THE AUSTRALIAN

SE Business

HD **DATAROOM**

WC 1,122 words
PD 19 November 2014
SN The Australian
SC AUSTLN
ED Australian
PG 22
LA English

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Healthe Care's trip sounds out buyers A CLEARER picture is starting to emerge of last month's Asian visit by Healthe Care's management team and its investment banking advisers.

The understanding is now that the private hospital operator's bankers from Barclays and the group's management were in the region for a so-called "non-deal roadshow", sounding out strategic buyers for a potential trade **sale** or initial public offering that could be in the $1 **billion** ballpark.

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The logical parties on the visiting list are thought to be prospective buyers for a potential trade **sale**, such as **China**'s largest private conglomerate Fosun Group and Malaysia's IHH.

Both groups circled the $4.3bn hospital operator Healthscope before it was listed on the Australian Securities Exchange earlier this year. Some say the level of interest from those parties would determine whether Archer Capital decided to sell the business or opt for a float.

It has been suggested that investment bank Morgan Stanley is closely linked to the **company** and should an IPO proceed, it would probably get the role as joint **lead** manager.

However, another adviser would probably be appointed, given Barclays did not have ECM capacity in Australia.

Although vendor Archer Capital is yet to pull the trigger on any dual-track process, it is thought that a divestment is at the forefront of the private **equity firm**'s mind, as it positions itself to capitalise on the latest rush by investors for exposure to Australia's ageing population. A process that could well be under way by the first quarter of next year.

Healthe Care is the country's third-largest private hospital operator behind Ramsay Healthcare and Healthscope and is now the only major player nationally that is not publicly listed.

Founded in 2005, it has 16 hospitals throughout Australia and 15,000 beds. It was purchased by Archer Capital two years ago from Champ ventures for about $230 **million**.

Sources previously estimated Healthe Care could be worth between $500m and $700m, but it is understood that Archer's aspirations are to sell the business for well over $800m. Based on other health sector plays, investor demand for an IPO of the **company** could be overwhelming.

Such has been the case for recent IPOs in the sector, such as Healthscope, aged-care operator Regis and Japara Healthcare, which all traded higher in the aftermarket, and for IPO prospects Estia and particularly, the $4.3bn-plus health insurer Medibank Private, now in an institutional bookbuild ahead of its listing on November 25.

Woodside eyes Apache WOODSIDE Petroleum continues to mull a potential **acquisition** of Apache Corporation's Australian and Canadian assets as the **energy** giant faces ongoing investor pressure to bolster its sagging growth prospects.

According to sources the Perth-based **company**, advised by Citi, is now focused on three segments of Apache's business and is weighing a $6 **billion acquisition** that would include a 13 per cent slice of the Wheatstone LNG project, along with two exploration fields, as well as a portfolio of **oil** and gas-producing assets in Western Australian and the Kitimat LNG project in Canada.

It's understood two groups recently ventured highly conditional, indicative offers for the WA portfolio, which includes a **stake** in the Phoenix South Discovery in the Canning Basin. Early drilling appraisals released earlier this year signalled the well may hold as much as 300 **million** barrels of crude, potentially ranking as one of Australia's most significant **oil** finds. Sources claimed Apache rejected both bids on the basis they were too low and outside the targeted $2.5bn-$3bn price range.

Woodside has long been mooted as a prospective buyer of Apache's $2bn Wheatstone investment and the Canadian LNG project, Kitimat, with its **stake** valued at $500 **million** on to $1bn. Both projects are led by US major, Chevron.

Yet while many in the industry view Apache's WA portfolio as a logical target for Woodside, there is some scepticism about its appetite for Wheatstone. What the argument misses, according to one influential analyst, is the possibility for a co-operative relationship between Woodside and Chevron. He pointed out the Perth-based **company** may be able to strike an agreement to feed gas from Wheatstone into its Pluto LNG project, which was initially viewed as a gas source for the Pilbara plant.

Learning to float NERVES are understandably jangled among some of the wellknown float prospects in the private education sector, as a string of lawsuits and inquiries threatens to engulf sector giant and former stockmarket darling Vocation Limited.

Acquire Learning and Evocca College are touted as the next cabs off the rank for listing but for now both are playing it coy.

Evocca has quietly appointed Craig White to the role of chief financial officer, which could be a sign a float is looming sooner rather than later. Mr White was finance chief at the Australian Agricultural **Company** until recently, and held the same position at Billabong before that.

To pre-empt some of the allegations of poor quality at Vocation and elsewhere, Evocca has taken the novel step of appointing a chief academic officer.

Evocca recently drafted in KPMG to make the **company** "transaction ready".

Champ is the champ THEY were once businesses that went begging for buyers, but many of the troubled assets snapped up by private **equity** groups in the grip of the global financial crisis are now being offloaded by their vendors at lofty premiums.

The latest example is Champ Private **Equity** with the **sale** of its Alleasing business.

Alleasing was within the stable of the troubled Allco Finance Group when it was snaffled up by Champ in a deal stuck in 2008 - when many businesses were being offloaded by their cash-starved owners at discount prices.

Reports at the time said the **sale** was for $146 **million**. It's thought Champ's asking price now is about $400m.

It is believed to have caught the eye of Bank of Queensland, FlexiGroup, Macquarie and Pepper.

Alleasing finances assets in a raft of industries such as construction, healthcare and agriculture.

Meanwhile, much of the hype in the financial services industry centres on the **sale** of GE's Australia and New Zealand consumer lending business, comprising loans worth $7.5 **billion**, but also under scrutiny by prospective buyers is the latest $1.5bn offering by ING Direct.ING is selling its third tranche of Australian loans worth $1.5bn in a deal advised by Gresham, and the big four banks are thought to be the most likely bidders, along with Macquarie and Bank of Queensland. Macquarie's $1bn equipment lending business out of the US is also for **sale**.

CO grtsam : Archer Capital | hesco : Healthscope Ltd | barc : Barclays PLC

IN i831 : Financial Investments | i95107 : Hospital Care | iinv : Investing/Securities | i951 : Health Care/Life Sciences | ifinal : Financial Services | iphhp : Healthcare Provision | i814 : Banking | i81402 : Commercial Banking | i81502 : Trusts/Funds/Financial Vehicles | i8150203 : Private Equity | ialtinv : Alternative Investments | ibnk : Banking/Credit

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AN Document AUSTLN0020141118eabj0003m

