



## MARKET ANNOUNCEMENT

### Release of Target Company Statement - Independent Directors Recommend Grafton Offer

**Auckland, 6 March 2019** - Orion Health Group Limited (NZX / ASX: OHE) (**Orion**) announces that the independent directors of Orion unanimously recommend that shareholders accept Grafton Health Holdings Limited's (**Grafton**) full takeover offer in respect of Orion.

#### *Background*

Grafton has made an unconditional offer to acquire all of the ordinary shares in Orion (the **Shares**) at a price of NZ\$1.224 per Share (the **Offer**).

Following receipt of Grafton's takeover notice, the board of directors of Orion formed an independent board committee to oversee Orion's response to the Offer. The Board committee members are independent directors Andrew Ferrier and Paul Shearer (the **Independent Directors**). Orion's other two directors, Ian McCrae and Michael Falconer, are associated with Grafton and have therefore not been involved in the Board's response to the Offer.

At the time of the Offer was made, shareholders representing over 90% of the Shares had already committed to accept the Offer and, as at the date of this announcement, Grafton has already acquired over 90% of the Shares. Grafton is therefore entitled to exercise its rights under the Takeovers Code to compulsorily acquire the outstanding Shares following the close of the Offer. Grafton has stated in its offer document for the Offer that it intends to exercise its compulsory acquisition rights to acquire any outstanding Shares.

#### *Release of Target Company Statement*

Orion has today released its target company statement prepared in response to the Offer (the **Target Company Statement**). In the Target Company Statement, Orion's independent directors have unanimously recommended that shareholders accept the Offer. The Target Company Statement also includes a report from independent adviser KordaMentha on the merits of the Offer (the **Independent Adviser's Report**). In the Independent Adviser's Report, KordaMentha has valued the Shares in the range of NZ\$1.00 to NZ\$1.47 per Share.

#### *Reasons for recommendation*



The principal reasons for the Independent Directors' recommendation that shareholders accept the Offer are:

- The offer price of NZ\$1.224 per Share is at approximately the midpoint of the valuation range of NZ\$1.00 to NZ\$1.47 per Share specified by KordaMentha in the Independent Adviser's Report. The price is also the same as the price offered by Orion in the share buyback that was completed in January this year.
- As Grafton has already acquired over 90% of the Shares, there is no realistic prospect of a competing offer emerging.

Shareholders are urged to read the Target Company Statement, including the Independent Adviser's Report and the section of the chairman's letter relating to whether to accept the Offer now or wait until compulsory acquisition, carefully before making a decision.

The Offer remains open for acceptance until 11.59pm on 15 March 2019.

#### **About Orion Health**

Orion Health (NZX / ASX: OHE) is a global health technology company that provides solutions which enable healthcare to more than 100 million patients globally. Built on an open platform, Orion Health is a leading provider of population health management and precision health solutions. The company employs more than 700 people in 15 countries and is committed to continual innovation, investing substantially in research and development to cement its position at the forefront of precision health. For more information visit [www.orionhealth.com](http://www.orionhealth.com)

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