202,520,114

(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.

	As at 31/12/2015 Cents per Share	As at 31/12/2014 Cents per Share
Earnings per share		
- basic (after CARES dividend) for the period	108.6	91.7
- diluted (after CARES dividend) for the period	107.9	91.1
- basic (after CARES dividend) from continuing operations	108.6	91.7
- diluted (after CARES dividend) from continuing operations	107.9	91.1

8. FAIR VALUES

Unless disclosed below, the carrying amount of the Group's financial assets and liabilities approximate their fair value. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates depending on the type of borrowings. At reporting date, the market interest rates vary from 2.060% to 2.375% (June 2015: 2.04% to 2.15%) for Australia, 0.503% to 0.591% (June 2015: 0.508% to 0.579%) for UK, and -0.205% to -0.131% (June 2015: -0.064% to -0.014%) for France respectively.

	As at 31/12/2015		As at 30/06/2015	
	Carrying Amount $000	Fair Value $000	Carrying Amount $000	Fair Value $000
Bank loans	3,095,671	3,159,206	2,700,631	2,749,791
Lease liabilities	278,353	287,917	287,071	314,321
Bondholders	11,301	12,455	13,270	14,330
Subordinated bonds	-	-	41,529	41,602
Deferred consideration	28,869	28,869	51,564	53,446
Outside equity interest loan	-	-	51,979	52,024
Other loan	1,787	1,787	3,225	3,225
	3,415,981	3,490,234	3,149,269	3,228,739

9. DERIVATIVE FINANCIAL INSTRUMENTS

Instruments used by the Group

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates.

Fair value

The Group has available to it various methods in estimating the fair value of a derivative financial instrument. The methods comprise:

Level 1 the fair value is calculated using quoted prices in active markets.

Level 2 the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments was estimated using the level 2 method valuation technique and is summarised in the table below.

	As at 31/12/2015 $000	As at 30/06/2015 $000
Financial assets		
Derivative instruments – interest rate swaps	-	5,933
Financial liabilities		
Derivative instruments – interest rate swaps	(29,370)	(19,105)
Forward exchange contracts – cash flow hedges	(3,207)	(1,115)
	(32,577)	(20,220)

The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

Transfer between categories

There were no transfers between Level 1 and Level 2 or between Level 2 and Level 3 during the period.

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 2015 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

M.S. Siddle
Chairman

C.P. Rex
Managing Director

Sydney, 25 February 2016

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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 2015, 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 2015 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 Healthcare 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.

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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 2015 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*.

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David Simmonds
Partner
Sydney
25 February 2016