HALF YEAR ENDED 31 DECEMBER 2010
INFORMATION GIVEN TO THE ASX UNDER LISTING RULE 4.2A

Name of entity
Healthscope Notes Limited

ABN
69 147 250 780

Reporting period	**Previous corresponding period**
Half year ended 31 Dec 2010	n/a

Note holders may wish to obtain the half year financial report of the Healthscope Group in order to gain an understanding of its financial performance for the period ended 31 December 2010 and its financial position as at that date.

Contents	**Item**
Results for announcement to the market	1.
Net tangible assets per ordinary security	2.
Dividends (Distributions)	3.
Other information regarding the accounts	4.

1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Up / down	% change	$'000
Revenue	n/a	n/a	925
Net loss for the period	n/a	n/a	(40)
Net loss for the period attributable to members	n/a	n/a	(40)

Dividends and distributions per security	Cents per security	% Franked amount per security
31 December 2010	nil	nil
Record date for determining entitlements to distributions		n/a
Payment date for distributions		n/a

2. NET TANGIBLE ASSETS PER ORDINARY SECURITY (NTA backing)

	31 Dec 2010 cents per security
Net tangible asset per security	n/a

3. DIVIDENDS (DISTRIBUTIONS)

The company did not pay any distributions during the half year ended 31 December 2010 and has not declared any distributions for the half year ended 31 December 2010.

4. OTHER INFORMATION REGARDING THE ACCOUNTS

The information contained in this Appendix 4D is based on accounts which have been subject to review. Refer to the review of operations section within the attached Director's Report.

Healthscope Notes Limited

ABN 69 147 250 780

Financial Report

For the half year ended 31 December 2010

Healthscope Notes Limited
ABN 69 147 250 780

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DIRECTORS' REPORT

Your directors submit the financial report of Healthscope Notes Limited for the half year ended 31 December 2010.

DIRECTORS

The names of directors in office at any time during or since the end of the half year are:

Mr. R.J. Cooke (Chairman) appointed 8 November 2010
Mr. S.J. Moore appointed 8 November 2010
Mr. S.J. Schneider appointed 8 November 2010

Directors have been in office since the start of the half year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the company are the provision of publicly listed debt instruments and on lending of the net proceeds received from the debt instruments to the Healthscope Group.

DATE OF INCORPORATION

Healthscope Notes Limited was incorporated on 8 November 2010. The half year financial report covers the period from the date of incorporation to 31 December 2010.

OPERATING RESULTS

The operating loss attributable to the equity holders of the company for the half year financial period, after income tax expense, amounted to a loss of $40,000.

DIVIDENDS

No dividend has been declared during or since the end of the half year financial period.

REVIEW OF OPERATIONS

Healthscope Notes Limited ACN 147 250 780 ('**Issuer**') was incorporated on 8 November 2010 as a special purpose vehicle to issue publicly listed debt instruments and on-lend the net proceeds raised from the issue of the debt instruments to Healthscope Finance Pty Ltd ACN 145 126 067, a member of the Healthscope Group (as defined below). The Issuer raised $200 million by issuing 2 million $100 redeemable, exchangeable, secured but subordinated notes ('**Healthscope Notes'**) on 17 December 2010. The Issuer was admitted to the Official List of the Australian Securities Exchange ('**ASX**') (ASX code: HLN) on 17 December 2010. The Healthscope Notes have been quoted on the ASX from 20 December 2010. The ordinary shares of the Issuer are not quoted.

As a result of its listing on the ASX, the Issuer is required to lodge annual and half yearly financial reports in accordance with the ASX Listing Rules and the Corporations Act. In addition, the Issuer will lodge with the ASX annual and half yearly financial reports for the Healthscope Group, which aggregate the financial performance, the financial position and the cash flows of:

- APHG Holdings 2 Pty. Ltd ACN 146 342 832 and its controlled entities;
- APHG No 2 Holdings 2 Pty Ltd ACN 146 342 832 and its controlled entities; and
- CT HSP Holdings (Dutch) B.V. registration no. 34308383 and its controlled entities;

(together the '**Healthscope Group**') to provide the holders of Healthscope Notes with an understanding of the financial position of the Healthscope Group which was referred to in the Issuer's prospectus dated 24 November 2010 as the 'Security Group'.

The notes are secured over a majority of the assets and entities of the Healthscope Group on a subordinated basis to the Senior Debt.

The proceeds of the notes raising, were used to extinguish certain sub-debt loans. As these loans were owed by other entities in the Healthscope Group, the company has loaned the amount raised (less costs of issue) to those entities in the Healthscope Group. This is an interest-bearing loan accruing income at an interest rate of 11.7% per annum.

SUBSEQUENT EVENTS

To the best knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the financial period that has significantly affected or may affect the Company's operations or state of affairs in future financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 3 of the half year financial report.

ROUNDING OFF OF AMOUNTS

The Company is an entity to which ASIC Class Order 98/100 applies. Accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the Board of Directors, made pursuant to s.306(3) of the Corporations Act 2001.

