



**Healthscope**

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28 July 2010

Dear Healthscope shareholder,

On 19 July 2010, Healthscope announced it had entered into a Scheme Implementation Agreement ("SIA") with funds advised by The Carlyle Group and TPG Capital (the "Consortium"), under which it is proposed the Consortium will acquire all of the ordinary shares in Healthscope under a Scheme of Arrangement ("Scheme").

Under the terms of the Scheme, Healthscope shareholders will receive \$6.26 in cash per share, valuing Healthscope at approximately \$2.7 billion. The price will be reduced by any future dividends that Healthscope pays to shareholders prior to completion, including the final dividend expected to be declared with respect to the year ended 30 June 2010.

The Board of Healthscope unanimously recommends that Healthscope shareholders vote in favour of the Scheme at the Scheme meeting, in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of Healthscope shareholders.

The price of \$6.26 per share represents a premium of 39% to the closing price of \$4.50 on 13 May 2010, the day prior to the announcement that Healthscope had received an indicative proposal and a premium of 43% to the three month volume weighted average price prior to 13 May 2010 of \$4.36.

A Scheme booklet containing information relating to the proposed acquisition, reasons for the Directors' unanimous recommendation, and details of the Scheme meeting is expected to be sent to Healthscope shareholders in September with a shareholder meeting to vote on the proposed Scheme to be held in late September/early October. Subject to the approval of the Scheme by shareholders and the court and the timely satisfaction (or waiver) of conditions, Healthscope expects the transaction to complete in October.

For more information, please refer to Healthscope's announcement released on the ASX on 19 July 2010, visit Healthscope's website at [www.healthscope.com.au](http://www.healthscope.com.au) or call Healthscope's share registry, Link Market Services Ltd, on 1300 657 539 (within Australia) or +61 2 8280 7480 (outside Australia) Monday to Friday between 8.30am and 5.30pm (Melbourne time).

Yours sincerely,

Linda Bardo Nicholls, AO  
Chairman