

## Dividend Shareholder Letter

4/30/1999

Dividend Shareholder Letter

Dear Shareholder,

On behalf of the Board, I am pleased to present you with your interim dividend cheque, which represents 3 cents, franked to 80%, for every Ramsay Health Care share you hold.

The interim net profit for the group of \$6.9 million before abnormal items was pleasing given the difficult economic environment currently facing the health industry. Our veteran hospitals in particular have performed strongly for the period, as opposed to our medical surgical and psychiatric hospitals, which have faced margin pressure due to the current private health insurance environment.

Construction of our two co-located hospitals is now complete. The North Shore Private Hospital was opened in July 1998 while Flinders Private Hospital was opened in January 1999. Both hospitals are being commissioned progressively and will be fully operational by July 1999.

I am excited by the company's further success in selectively pursuing privatisation and co-location opportunities. Recently the Victorian Government selected the Company as the preferred tenderer for the following projects:

The development of the new 143-bed privatised Mildura Base Hospital; and,  
The development of the new 150-bed privatised public hospital, with a 70-bed co-located private wing situated at Berwick, southeast of Melbourne.  
Working with the public hospital system through co-located projects such as North Shore Private in Sydney, and Flinders Private in Adelaide, and privatisation projects such as Mildura and Berwick, in Victoria, is an important element in the Company's strategy for the future.

The directors remain cautious in their outlook for the full year results, with the profit for the second half year expected to be down on last year as a result of the start-up of North Shore Private Hospital and Flinders Private Hospital. Nevertheless, the directors are confident about the potential of these hospitals and the long-term prospects of the Company with the introduction of the Government's promising industry incentives such as the 30% private health insurance rebate and the expansion of the veteran Gold Card scheme, which will benefit our veteran hospitals.

Kind regards,

Paul Ramsay

Chairman

