

ASX ANNOUNCEMENT

13 July 2018

RAMSAY GENERALE DE SANTE LAUNCHES UNSOLICITED BID FOR CAPIO AB

Ramsay Health Care Limited (Ramsay) confirms its 50.9% owned French subsidiary, Ramsay Générale de Santé (RGdS), has launched an unsolicited takeover bid (the “Offer”) for the Nasdaq Stockholm listed, pan-European healthcare company, Capio AB (Capio).

The Offer is for all the shares of Capio at a price of SEK 48.5 per share, valuing Capio’s equity at €661 million (c.A\$1,041 million)¹. RGdS intends to fund the Offer through a combination of debt and equity. RGdS has executed an underwritten incremental debt facility with leading financial institutions and will undertake a rights issue for a planned amount of approximately €510 million should the Offer proceed. Ramsay has given an irrevocable commitment to subscribe for its €257 million pro rata share of the RGdS equity raising, which is to be debt funded.

Capio has healthcare operations in five countries being Sweden, Denmark, Norway, Germany and France, with sales totalling approximately €1.6 billion and EBITDA of €116 million². The combined entity of RGdS and Capio would become a leading private pan-European healthcare services operator with a strong focus on operational excellence. The combined group would deliver high quality, innovative care to patients and be an attractive workplace for doctors and employees.

RGdS anticipates pre-tax synergies of approximately €20 million, the majority of which are expected to be realised within two to three years.

Ramsay CEO and RGdS Chairman Craig McNally said: “Capio has a strong portfolio of healthcare facilities in Europe and is a good strategic fit for RGdS. The combined group would be uniquely positioned in the private European healthcare sector with a geographic footprint spanning six countries with strong underlying growth fundamentals, and would further contribute to making Ramsay a leading global provider of healthcare services.

“Capio has a number of high performing businesses and maintains a strong position particularly in its Nordic markets where it operates hospitals, specialist clinics and primary care units. The company has been a leader in driving value-based healthcare, digitalisation and has also been at the forefront in the delivery of elective care in specialised clinic settings, which is something we could leverage in our other markets. We would look forward to sharing our respective capabilities towards global quality and operational best practices.

“Importantly, this transaction would be financially compelling, providing the opportunity for substantial synergies for RGdS as well as further acceleration of our growth strategy and is expected to be core EPS accretive for Ramsay within two to three years.”

The completion of the Offer is subject to conditions customary for public offers in Sweden, including, among others, antitrust and regulatory approvals and that the Offer is accepted by shareholders to such an extent that RGdS becomes the owner of more than 90% of the shares in Capio. The Offer was unsolicited

¹ Based on a EUR/SEK exchange rate of 10.35 and a AUD/EUR exchange rate of 0.635, both at 12 July 2018

² 12 months to 31 December 2017, based on a 2017 average EUR/SEK exchange rate of 9.63



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and has yet to be considered by the Board of Capio which may decide not to recommend acceptance of the offer by its shareholders. RGdS has reserved the right to waive the conditions, including to complete the Offer at a lower level of acceptance.

It is expected that an offer document will be published in early September 2018 before the beginning of the acceptance period, which is expected to close before year end.

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