

ASX ANNOUNCEMENT

9 April 2001

RAMSAY ANNOUNCES INTENTION TO BID FOR ALPHA

Ramsay Health Care Ltd today announced the intention to make a cash takeover offer for all the issued share capital in Alpha Healthcare Limited (Alpha) at \$0.40 per share after reaching agreement to acquire approximately 19.9% of Alpha.

Ramsay has entered into an agreement with the receiver of Sun Healthcare Group Australia Pty Limited and SHG Holdings Pty Limited to buy approximately 19.9% of the issued ordinary shares of Alpha at a price of \$0.40 per share. Ramsay has also agreed to acquire debt owed by the Alpha group with a book value of approximately \$31 million at a price of approximately \$11 million from the Sun Healthcare Group and James Hardie Industries Limited.

The Ramsay offer is being made by Ramsay's wholly-owned subsidiary Ramsay Centauri Pty Limited. The Offer is for all Alpha shares on issue at the date of the offer and for all Alpha shares issued on the exercise of options on issue at the date of the offer.

The offer represents a 5.3% premium to Alpha's closing price as of last Friday, a 15.4% premium to the volume weighted average share price over the past 90 trading days and a 31.4% premium to the volume weighted average price over the past year.

Ramsay managing director, Pat Grier, said the proposed acquisition of Alpha fits with Ramsay's strategy to acquire hospitals where it can add value and which meet its investment criteria.

"The acquisition of Alpha will further enhance Ramsay's position as one of the leading private hospital operators in Australia. With our proven track record in delivering improved performances from our hospitals, this acquisition will be earnings per share positive in the first year," Mr Grier said.

The acquisition will expand Ramsay's presence in New South Wales and its acute surgical and psychiatric services, and will provide it with a strong rehabilitation network.

Ramsay will be able to achieve synergies on the acquisition through head office integration, stronger opportunities for revenue enhancement, supply synergies and operating improvements.

“Having become entitled to a 19.9% shareholding in Alpha and acquiring a significant part of Alpha’s debt at a reasonable price, we believe Ramsay is in a solid position to complete this acquisition successfully,” Mr Grier said.

“We believe our proposed offer for Alpha represents fair value for Alpha shareholders, particularly given the performance of its shares over the past year, and we will be commending our offer to them,” Mr Grier said.

Ramsay intends to fund the proposed acquisition through internal resources.

The principal terms and conditions of the offer are set out in the schedule.

Ramsay expects to lodge its Bidder’s Statement within the next week.

Ramsay is being advised by Salomon Smith Barney.

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SCHEDULE

Principal terms and conditions of Ramsay's offer to acquire all of the ordinary shares in Alpha.

1. The offer consideration is \$0.40 cash for each fully paid ordinary share in Alpha. Accepting Alpha shareholders will not be entitled to any dividend or other distribution declared and/or paid or to be paid to Alpha shareholders between the announcement date and the expiry of the Offer.

Ramsay will pay the consideration for the Offer to Alpha shareholders who accept the Offer (and provide the necessary transfer documents at the time of acceptance) on the earlier of:

- (a) if the Offer has become unconditional, five business days after the date the Offer becomes unconditional; or
 - (b) if the Offer becomes unconditional and the Alpha shareholder has not accepted before the Offer becomes unconditional, five business days after receipt by or on behalf of Ramsay of the acceptance.
2. The Offer is subject to the following conditions:
 - (a) Ramsay acquiring a relevant interest in at least 29.2% of Alpha; and
 - (b) No “prescribed occurrences” being the events mentioned in sections 652C(1) and (2) of the Corporations Law after the date of this announcement having occurred in relation to Alpha or one of its subsidiaries.