

SE Business  
HD **Malaysian fund invests heavily in Healthscope**

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FLOATS: Malaysia's Employees Provident Fund has emerged as one of the largest investors in the float of private hospital operator Healthscope, with the value of the **company** last night set at \$3.65 **billion** ahead of its debut on the Australian Securities Exchange next week.

The injection by the Malaysian giant and four other major global funds is believed to have collectively added \$1.7bn worth of cornerstone support, as the final price for the initial public offering was last night set at \$2.10 per share.

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EPF, secured through investment bank CIMB, already invests in a joint venture with Australian logistics property giant Goodman Group and has \$176bn of global funds under management.

The commitment offers further evidence that Asian pension funds are pushing deeper into the Australian market.

Other key shareholders in Healthscope will include Perpetual, Blackrock and AMP Capital, sources said yesterday.

Healthscope is Australia's second-largest private hospital operator with 40 hospitals nationally.

It is the biggest sharemarket listing since the \$4bn Aurizon float in 2010. The hospital giant was delisted in 2010 through a \$2.7bn takeover bid by its private **equity** group owners Carlyle and TPG Capital.

Run by chief executive Robert Cooke, the **company** secures more than 80 per cent of its earnings from hospitals, medical centres and pathology services in Australia.

It is forecasting a 9.3 per cent increase in earnings before interest, tax, depreciation and amortisation of up to \$387.3 **million** this year.

In January, Mr Cooke told The Australian Healthscope was pressing ahead with its expansion plans, aiming to capitalise on the country's ageing population by developing further hospitals in Sydney and Melbourne.

Vendors Carlyle and TPG will both own 38 per cent of Healthscope, which is 50 per cent of their original holding, with \$2.25bn raised through the IPO process.

The price range for the float before it was set last night was between \$1.76 and \$2.29, with 1.12 **billion**-1.28 **billion** shares on offer.

The set price of \$2.10 equates to 22 times Healthscope's annual earnings, slightly below that of rival Ramsay Healthcare, which trades on the market at 24 times its earnings.

Macquarie Capital and UBS are the joint **lead** managers for the float, while co-**lead** managers include Goldman Sachs, Credit Suisse, Bank of America Merrill Lynch and CIMB.

The move to float the **company** comes after it secured trade buyer interest for both its operating business and its real estate portfolio. Groups such as Lend Lease and The GPT Group circled its \$1bn-plus portfolio of Australian hospitals. Parties interested in the operating business are believed to have included Australian conglomerate Wesfarmers, **China**'s largest private conglomerate Fosun Group, Malaysia's IHH and US-based HCA.

**CO** epfm : Employees Provident Fund Board | hesco : Healthscope Ltd | magmgrp : Goodman Group

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