

ASX Announcement

28 September 2015

LIFEHEALTHCARE ANNOUNCES ACQUISITION OF MEDICAL VISION AUSTRALIA BECOMING UNCONDITIONAL

On Wednesday, 26 August 2015, LifeHealthcare Group Limited (ASX: LHC) (**LifeHealthcare**), one of Australia's leading independent distributors of high end medical devices, announced that its wholly-owned subsidiary, LifeHealthcare Distribution Pty Limited (**LifeHealthcare Distribution**), entered into an agreement to acquire all of the issued share capital of Medical Vision Australia Cardiology & Thoracic Pty Limited (**MVA**), a distributor in the Interventional Cardiology market specifically in Australia (the **Transaction**).

As LifeHealthcare advised in its announcement on 26 August 2015, completion of the Transaction is subject to the satisfaction of a number of conditions precedent, including completion of legal, financial and tax due diligence to the satisfaction of LifeHealthcare, LifeHealthcare obtaining debt financing to fund the purchase price, and the renegotiation of the terms of the relevant contracts with MVA's key suppliers.

LifeHealthcare advises that all of the conditions precedent to completion of the Transaction have been satisfied or waived and that completion of the Transaction will occur this week, Friday, 2nd October 2015.

In its announcement on 26 August 2015, LifeHealthcare advised that the purchase price payable by LifeHealthcare Distribution in respect of the Transaction would comprise:

- a base payment payable by LifeHealthcare Distribution at completion of the Transaction (**Base Payment**) calculated by reference to MVA's FY2015 EBITDA and the net cash held by MVA on 31 August 2015 which, based on its due diligence, LifeHealthcare estimated would be approximately \$9.0m; and
- an earn-out payment based on the financial performance of MVA in the 18 month period ending on 31 December 2016, calculated on an annualized basis, up to a maximum of \$4.0m (**Earn-out Payment**).

> Not your typical multinational

LifeHealthcare advises that the vendor of MVA and LifeHealthcare Distribution have agreed that:

- the Base Payment will be \$9.0m; and
- the maximum value of the Earn-out Payment will be reduced from \$4.0m to \$2.0m reflecting final terms of the Transaction of and expected performance in the Earn-out period.

The purchase price for the Transaction will be funded from existing debt facilities provided by ANZ and, when completed, will increase LifeHealthcare's pro-forma 30 June 2015 net gearing ratio (Net Debt/EBITDA) to 1.75x. LifeHealthcare will be required to comply with Part 2J of the *Corporations Act 2001* (Cth) in respect of any financial assistance proposed to be given by MVA in favour of ANZ, including seeking shareholder approval at a general meeting. Approval for such financial assistance will be sought from LifeHealthcare's shareholders at the annual general meeting to be held on Wednesday, 28th October 2015.

Key highlights of the Transaction are set out in LifeHealthcare's announcement of 26 August 2015.

For more information please contact:

Matt Muscio
Chief Executive Officer
LifeHealthcare Group Limited
+ 61 2 8114 1558

David Wiggins
CFO & Company Secretary
LifeHealthcare Group Limited
+61 2 8114 1534

> Not your typical multinational