

**THIS DOCUMENT IS IMPORTANT**

*If you do not understand it or are in any doubt about how to act, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.*



**SONIC HEALTHCARE LIMITED**

**ACN 004 196 909**

**NOTICE OF ANNUAL GENERAL MEETING 2007 AND  
EXPLANATORY MEMORANDUM**

The Annual General Meeting of shareholders will be held in The Heritage Ballroom, The Westin Sydney at 1 Martin Place, Sydney NSW on 30 November 2007, commencing at 10.00am (Sydney time).

If you are unable to attend the meeting, you are encouraged to appoint a proxy to attend and vote on your behalf. Proxies must be appointed in accordance with the instructions set out in the proxy form enclosed with this booklet. Proxy appointments must be received by no later than 10.00am (Sydney time) on 28 November 2007.

**A copy of Sonic's concise report for the financial year ended 30 June 2007 is accessible on Sonic's website at the following address: [www.sonichealthcare.com.au/annualreports.asp](http://www.sonichealthcare.com.au/annualreports.asp).** As permitted by recent changes to the *Corporations Act 2001* (Cth), a physical copy of the concise report has been sent only to shareholders who have elected to receive a physical copy.



## **Notice of Annual General Meeting 2007**

Notice is given that the 2007 Annual General Meeting of Sonic Healthcare Limited ("Sonic" or "the Company") will be held in The Heritage Ballroom, The Westin Sydney at 1 Martin Place, Sydney NSW on Friday, 30 November 2007, commencing at 10.00am (Sydney time).

### **AGENDA**

#### **ORDINARY BUSINESS**

##### **Financial Statements and Reports**

To receive and consider:

- (a) the financial report of the Company;
- (b) the directors' report; and
- (c) the auditor's report

for the financial year ended 30 June 2007.

##### **Re-election of Directors**

To consider and, if thought fit, to pass each of the following resolutions as an ordinary resolution:

1. **THAT** *Dr Philip Dubois, who retires in accordance with Article 71 of the Company's Constitution and, being eligible, offers himself for re-election, is re-elected as a director of the Company.*
2. **THAT** *Dr Hugh Scotton, who retires in accordance with Article 71 of the Company's Constitution and, being eligible, offers himself for re-election, is re-elected as a director of the Company.*

##### **VOTING NOTE:**

All members are entitled to vote on Resolutions 1 and 2.

##### **Remuneration Report**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

3. **THAT** *the remuneration report for the financial year ended 30 June 2007 is adopted.*

##### **VOTING NOTE:**

All members are entitled to vote on Resolution 3. The vote on this resolution is advisory only and does not bind the Company or its directors.



## **SPECIAL BUSINESS**

### **Approval of issue of fully paid ordinary shares by way of placement**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

4. **THAT**, for the purposes of listing rule 7.4 of the Listing Rules of ASX Limited, approval is given to the issue by the Company on 30 August 2007 of 28,169,015 fully paid ordinary shares, made by way of a placement.

#### **VOTING NOTE:**

The Company will disregard any vote cast on Resolution 4 by any shareholder of the Company who participated in the issue of shares made by the Company by way of a placement on 30 August 2007, or by any associate of any such shareholder.

However, the Company will not disregard a vote cast on Resolution 4 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

## **ADDITIONAL INFORMATION**

This Notice is accompanied by an Explanatory Memorandum which provides an explanation of the business of the meeting, including the proposed resolutions.

### ***Voting Entitlements***

1. For the purposes of the 2007 Annual General Meeting, the shares of the Company that are on issue as at 7.00pm (Sydney time) on 28 November 2007 will be taken to be held by the persons who held them at that time. Accordingly, you will be entitled to vote at the meeting if, and only if, you are a registered member of the Company at 7.00pm (Sydney time) on 28 November 2007. Transfers registered after that time will be disregarded in determining members entitled to attend and vote at the meeting.

### ***Proxies***

2. A member has a right to appoint a proxy, who need not be a member of the Company.
3. If a member is entitled to cast two or more votes, the member may appoint two proxies. If a member appoints two proxies, neither proxy is entitled to vote on a show of hands.
4. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the member's voting rights (disregarding fractions).
5. You may return your proxy form to Sonic's share registry by faxing, posting or delivering it to the relevant address below, or to the registered office of Sonic.



