



Healthscope

PRE-QUOTATION DISCLOSURE

The following information is required to be provided to ASX Limited for release to the market in connection with the official quotation and deferred settlement trading of the Healthscope Notes issued by Healthscope Notes Limited (**Company**).

Basis of allocation and procedures for determining allocations

The basis of allocation and the procedures by which applicants may determine their precise allocation of Healthscope Notes are described in the attached advertisement set out in **Attachment 1**. This advertisement will be published in The Australian Financial Review, The Australian, The Sydney Morning Herald and The Melbourne Age on the morning of Monday, 20 December 2010.

As stated in the attached advertisement, applicants can confirm their allocation of Healthscope Notes, or make general enquiries regarding the offer, by contacting the Healthscope Notes Offer Information Line on 1300 038 928 (within Australia) and +61 3 9938 4386 (outside Australia) from 8.30am (Melbourne time) on Monday, 20 December 2010. Broker Firm applicants should confirm this information with their broker.

The issue price, interest rate and number of Healthscope Notes issued under the Offer

The issue price for each Healthscope Note was \$100.

The interest rate on each Healthscope Note is 11.25% per annum.

2 million Healthscope Notes were allocated under the offer. The number of Healthscope Notes allocated under each part of the offer was:

- Retail Offer (comprising the Healthscope Shareholder Priority Offer, the General Offer and the Broker Firm Offer) – 1,900,000
- Institutional Offer – 100,000

Despatch Date

The intended date for the despatch of CHESS holding statements or issuer sponsored holding statements and any refund cheques is Tuesday, 21 December 2010.

Statement of the 20 largest Healthscope Note holders

Please refer to **Attachment 2** for a statement of the 20 largest Healthscope Note holders.

Statement of distribution of Healthscope Note holders

Please refer to **Attachment 3** for a statement of the numbers of Healthscope Note holders in the form contained in Appendix 1A, paragraph 48.

Compliance with ASX Corporate Governance Principles

Please refer to **Attachment 4** for a statement disclosing the Company's compliance with the ASX Corporate Governance Principles.

Ingrid Player
Company Secretary

17 December 2010

Attachment 1 – advertisement re basis of allocation and procedures for determining allocations

HEALTHSCOPE NOTES



ALLOCATION POLICY

IMPORTANT NOTICE TO ALL APPLICANTS UNDER THE HEALTHSCOPE NOTES OFFER

Healthscope Notes Limited (ACN 147 250 780) announced today the allocation policy applicable to the offer of Healthscope Notes. The offer, which closed on 9 December 2010 (in relation to the Healthscope Shareholder Priority Offer and General Offer) and 16 December 2010 (in relation to the Broker Firm Offer), raised \$200 million through the issue of 2.00 million Healthscope Notes for \$100 each (the Offer).

ALLOCATION POLICY

Applicants under the **Healthscope Shareholder Priority Offer** have been allocated the number of Healthscope Notes for which they applied.

Applicants under the **General Offer** have been allocated the number of Healthscope Notes for which they applied.

Applicants under the **Broker Firm Offer** should consult with their Broker to confirm their allocations.

All applicants are responsible for determining and confirming the number of Healthscope Notes allocated to them prior to selling any Healthscope Notes.

Applicants under the Healthscope Notes Shareholder Priority Offer and General Offer should obtain this confirmation by telephoning the Healthscope Notes Offer Information Line on 1300 038 928 (within Australia) or +61 3 9938 4386 (international) from 8.30am (Melbourne time) today. Broker Firm Applicants should confirm this information with their broker.

Holders who sell their Healthscope Notes before receiving their Holding Statement do so at their own risk.

HOLDING STATEMENTS

A CHESS holding statement or issuer sponsored holding statement (Holding Statement), which contains the number of Healthscope Notes issued to each successful applicant, will be despatched to each Healthscope Notes Holder by Tuesday, 21 December 2010. Any refund cheques will also be mailed by this date.

