MEDIA RELEASE

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ACCC WON'T OPPOSE HEALTHE CARE'S PROPOSED ACQUISITION OF PULSE HEALTH

The Australian Competition and Consumer Commission has decided not to oppose Healthe Care Australia's proposed acquisition of Pulse Health (ASX: PHG).

Healthe Care and Pulse Health are both private hospital operators. The ACCC's review of the proposed acquisition focused on Forster and Taree in the mid-North Coast region in NSW. Healthe Care owns the Mayo Private Hospital in Taree and Pulse Healthe operates the Forster Private Hospital.

"The ACCC found that although the Mayo and Forster private hospitals are the only private hospitals in the Forster-Taree region, the two hospitals do not compete closely to attract doctors and patients," ACCC Commissioner Roger Featherston said.

"Most of the doctors who work in the region see patients at both the Mayo and Forster private hospitals. Patient choice between the two hospitals is likely to be driven by location and the doctor's availability. Neither of these elements is likely to change post-acquisition."

"Our analysis revealed that the vast majority of patients that reside close to Taree are not likely to travel to Forster to receive treatment they could receive at the Mayo Private Hospital, and vice versa," Mr Featherston said.

The ACCC's review also considered the potential for Healthe Care to use the acquisition of Pulse to increase its bargaining power in negotiations with private health insurance funds.

"Even with the addition of Pulse Health hospitals, we concluded that the proposed acquisition is unlikely to significantly change Healthe Care's bargaining position in negotiations with health funds. Healthe Care will still be significantly smaller than the two largest Australian private hospital operators," Mr Featherston said.

Background

Healthe Care operates 17 private hospitals around Australia. These hospitals are located in NSW (8), Queensland (4), Victoria (3), Tasmania (1) and Western Australia (1). Pulse's hospitals are located in NSW (5), Queensland (4) and Victoria (3).

Pulse Health is an ASX listed private health operator with 12 facilities in Australia. Its facilities are located in NSW (5), Queensland (4) and Victoria (3).

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