By fax: 61 8 8236 2305  
By mail: Sonic Healthcare Limited  
C/o Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

6. To be effective for the scheduled meeting, your proxy form must be received no later than 48 hours before commencement of the Annual General Meeting (ie by 10.00am (Sydney time) on 28 November 2007). A form of proxy accompanies this Notice.
7. Alternatively, you may appoint a proxy using an electronic facility available at the website [www.computershare.com/proxy/au/Sonic](http://www.computershare.com/proxy/au/Sonic). At the website, members will be able to view an electronic version of the proxy form, which will accept proxy appointments and register them accordingly. A member who wishes to use this facility must register their proxy appointment by no later than 10.00am (Sydney time) on 28 November 2007.
8. A proxy may decide whether or not to vote on any motion, unless the proxy is required by law or the Company's constitution to vote. Unless a member specifically directs the proxy how to vote on a proposed resolution, the proxy may vote as he or she thinks fit on that resolution. If the member specifically directs the proxy how to vote on a proposed resolution, the proxy may only vote on that item in the way the member directed.
9. If a member appoints the Chairman of the meeting as proxy and does not direct the Chairman how to vote on any of the proposed resolutions set out in this Notice, then the Chairman intends to vote in favour of the resolution if a poll is called on the resolution.

By ORDER of the Board of Directors

**Paul Alexander**  
Company Secretary

Dated: 31 October 2007



## EXPLANATORY MEMORANDUM

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### **ORDINARY BUSINESS**

#### **Financial Statements and Reports**

The financial report of the Company and the reports of the directors and auditor for the financial year ended 30 June 2007 will be laid before the Annual General Meeting, as required by the *Corporations Act 2001 (Cth)*. Shareholders can access a copy of the reports (which form part of the Sonic Healthcare Limited Annual Report – 30 June 2007) on the Company's website at [www.sonichealthcare.com](http://www.sonichealthcare.com).

During this item of business, shareholders will be provided with a reasonable opportunity to ask questions about, and make comments on, the reports and the management, business and performance of the Company.

Shareholders will also be given a reasonable opportunity to ask a representative of the Company's auditor, PricewaterhouseCoopers, questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements or the independence of the auditor in relation to the conduct of the audit. Shareholders may also submit a written question to PricewaterhouseCoopers if the question is relevant to the content of the auditor's report for the financial year ended 30 June 2007 or the conduct of the audit of the financial report for that year. Questions for the auditor must be received by the Company by no later than Friday, 23 November 2007. At the meeting, PricewaterhouseCoopers will be given the opportunity to answer, or table written answers to, relevant questions.

#### **Resolutions 1 and 2 – Re-election of Directors**

Under Article 71 of the Constitution of the Company and in accordance with the listing rules of ASX Limited, no director, other than the Managing Director, may hold office for a continuous period in excess of 3 years or past the third Annual General Meeting following the director's appointment, whichever is the longer, without submitting for re-election. Dr Philip Dubois and Dr Hugh Scotton are required to retire as directors at the end of the 2007 Annual General Meeting but, being eligible, offer themselves for re-election.

Brief biographical details of Dr Philip Dubois and Dr Hugh Scotton are set out below:



- **Dr Philip Dubois** (M.B., B.S., F.R.C.R., F.R.A.N.Z.C.R., F.A.I.C.D.)  
Executive Director

Dr Dubois is Chairman of the Sonic Imaging Executive Committee and is Chairman and CEO of Queensland X-Ray. A neuroradiologist and nuclear imaging specialist, he is currently an Associate Professor of Radiology at University of Queensland Medical School. He has served on numerous government and craft group bodies including the Diagnostic Economic Committee and the Council of the Royal Australian and New Zealand College of Radiologists (RANZCR) and the Diagnostic Imaging Management Committee. He is currently Vice President of the Australian Diagnostic Imaging Association (ADIA), a Councillor and the Radiology Craft Group Representative of the Australian Medical Association (AMA), and member of the Nuclear Imaging Consultative Committee. Dr Dubois is a member of Sonic Healthcare's Risk Management Committee. Dr Dubois is currently a non-executive director of Magnetica Limited (since December 2004).

Dr Dubois has been a director of the Company since 2001.

