

**HALF-YEAR ENDED 31 DECEMBER 2012
INFORMATION GIVEN TO THE ASX UNDER LISTING RULE 4.2A**

Name of entity

Healthscope Notes Limited

ABN

69 147 250 780

Reporting period

Half-year ended 31 Dec 2012

Comparative period

Half-year ended 31 Dec 2011

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 half-year ended 31 December 2012 and its financial position as at that date.

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1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Up / down	% change		Amount \$'000
Revenue	Nil	0%	to	12,110
Net profit for the period	Up	100%	to	11
Net profit for the period attributable to members	Up	100%	to	11

Dividends and distributions per security	Cents per security	% Franked amount per security
31 December 2012	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 2012 cents per security	31 Dec 2011 cents per security
Net tangible asset per security	n/a	n/a

3. DIVIDENDS

The company did not pay any distributions during the half-year ended 31 December 2012 and has not declared any distributions for the half-year ended 31 December 2012.

During the half-year ended 31 December 2012, the company has paid all interest amounts that it was required to pay under the Healthscope Notes issued on 17 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 Directors' Report.



HEALTHSCOPE NOTES LIMITED

ABN 69 147 250 780

FINANCIAL REPORT

For the half-year ended 31 December 2012

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DIRECTORS' REPORT

Your directors submit the financial report of Healthscope Notes Limited for the half-year ended 31 December 2012. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names of the directors of the company during or since the end of the half-year are:

Mr. R.J. Cooke (Chairman)
Mr. S.J. Moore
Mr. S.J. Schneider

REVIEW OF OPERATIONS

The profit for the half-year attributable to the equity holders of the company amounted to \$11 thousand (2011: \$1 thousand loss).

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:

- Healthscope Hospitals Holdings No. 2 Pty. Ltd (ACN 145 126 094) and its controlled entities;
- Healthscope Pathology Holdings No. 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 the assets and entities of the Healthscope Group on a subordinated basis to the Senior Debt.

Interest payments were made to holders of Healthscope Notes on 25 September and 27 December 2012 and totalled \$11,280,792 for the half-year financial period (2011: \$11,280,795). The balance of the finance costs incurred during the period comprised of the amortisation of the borrowing costs.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included 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 half-year financial report and Directors' report have been rounded to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors, made pursuant to s306(3) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in blue ink, appearing to read 'R Cooke', is written over a light blue horizontal line.

R Cooke
Executive Chairman and Managing Director

Melbourne
13 February 2013

The Board of Directors
Healthscope Notes Limited
Level 1, 312 St Kilda Road
MELBOURNE VIC 3004

13 February 2013

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.

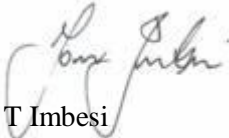
As lead audit partner for the review of the financial statements of Healthscope Notes Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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



T Imbesi
Partner
Chartered Accountants

Healthscope Notes Limited
ABN 69 147 250 780

**CONDENSED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	Note	Half-year ended	
		31 Dec 2012	31 Dec 2011
		\$'000	\$'000
Interest revenue	3	12,110	12,110
Finance costs	3	(12,036)	(12,036)
Service costs		(58)	(76)
		<hr/>	<hr/>
Profit /(loss) before income tax benefit		16	(2)
Income tax (expense)/benefit		(5)	1
		<hr/>	<hr/>
Profit/(loss) for the period		11	(1)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period, net of income tax		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
Total comprehensive income for the period		11	(1)
		<hr/>	<hr/>

The accompanying notes numbered 1 to 8 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 2012

	Note	31 Dec 2012 \$'000	30 Jun 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		65	81
Prepayments		236	231
Trade and other receivables	5	3,457	2,657
TOTAL CURRENT ASSETS		3,758	2,969
NON CURRENT ASSETS			
Trade and other receivables	5	191,663	191,685
TOTAL NON CURRENT ASSETS		191,663	191,685
TOTAL ASSETS		195,421	194,654
CURRENT LIABILITIES			
Trade and other payables		433	370
TOTAL CURRENT LIABILITIES		433	370
NON CURRENT LIABILITIES			
Borrowings	6	194,970	194,277
TOTAL NON CURRENT LIABILITIES		194,970	194,277
TOTAL LIABILITES		195,403	194,647
NET ASSETS		18	7
EQUITY			
Issued capital		-	-
Retained earnings		18	7
TOTAL EQUITY		18	7