Robert Cooke

R Cooke
Executive Chairman and Managing Director

Melbourne, 25 February 2011

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Board of Directors
Healthscope Notes Limited
Level 1
312 St Kilda Road
Melbourne VIC 3004

25 February 2011

Dear Board Members

Healthscope Notes Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Healthscope Notes Limited.

As lead audit partner for the review of the financial statements of Healthscope Notes Limited for the half year financial period ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

T Imbesi
Partner
Chartered Accountants

Healthscope Notes Limited
ABN 69 147 250 780

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Note	Half year ended 31 Dec 2010 $'000
Interest revenue	3	925
Finance costs	3	(983)
Loss before income tax expense		**(58)**
Income tax benefit		18
Loss for the period		**(40)**
Other comprehensive income		
Other comprehensive income for the period (net of tax)		-
Total comprehensive income for the period		**(40)**

The accompanying notes numbered 1 to 9 form part of this half year financial report.

Healthscope Notes Limited
ABN 69 147 250 780

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Note	31 Dec 2010 $'000
CURRENT ASSETS		
Cash and cash equivalents		244
Trade and other receivables		1,438
TOTAL CURRENT ASSETS		**1,682**
NON CURRENT ASSETS		
Loans to the Healthscope Group	7	192,179
TOTAL NON CURRENT ASSETS		**192,179**
TOTAL ASSETS		**193,861**
CURRENT LIABILITIES		
Trade and other payables		1,555
TOTAL CURRENT LIABILITIES		**1,555**
NON CURRENT LIABILITIES		
Debt securities	6	192,229
Other financial liabilities		117
TOTAL NON CURRENT LIABILITIES		**192,346**
TOTAL LIABILITES		**193,901**
NET ASSETS DEFICIT		**(40)**
EQUITY		
Issued capital		-
Accumulated losses		(40)
TOTAL EQUITY		**(40)**

The accompanying notes numbered 1 to 9 form part of this half year financial report.

Healthscope Notes Limited
ABN 69 147 250 780

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Note	Half year ended 31 Dec 2010 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers		-
Cash generated from operations		**-**
Interest received		-
Interest and costs of finance paid		-
Income tax paid		-
Net cash provided by operating activities		**-**
CASH FLOWS FROM INVESTING ACTIVITIES		
Amounts advanced to related entities		(192,043)
Net cash used in investing activities		**(192,043)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of debt securities	6	200,000
Costs of issue of debt instruments		(7,713)
Net cash provided by financing activities		**192,287**
Net increase in cash and cash equivalents		**244**
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		**244**

The accompanying notes numbered 1 to 9 form part of this half year financial report.

Healthscope Notes Limited
ABN 69 147 250 780

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Issued capital $'000	Accumulated losses $'000	Attributable to owners of the company $'000	Total equity $'000
Opening balance at 8 November 2010	**-**	**-**	**-**	**-**
Loss for the period	-	(40)	(40)	(40)
Other comprehensive income for the period (net of tax)	-	-	-	-
Total comprehensive income for the period	**-**	**(40)**	**(40)**	**(40)**
Transactions with owners in their capacity as owners				
- Issue of share capital [(i)]	-	-	-	-
Closing balance at 31 December 2010	**-**	**(40)**	**(40)**	**(40)**

(i) the company issued 1 share at a par value of $1 during the half year financial period. Due to the use of thousands, no value is shown in the condensed statement of changes in equity.

The accompanying notes numbered 1 to 9 form part of this half year financial report.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 1: GENERAL INFORMATION

Healthscope Notes Limited is a limited company incorporated and domiciled in Australia. The company was incorporated on 8 November 2010 and accordingly only figures covering the period from incorporation are shown.

The registered office and principal place of business is:
Level 1
312 St Kilda Road
Melbourne VIC 3004
Tel: (03) 9926 7500

The entity's principal activities are the provision of publicly listed debt instruments and on lending of the net proceeds received from the debt instruments to the Healthscope Group.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance
The half year financial report is a general purpose financial report, prepared in accordance with the Corporations Act 2001 and *AASB 134 Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard 134 *Interim Financial Reporting*. The half year financial report does not include notes of the type normally included in an annual financial report.

Basis of preparation
The condensed financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations, effective for the current reporting period that are relevant to the Group include:

- Amendments to AASB 5, 8, 101, 107, 117, 118, 136 and 139 as a consequence of AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

AASB 2009-5 introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the current / non-current classification of convertible instruments, the classification of expenditures on unrecognised assets in the statement of cash flows and the classification of leases of land and buildings.

The financial statements have been prepared on the basis of accounting requirements specified by all Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 134.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The following significant accounting policies have been adopted in the preparation and presentation of the half year financial report. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(a) Income Tax
Income tax expense or benefit represents the sum of the tax currently payable and deferred tax.

Current Tax
The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the condensed statement of comprehensive income because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period
Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Tax consolidation
The company is part of a tax-consolidated group under Australian taxation law. Healthscope Hospital Holdings Pty Ltd is the head entity in the tax-consolidated group.