- **Dr Hugh Scotton** (M.B., B.S., F.R.A.N.Z.C.R., D.D.U., F.A.I.C.D.)  
Executive Director

Dr Scotton trained in radiology in Adelaide and Brisbane prior to entering private practice in the Hunter Valley in 1972. He was Chairman of Pacific Medical Imaging, incorporating radiology groups in the Hunter Valley, Sydney and Illawarra from 1999 until the acquisition of the group in 2001 by Sonic. Prior to the formation of Pacific Medical Imaging, Dr Scotton was Chairman of the Hunter Imaging Group, the largest imaging practice in the Hunter Valley. He currently retains that position.

Dr Scotton has been a director of the Company since 2001.

### **Resolution 3 – Remuneration Report**

Sonic's 2007 Annual Report contains a remuneration report (which forms part of the directors' report), which sets out the board's remuneration policy and reports the remuneration arrangements in place for directors and specified executives for the financial year ended 30 June 2007.

A resolution for adoption of the remuneration report will be put to the vote at the Annual General Meeting, as required by the *Corporations Act 2001* (Cth). In accordance with the *Corporations Act*, the vote on Resolution 3 will be advisory only and will not bind the directors or the Company.

Shareholders will be provided with a reasonable opportunity to ask questions about and make comments on the remuneration report at the Annual General Meeting.



## SPECIAL BUSINESS

### Resolution 4 – Approval of issue of fully paid ordinary shares by way of placement

#### Background

On 24 August 2007, Sonic announced that it had successfully raised A\$400 million from an institutional placement of 28,169,015 ordinary shares at A\$14.20 per share (**the Placement**) representing a discount of 5% to Sonic's closing price on 22 August 2007.

The directors are now seeking the approval of shareholders, for the purposes of listing rule 7.4 of the Listing Rules of ASX Limited (**ASX Listing Rules**), in respect of the issue of shares under the Placement. The following details of the issue are provided for the purposes of listing rule 7.5.

Persons to whom the issue was made	Date of issue	No. of shares issued	Issue price	Terms of shares issued	Use of the funds raised
Issued under a private placement to institutional and other 'professional' or 'sophisticated' investors nominated by Citigroup Global Markets Australia Pty Limited and J.P. Morgan Australia Limited, who acted as joint lead managers and underwriters for the placement.	30 August 2007	28,169,015	A\$14.20	Fully paid ordinary shares, ranking equally with other fully paid ordinary shares in the Company.	To repay debt so as to provide further capacity to fund acquisitions, including the settlement in September 2007 of the acquisition of the Bioscientia Healthcare Group in Germany.

#### Effect of approval

In general terms, listing rule 7.1 of the ASX Listing Rules imposes a 15% cap on the number of shares that can be issued by Sonic, without the approval of shareholders (or an ASX waiver), in any 12 month period (**15% limit**). However, Sonic is permitted to issue shares (or other securities) in excess of the 15% limit if those shares are issued in reliance on an exception to listing rule 7.1 or the issue is approved by shareholders (or an ASX waiver is obtained). Listing rule 7.4 enables shareholders to subsequently approve the issue of such shares for the purposes of listing rule 7.1.

The effect of the approval by shareholders of Resolution 4 would be that the shares set out in the above table, that have been issued by the Company in the last 12 months, will not count towards the 15% limit. A consequence of the approval would also be that the shares issued under the Placement would increase the number of shares from which the 15% limit is calculated.

The directors consider that it is appropriate and prudent for approval to be sought at the Annual General Meeting in respect of the issue of shares under the Placement, as this approval will enhance Sonic's flexibility to finance strategic transactions through raising equity capital should the directors consider that it is in the best interests of the Company to do so. If this approval is not given at the meeting, the Company may need to incur the costs and delay of convening a special general meeting of the Company during the period up to 31 August 2008 if the Directors propose to issue securities which do not fall under an exception to the 15% cap set out in listing rule 7.2. Accordingly, the directors are seeking the approval of shareholders, for the purposes of listing rule 7.4, so that the issue of shares under the Placement will not count towards the 15% limit. The directors believe that it is in the best interests of the Company that the directors maintain their ability to issue up to 15% of the issued capital of the Company in the period up to 31 August 2008.

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