The accompanying notes numbered 1 to 8 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 2012

Note	Half-year ended	
	31 Dec 2012	31 Dec 2011
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers	(46)	(42)
Cash generated from operations	(46)	(42)
Interest received	11,310	11,336
Interest and costs of finance paid	(11,280)	(11,272)
Income tax paid	-	-
Net cash provided by operating activities	(16)	22
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by financing activities	-	-
Net increase in cash and cash equivalents	(16)	22
Cash and cash equivalents at the beginning of the period	81	18
Cash and cash equivalents at the end of the period	65	40

The accompanying notes numbered 1 to 8 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 2012

	Issued capital \$'000	Retained earnings \$'000	Attributable to owners of the company \$'000	Total equity \$'000
Balance at 1 July 2011	-	7	7	7
(Loss) for the period	-	(1)	(1)	(1)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	(1)	(1)	(1)
Balance at 31 December 2011	-	6	6	6
Balance at 1 July 2012	-	7	7	7
Profit for the period	-	11	11	11
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	11	11	11
Balance at 31 December 2012	-	18	18	18

The accompanying notes numbered 1 to 8 form part of this half-year financial report.

Healthscope Notes Limited
ABN 69 147 250 780

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.

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.

The registered office and principal place of business is:

Level 1
312 St Kilda Road
Melbourne VIC 3004
Tel: (03) 9926 7500

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 IAS 134 *Interim Financial Reporting*. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent 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 98/100, 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 accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2012 annual financial report for the financial year ended 30 June 2012. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of new and revised Accounting Standards

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 its' operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the company include:

- Amendments to AASB 7, 101, 112, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'.

Healthscope Notes Limited
ABN 69 147 250 780

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the company's accounting policies and has no effect on the amounts reported for the current or prior half-years. However the application of AASB 2011-9 has resulted in changes to the company's presentation of, or disclosure in, its half-year financial statements.

AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section:

- (a) items that will not be reclassified subsequently to profit or loss and
- (b) items that may be reclassified subsequently to profit or loss when specific conditions are met.

Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

NOTE 3: RESULTS FOR THE PERIOD

	Half-year ended	
	31 Dec 2012	31 Dec 2011
	\$'000	\$'000
Interest revenue		
- Healthscope Group	12,110	12,104
- Bank	-	6
	12,110	12,110
Finance costs		
- Healthscope subordinated notes	(11,343)	(11,343)
- Amortisation of capitalised borrowing costs	(693)	(693)
	(12,036)	(12,036)

The coupon interest rate on the debt securities is 11.25% per annum paid quarterly.

NOTE 4: DIVIDENDS

During the half-year the company did not make any dividend payments (2011: Nil). Since the end of the half-year no dividend has been declared or paid.

Healthscope Notes Limited
ABN 69 147 250 780

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 5: TRADE AND OTHER RECEIVABLES

	31 Dec 2012	30 Jun 2012
	\$'000	\$'000
Current		
Accrued interest on loans to the Healthscope Group	3,457	2,657
Non current		
Loans to the Healthscope Group	191,668	191,685

NOTE 6: BORROWINGS

Non-current		
Debt securities	200,000	200,000
Capitalised borrowing costs	(5,030)	(5,723)
	<u>194,970</u>	<u>194,277</u>

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 the assets and entities of the Healthscope Group on a subordinated basis to the Senior Debt.

For the purposes of section 283BH of the Corporations Act, which requires debt instruments that are offered to the public with disclosure under chapter 6D of the Corporations Act to be described as either "mortgage debentures", "debentures" or "unsecured notes", the notes are considered to be "unsecured notes".

NOTE 7: 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 8: 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 declare that:

1. 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, and
2. In the director's opinion, the attached financial statements and notes thereto 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.

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

A handwritten signature in blue ink, appearing to read 'R Cooke', is written over a faint horizontal line.

R Cooke
Executive Chairman and Managing Director

Melbourne
13 February 2013

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 2012, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration as set out on pages 4 to 11.

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 Healthscope Notes Limited's financial position as at 31 December 2012 and its performance for the half-year 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 a 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Healthscope Notes Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



T Imbesi
Partner

Chartered Accountants

Melbourne, 13 February 2013