TRADING ON ASX

It is expected that Healthscope Notes will begin trading on a deferred settlement basis on ASX today at 12.00pm (Melbourne time) under the ASX code HLNG. Trading is expected to commence on a normal settlement basis on Wednesday, 22 December 2010.

FURTHER INFORMATION

Applicants with any questions regarding the Offer or their allocation should contact the Healthscope Notes Offer Information Line on 1300 038 928 (within Australia) or +61 3 9938 4386 (international) or their broker or other professional adviser.

Unless otherwise noted, capitalised terms in this notice have the meaning given to them in the Healthscope Notes Prospectus.

Attachment 2 – statement of 20 largest Healthscope Note holders

Name	Number of Healthscope Notes held	Percentage of Healthscope Notes held
HSBC Custody Nominees (Australia) Limited	293,800	14.69%
UBS Wealth Management Australia Nominees Pty Ltd	137,460	6.87%
UBS Nominees Pty Ltd <333 A/C>	128,786	6.44%
MF Custodians Ltd	106,000	5.30%
CS Fourth Nominees Pty Ltd	52,016	2.60%
JP Morgan Nominees Australia Limited <Cash Income A/C>	40,750	2.04%
ETrade Australia Nominees Pty Limited	39,970	2.00%
P Ilhan Investments Pty Ltd <Patricia Ilhan Family A/C>	25,000	1.25%
JP Morgan Nominees Australia Limited	23,000	1.15%
Nomex Nominees Pty Ltd <Settlement Account>	20,800	1.04%
Idameneo (No 79) Nominees Pty Limited	17,950	0.90%

Boda Investments Pty Ltd <RCM Staff Super Fund A/C>	12,500	0.63%
RBC Dexia Investor Services Australia Nominees Pty Limited <NMSMT A/C>	11,390	0.57%
Cogent Nominees Pty Limited	10,000	0.50%
Equitas Nominees Pty Limited <PB-600762 A/C>	10,000	0.50%
Equitas Nominees Pty Limited <PB-600794 A/C>	10,000	0.50%
First Exar Pty Ltd	10,000	0.50%
Third Exar Pty Ltd <Super Fund A/C>	10,000	0.50%
Netshare Nominees Pty Ltd	8,340	0.42%
Mrs Julie Michelle Bennett	8,300	0.42%
Total	976,062	48.80%

Attachment 3 – distribution of Healthscope Note holders

Category	Number of holders
1 – 1,000	2149
1,001 – 5,000	137
5,001 – 10,000	16
10,001 – 100,000	8
100,000 and over	5

Attachment 4 – Compliance with ASX Corporate Governance Principles

The following sets out Healthscope Notes Limited's (**Company**) compliance with the ASX Corporate Governance Principles as at the date of the Company's admission to the official list of ASX.

As set out in section 6.2 of the Company's prospectus for the offer of Healthscope Notes (**Prospectus**), the Board recognises that for it to fulfil its responsibilities, sound and effective corporate governance is crucial. The Board has had regard to the Company being a special purpose funding vehicle rather than an operating entity in the Healthscope Group and the size of the Board in determining how the Company will be managed.

In particular, the Board has determined that it is appropriate that the Board not delegate its functions to committees. Rather the full Board will be responsible for the governance of the Company. As such, the Company will not have an Audit Committee, with the Board as a whole to be responsible for the financial reporting of the Company, or a Remuneration or Nomination Committee as the Company only has Directors who are not remunerated by the Company and the Healthscope Group retains the right to appoint or remove Directors. The Board may establish committees from time to time if it considers it appropriate.

Principle 1: Lay solid foundations for management and oversight

The Board will monitor the operational and financial position of the Company. The roles and responsibilities of the Board are set out in the Board Charter and the other formal policies which the Company has adopted.

The Company does not have any executive management.

The Company complies with recommendation 1.1 and will comply with recommendation 1.3. The Company does not comply with recommendation 1.2 as it has no executive management to evaluate.

