

ASX ANNOUNCEMENT

29 April 2020

RAMSAY HEALTH CARE FINALISES VICTORIAN AGREEMENT

Ramsay Health Care (Ramsay) confirms that it has finalised the comprehensive agreement with the State of Victoria (the State) to make its facilities and services available during the COVID-19 pandemic (Agreement). The Agreement supersedes the Heads of Agreement under which the State and Ramsay have been operating since 1 April 2020.

The term comprises an initial term beginning on 28 April 2020 until 20 business days after the State gives notice. That notice cannot be given before the later of 31 May 2020 and the lifting of temporary restrictions on category 3 and all non-urgent category 2 surgeries by the Commonwealth Government. In the event of an increase in COVID-19 cases, the State can 'restart' the operation of the Agreement for a further term if it needs to mobilise additional health resources and facilities.

In return for its commitment to use reasonable endeavours to maintain full workforce capacity at its facilities, Ramsay will receive net recoverable costs for its services (being its recoverable costs less its revenue amounts, calculated on an accruals basis). Recoverable costs includes direct operating costs, service costs, corporate overhead costs (to the extent related to the provision of the services), depreciation associated with pre-existing capital which is owned and amortisation of leases and pre-approved capital expenditure. It excludes debt servicing and interest costs.

Discussions with the State Governments of New South Wales, Queensland and Western Australia to finalise agreements for those States continue.

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The release of this announcement has been authorised by the Disclosure Committee.