

## **GORDON BALLANTYNE TO SUCCEED ROBERT COOKE AS HEALTHSCOPE MANAGING DIRECTOR AND CEO**

**3 APRIL 2017**

The Board of Healthscope today announced the appointment of Gordon Ballantyne as Managing Director and Chief Executive Officer of Healthscope, effective 15 May 2017.

Mr Ballantyne, (52), has extensive experience in public and private companies, and across complex businesses and highly regulated industries. Most recently he was Group Executive of Telstra's domestic retail business, where his passion for the customer and his ability to lead a large-scale cultural transformation saw the retail division grow to become an \$18 billion business, delivering successive years of double-digit revenue growth. He also founded Telstra Health, a new business division. Prior to Telstra, Mr Ballantyne held senior leadership roles with Hewlett Packard, T-Mobile and Dell. Mr Ballantyne will be appointed to the Board of Healthscope on 16 May 2017.

Robert Cooke will step down after more than six years as Managing Director and Chief Executive Officer on 14 May 2017. He will remain available to assist the Company with a smooth transition to new leadership until April 2018.

Healthscope Chairman, Paula Dwyer recognised the significant contribution that Mr Cooke has made to the Company during its period of private equity ownership and post re-listing on the ASX. "Robert was appointed MD and CEO in November 2010, and under his leadership the Company has become a recognised market leader in quality within the private healthcare industry. This is core to our purpose and has underpinned our ability to deliver strong financial performance. Under Robert's leadership, Healthscope has significantly expanded its operating margin and more than doubled its earnings before interest, tax, depreciation and amortisation (EBITDA) from \$201 million in FY11 to \$408 million in FY16.

"Robert leaves the company uniquely positioned to play an important role in addressing the growing healthcare needs of all Australians. He has been instrumental in successfully securing landmark projects, such as the Northern Beaches Hospital in Sydney and Gold Coast Private Hospital in Queensland, and establishing a pipeline of hospital expansion projects which will provide a strong platform for future growth."

"Succession planning is an important ongoing process at Healthscope. We are delighted to have secured a leader with Gordon's ability and experience to succeed Robert. Gordon has an enduring track record of driving growth, improving operating performance and increasing shareholder value. We are confident that he has the right skill set to continue to deliver on our strategic priorities, and ensure Healthscope plays a key role in easing Australia's healthcare burden through the delivery of high quality, cost effective healthcare services." Ms Dwyer said.

Mr Ballantyne said "I am honoured to have been asked to lead Healthscope through the next stage of its growth. This is an exciting time for Healthscope with increased hospital capacity coming on line over the next few years, and further opportunities to expand our healthcare services to best serve the communities we support. I am also looking forward to working with the extraordinary team at Healthscope and building on Robert's legacy, including continuing his advocacy for transparency in quality and clinical outcomes across the healthcare industry, and



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investing in both infrastructure and people to deliver world class healthcare outcomes for all our patients.”

Mr Cooke said he feels privileged to have led Healthscope over the last six and a half years. “Healthscope plays an important role in Australia’s healthcare eco-system. Through the services we provide, we touch the lives of thousands of patients and their families each day. I’m proud of what the management team and everyone at Healthscope has achieved since the change of ownership in 2010. I am also confident that the right foundations have been laid for strong and profitable growth in years to come, and feel that this is now the right time for me to step down. I am pleased to leave the company in a strong position with private healthcare industry fundamentals intact, delivery of our pipeline of new and brownfield hospital development projects on track and the outlook for 2HFY17 unchanged.”

Mr Ballantyne’s biography is contained in Attachment 1 and a summary of the material terms of his employment are outlined in Attachment 2.

Mr Cooke will receive benefits in accordance with his existing employment contract and Healthscope’s Short Term Incentive and Equity Incentive Plans.