Tax expense / income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the head entity in the tax-consolidated group.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Income Tax (cont'd)
Tax consolidation (cont'd)
Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivables by the head entity and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity partners.

(b) Financial assets
Financial assets comprising loans and receivables are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Loans and receivables
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.
Income is recognised on an effective interest rate basis for debt instruments other than those financial assets classified as 'at fair value through profit or loss'.

Impairment of loans and receivables
Loans and receivables are assessed for indicators of impairment at the end of each reporting period and are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all loans while trade receivables are reduced through the use of an allowance account.

When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Financial assets (cont'd)
De-recognition of loans and receivables
Loans and receivables (or, where applicable, a part of a financial asset or part of a group of similar financial assets) are derecognised when:

- The contractual rights to receive cash flows from the asset have expired; or
- The company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party; or
- The company has transferred its rights to receive cash flows from the asset and either:
  - Has transferred substantially all the risks and rewards of the asset; or
  - Has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(c) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments, that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(d) Financial liability and equity instruments issued by the company
Debt and equity instruments
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recorded as the proceeds received, net of direct issue costs.

Debt securities
Debt securities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

De-recognition of financial liabilities
The company derecognises financial liabilities when and only when, the company's obligations are discharged, cancelled or they expire.

Transaction costs on the issue of debt instruments
Transaction costs arising on the issue of debt instruments are recognised directly in liabilities as a reduction of the proceeds of the debt instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those debt instruments and which would not have been incurred had those instruments not been issued. Costs are amortised and taken to profit and loss on a straight-line basis over the period in which the debt instruments relate.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Revenue
Interest revenue
Interest revenue is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

(f) Goods and services tax (GST)
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:
(i) Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
(ii) For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Borrowing costs
Borrowing costs are recognised in the profit or loss in the period in which they were incurred. Borrowing costs are recognised at the coupon interest rate applicable to the debt instrument to which it relates.

(h) Comparative figures
No comparative figures have been provided, as the financial report is the first financial report of the company covering the period from 8 November 2010, (date of incorporation) to the end of the current half year being 31 December 2010.

NOTE 3: RESULTS FOR THE PERIOD

	31 Dec 2010 $'000
Interest revenue – Healthscope Group	925
Finance costs	
- Healthscope subordinated notes	(925)
- Amortisation of capitalised borrowing costs	(58)
	(983)

NOTE 4: DIVIDENDS

During the period the company did not make any dividend payments. Since the end of the current half year financial period, the company has not declared any dividends.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 5: CONTINGENT LIABILITIES

The company is not aware of any contingent liabilities or commitments as the end of the half year.

NOTE 6: DEBT SECURITIES

The company raised $200 million in the form of 2 million, $100 redeemable, exchangeable, secured but subordinated notes on 20 December 2010. The notes are interest bearing debt instruments attracting a coupon interest rate of 11.25% per annum payable quarterly. The notes were publicly listed on the Australian Securities Exchange on 20 December 2010 under the ASX Code: HLN. The maturity date of these notes is 17 June 2016.

The notes are secured over a majority of the assets and entities of the Healthscope Group on a subordinated basis to the Senior Debt.

As at 31 December 2010, the net book value of capitalised borrowing costs is $7.771million.

NOTE 7: LOANS TO THE HEALTHSCOPE GROUP

The company has a loan receivable from the Healthscope Group. This is an interest-bearing loan charged at 11.7% per annum. Interest is charged on this loan at commercial rates and is recognised on an accrual basis in the profit and loss statement as interest revenue. Interest not yet received is accounted for under current trade and other receivables in the statement of financial position.

NOTE 8: SEGMENT INFORMATION

The company operates in one reportable segment only. The company is a special purpose vehicle operating within Australia for the purpose of raising debt finance in the form of redeemable, exchangeable, secured but subordinated notes and on lending the net proceeds received from the debt instruments to the Healthscope Group.

NOTE 9: EVENTS SUBSEQUENT TO BALANCE DATE

To the best knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the half year that has significantly affected or may affect the Company's operations or state of affairs in future financial periods.

Healthscope Notes Limited
ABN 69 147 250 780

DIRECTORS' DECLARATION

The Directors of Healthscope Notes Limited declare that:

1. In the director's opinion, the financial statements set out on pages 4 to 13 are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company; and

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

R Cooke
Executive Chairman and Managing Director

Melbourne, 25 February 2011

Deloitte Touche Tohmatsu
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Independent Auditor's Review Report to the Members of Healthscope Notes Limited

We have reviewed the accompanying half year financial report of Healthscope Notes Limited, which comprises the condensed statement of financial position as at 31 December 2010, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the period ended on that date, selected explanatory notes and, the directors' declaration of the company as set out on pages 4 to 14.

Directors' Responsibility for the Half year Financial Report

The directors of the company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Healthscope Notes Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Deloitte.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Healthscope Notes Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 31 December 2010 and of its performance for the period ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

T Imbesi
Partner
Chartered Accountants
Melbourne, 25 Feb 2011