Principle 2: Structure the Board to add value

The Directors bring wide and varied operational and financial experience to the Board. Each of the Directors are also directors of the Healthscope Group. Only the Executive Chairman and Managing Director is an executive of the Healthscope Group. Details of the skills, expertise and experience of the Directors are set out in section 6.1 of the Prospectus.

While the Directors are not independent for the purpose of the ASX Corporate Governance Principles, as a sub-set of the directors of the Healthscope Group, the Board considers that it is well placed to fulfil its responsibilities.

As set out in section 6.2 of the Prospectus, the Company will not have a Nomination Committee as the Healthscope Group retains the right to appoint or remove Directors.

As set out in section 6.2 of the Prospectus, Directors may, in fulfilling their duties and responsibilities, obtain independent professional advice, with prior notice to the Executive Chairman and Managing Director of the Healthscope Group, at the Company's expense.

The Company has not established a formal review procedure for the performance of the Board.

While the Company does not comply with recommendations 2.1 to 2.5, the Board considers that having regard to the Company being a special purpose funding vehicle the composition of the Board and its processes are appropriate. The Company will comply with recommendation 2.6.

Principle 3: Promote ethical and responsible decision-making

The Company will comply with the Healthscope Group code of conduct to the extent to which it applies to the Company's business.

The Company has a securities dealing policy, further details of which are set out on page 63 of the Prospectus. A copy of the policy has been released to ASX.

The Company complies with recommendations 3.1 and 3.2.

Principle 4: Safeguard integrity in financial reporting

The Board as a whole will be responsible for the financial reporting of the Company. As set out in section 6.2 of the Prospectus, the Company will not have an Audit Committee.

The Board will be responsible for ensuring that:

- accounting records of the Company are properly kept in line with legal requirements;
- financial information which is provided to stakeholders is accurate and reliable; and
- the internal and external audit functions are effective.

While the Company does not comply with recommendations 4.1 to 4.4, the Board considers that having regard to the Company being a special purpose funding vehicle and the composition of the Board, the Company has in place appropriate processes for financial reporting.

Principle 5: Make timely and balanced disclosure

The Company has a continuous disclosure policy, further details of which are set out on page 62 of the Prospectus.

The Company complies with recommendation 5.1 and will comply with recommendation 5.2.

Principle 6: Respect the rights of shareholders

The Company is committed to ensuring that holders of Healthscope Notes (**Holders**) are kept informed of all major developments affecting the Company's state of affairs relevant to Holders. Information will be communicated to Holders through the lodgement of all relevant financial and other information with ASX and publishing information on the Healthscope Group's website www.healthscope.com.au.

In particular, the Healthscope Group's website will contain information about the Company, including media releases and key policies. All relevant announcements made to the market and any other relevant information will be posted on the Healthscope Group's website as soon as it has been released to ASX.

The Company has a securityholder communication strategy.

The Company complies with recommendation 6.1 and will comply with recommendation 6.2.

Principle 7: Recognise and manage risk

The Company does not have a separate risk management policy and will not have a separate Risk Committee. The identification and proper management of the Company's risk is an important priority of the Board and is included in the Board Charter as a responsibility of the Board.

The Company will comply with its obligations and obtain the necessary assurances required under section 295A of the Corporations Act.

The Company complies with recommendation 7.1 and will comply with recommendations 7.3 and 7.4. The Company does not comply with recommendation 7.2 as it has no executive management, rather the Board retains responsibility for risk management.

Principle 8: Remunerate fairly and responsibly

The Directors do not receive remuneration from the Company for their services as Directors of the Company. Nor does the Company remunerate any employees. Healthscope Group is responsible for the remuneration of management and employees of the Healthscope Group.

The Company will comply with its remuneration reporting obligations under the Corporations Act.

In these circumstances, the Company does not have a Remuneration Committee and therefore does not comply with recommendations 8.1 to 8.4.