

## **HEALTHSCOPE RECEIVES UNSOLICITED AND CONDITIONAL ACQUISITION PROPOSAL**

**23 OCTOBER 2018**

Healthscope Limited ("Healthscope") today announced that it has received an unsolicited proposal from the consortium of financial investors comprising the BGH – AustralianSuper Consortium to acquire all of the shares in Healthscope by way of a scheme of arrangement.

The proposal is substantially the same as the proposal which was made by the BGH – AustralianSuper Consortium in April 2018 and which was rejected by Healthscope on 22 May 2018.

Like the previous proposal, this proposal is stated to be a preliminary, non-binding indication of interest and specifies an indicative price of \$2.36 cash per share. The indicative price will be reduced by the value of any dividends or other distributions declared, proposed or paid.

The proposal is subject to a significant number of conditions, including:

- due diligence;
- arranging debt financing for the acquisition;
- each BGH – AustralianSuper Consortium member obtaining approval from its investment committee to submit a binding proposal;
- negotiation and execution of a Scheme Implementation Deed;
- receipt of all necessary regulatory approvals, including Foreign Investment Review Board and Overseas Investment Office approvals;
- a requirement that the proposed sale of an interest in Healthscope's property assets will not proceed and no other material assets are divested. Healthscope notes that it announced on 21 August 2018 that it proposes to establish a new unlisted property trust which will hold the majority of Healthscope's freehold property assets and lease them back to Healthscope;
- a requirement that Healthscope's Hospitals division remains on track to report FY19 Operating EBITDA growth of 10% compared with FY18, consistent with market guidance provided by Healthscope at its FY18 result;
- a requirement that, excluding proceeds from the sale of Asian Pathology and on the basis that the NSW State Government capital payment has not yet been received, Healthscope's underlying net debt position as at 31 December 2018 is in line with that reported at the FY18 result;
- a requirement that no recurring cash costs were classified as "non-operating expenses" in the FY18 result; and
- a requirement that the Healthscope Board agrees unanimously to recommend that shareholders vote in favour of the proposed scheme in the absence of a superior proposal, subject to an Independent Expert concluding that the proposed scheme is in the best interests of shareholders.



Healthscope

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The BGH – AustralianSuper Consortium has stated that the exclusivity arrangements amongst its members have been extended to 31 March 2019.

The BGH – AustralianSuper Consortium has stated that Ellerston Capital has indicated that it is supportive of the Board of Healthscope granting the BGH – AustralianSuper Consortium access to due diligence, and would, with respect to the shares over which it has mandated authority, support a scheme of arrangement in respect of Healthscope at the indicative price under the proposal, in the absence of a superior proposal and subject to an Independent Expert concluding that the transaction is in the best interests of shareholders. However, Healthscope has not received any correspondence from Ellerston Capital in relation to the proposal.

The Healthscope Board will assess the proposal and will keep the market informed of any material developments in accordance with its continuous disclosure requirements. Healthscope shareholders do not need to take any action in relation to the proposal at this stage. There is no certainty that the proposal will result in a transaction.

UBS is acting as financial adviser and Herbert Smith Freehills as legal adviser to Healthscope.

**Further enquiries:**

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