For further information please contact:

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## **Attachment 1**

### **Gordon Ballantyne – biography**

Gordon has extensive operating experience within public and private companies both in Australia and internationally. He has been highly successful in driving growth and large scale cultural transformation in complex and highly regulated industries, delivering improved outcomes for consumers and strong returns for shareholders. He is recognised for his strong leadership, passion for putting customers first and for his 'challenger mindset'.

He has considerable experience in working with government, commercial and community stakeholders and in the management of large scale workforces.

Most recently Gordon was Group Executive of Telstra's domestic retail business, which he helped to grow into an \$18 billion business with successive years of double digit revenue growth. While at Telstra he also founded innovative new growth businesses, including Telstra Health, a disruptive health services business focused on e-health solutions and health analytics.

Prior to Telstra, Gordon spent 20 years in senior leadership roles in leading global corporations, including:

- Hewlett Packard, Vice President UK & Ireland – led the growth of a \$2 billion business
- T-Mobile, UK Director – responsible for the transformation of a \$5 billion telecommunications business
- Dell.com, Managing Director Europe – founded Dell.com in 16 European countries to become a \$5 billion business
- Dell Ventures, Partner – led strategic investments on behalf of Dell Corporation with a fully invested fund in excess of US\$1.2 billion, including 37 successful IPOs

### **Education**

BSc (Hons) Electrical and Electronic Engineering, Heriot-Watt University, Edinburgh

### **Previous Board Experience**

Chairman, TelstraClear

Non-Executive Director, Foxtel

Vice Chairman, CSL Hong Kong

## Attachment 2

### Summary of material terms of employment

Key Terms	Detail
Commencement Date	<ul style="list-style-type: none"> <li>15 May 2017 (Employment)</li> <li>16 May 2017 (Director)</li> </ul>
Term	<ul style="list-style-type: none"> <li>Appointed on an ongoing basis until terminated by either party under the terms of the contract</li> </ul>
Total Fixed Remuneration ("TFR")	<ul style="list-style-type: none"> <li>\$1.6 million per annum</li> </ul>
Initial Equity Grant	<ul style="list-style-type: none"> <li>Executive will acquire Healthscope shares equivalent in value to \$1 million on market prior to commencement of employment</li> <li>On commencement of employment, Healthscope will grant the equivalent value of performance rights to the Executive subject to the terms of the Healthscope Equity Incentive Plan and a two year service condition.</li> </ul>
Short Term Incentive ("STI")	<ul style="list-style-type: none"> <li>Executive eligible to receive an STI in FY18 of 100% of TFR for at target performance, with an opportunity to achieve up to 150% of TFR for outstanding performance, subject to the rules of Healthscope's Short Term Incentive Plan</li> <li>It is intended that 70% of any award will be payable in cash</li> <li>It is intended that 30% of any award will be deferred into equity in the form of performance rights with a two year service condition, subject to shareholder approval and the terms of the Healthscope Equity Incentive Plan</li> </ul>
Long Term Incentive ("LTI")	<ul style="list-style-type: none"> <li>Executive eligible to participate in LTI arrangements offered by Healthscope from time to time</li> <li>It is intended that the Executive will receive an LTI grant for FY18 (anticipated to be in the form of performance rights) equivalent to 120% of TFR, subject to the rules of Healthscope's Equity Incentive Plan and shareholder approval at the 2017 Healthscope AGM</li> </ul>
Termination and notice	<ul style="list-style-type: none"> <li>12 months' notice by either party in writing is required to terminate the contract other than where employment is terminated for dishonesty, fraud, wilful disobedience or misconduct (in which case no notice is payable)</li> <li>Payment in lieu of all or a portion of the notice period may be made at the Company's discretion</li> <li>Executive may terminate immediately in the case of a fundamental change and is entitled to 12 months' TFR</li> </ul>
Post employment restraint	<ul style="list-style-type: none"> <li>Executive to be restrained from competing with the Company or other members of the Group for up to 12 months</li> </ul>