



Facsimile Transmission

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To: Company Announcements
Australian Stock Exchange

From: Larry Ransley
Company Secretary

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Re: Sale of Flinders Private Hospital

Date: 1 December, 2000

No of Pages: 2 (Incl. this page)

The Directors of Ramsay Health Care Limited advise that the sale of Flinders Private Hospital to Adelaide Community Healthcare Alliance Inc has been finalised. The sale was settled at midnight on 30 November 2000, following the approval of regulatory bodies, and financiers.

As a consequence of the decision to devalue Flinders Private Hospital in the financial year ended 30 June 2000, no significant profit or loss on the sale of the hospital is anticipated.

All proceeds from the sale will be used to reduce debt.

The sale of Flinders Private Hospital is expected to have a significant positive impact on Ramsay Health Care's future profitability.

A copy of the media release follows.

Larry Ransley
Company Secretary

1 December, 2000

Ramsay Health Care announces sale of Flinders Private Hospital

Ramsay Health Care Limited has finalised the sale of Flinders Private Hospital, a 130-bed facility co-located with Flinders Medical Centre in Adelaide, to Adelaide Community Healthcare Alliance Inc.

Ramsay Health Care CEO, Pat Grier, said the sale is expected to have a significant positive impact on the group's profitability for the balance of this financial year and in the future.

Ramsay Health Care reported a 10% increase in net profit after tax and abnormals to \$6.6 million in the 1999/2000 fiscal year. The September 2000 quarter net profit after tax of \$3.5 million was 30% higher than the corresponding period last year, while earnings before interest and tax increased by 12%. In addition with the completion of the sale of Flinders Private Hospital further improvement in group profitability is anticipated going forward.

"The decision to sell Flinders Private Hospital fits Ramsay Health Care's strategy to concentrate on maximising returns in the rapidly changing health care environment," Mr Grier said.

"The development of Flinders Private Hospital to its full potential requires significant time and resources, which we believe would be better directed towards other, more established areas of the Company's business."

"Adelaide Community Healthcare Alliance Inc, because of its established position within South Australia, is in a better position to bring the hospital's full potential to fruition, faster than would otherwise occur."

As a consequence of the decision to devalue Flinders Private Hospital in the financial year ended 30 June 2000, no significant profit or loss on sale is anticipated. Proceeds from the sale will be used to reduce debt.

Mr Grier said the Ramsay is now well positioned to benefit from changes in the health care environment.

"The 50% increase in health fund membership over the past year translates into an extra \$1.6 billion available to the health funds," he said.

"The significant cost savings and increased efficiencies we have been able to achieve at Ramsay Health Care over the past 12 months put us in the prime position to benefit from these changes."

Ramsay Health Care is one of Australia's leading private health care providers with 17 hospitals including two veterans hospitals, seven psychiatric hospitals, three rural medical-surgical hospitals, a new privatised public hospital in Mildura and North Shore Private Hospital in Sydney.

The group's remaining co-located hospital, North Shore Private, on the campus Royal North Shore Hospital, achieved positive EBIT in the last financial year, and is expected to show a significant improvement in profitability this year.

For further information, contact Pat Grier on (02) 9433 3444.