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**Healthscope announces sale of its Australian Pathology operations for A\$105 million**

**23 June 2015**

Healthscope Limited (Healthscope) today announced that it has entered into an agreement to sell its Australian Pathology operations for A\$105 million to Crescent Capital Partners, subject to standard completion adjustments. As part of the sale Healthscope will also transfer six skin clinics from its Medical Centre operations to Crescent. The consideration of A\$105 million will comprise cash proceeds of A\$92.5 million and a promissory note of A\$12.5 million. The transaction is scheduled to be completed by the end of July 2015.

Healthscope's Australian Pathology operations consist of approximately 550 collection centres and 31 pathology laboratories located in Victoria, South Australia, New South Wales and the Northern Territory.

In the first half of 2015, the Australian Pathology operations and the selected skin clinics contributed approximately 1% of Group Operating EBITDA, with earnings of A\$2.4 million, and were EPS dilutive with an Operating EBIT loss of A\$3.5 million.

The net cash proceeds from the sale will be used to fund Healthscope's growing brownfield expansion pipeline at major hospital sites.

Healthscope Chief Executive Officer and Managing Director, Robert Cooke, said "Our Australian Pathology operations are non-core, have been operating in challenging market conditions for a number of years and their underlying earnings contribution to the Group is limited. The sale will allow Healthscope to focus management time and resources on growing our core hospitals businesses where we have a strong pipeline of growth opportunities. We will work closely with Crescent to ensure a smooth transition and we look forward to maintaining a strong relationship with the business going forward as a provider of pathology services to a large number of our hospitals and medical centres. We remain committed to our International Pathology operations which have consistently performed well over time."

## Additional information for shareholders

The Australian Pathology Division, as disclosed in the segment reporting in Healthscope's statutory accounts, has historically comprised of Healthscope's Australian Pathology and Medical Centre operations. For the information of shareholders, the earnings contributions from these operations are separately disclosed below.

For the avoidance of doubt, Healthscope will retain its Medical Centre operations with the exception of the six skin clinics which form part of the transaction.

	<b>Australian Pathology Segment Reporting</b>		<b>Australian Pathology Operations<sup>1</sup></b>		<b>Medical Centre Operations</b>	
	<b>FY14 \$'000</b>	<b>1H FY15 \$'000</b>	<b>FY14 \$'000</b>	<b>1H FY15 \$'000</b>	<b>FY14 \$'000</b>	<b>1H FY15 \$'000</b>
Revenue	348,927	177,168	288,498	146,934	60,429	30,234
Operating EBITDA	26,081	9,289	11,097	2,149	14,984	7,140
Profit	7,649	40	191	(3,735)	7,458	3,775
Net Assets <sup>2</sup>	201,448	208,716	94,647	99,505	106,801	109,211

1. Includes Healthscope's Queensland pathology operations which were closed in February 2015

2. Excludes intercompany loans

Further enquiries:

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