

THIS BOOKLET CONTAINS IMPORTANT  
INFORMATION AND REQUIRES YOUR  
IMMEDIATE ATTENTION

If you are in any doubt as to how to deal  
with it, you should consult your legal,  
financial or other professional adviser.

# Cash Offer from RAMSAY CENTAURI PTY LIMITED

ACN 096 070 156

# to acquire shares in ALPHA HEALTHCARE LIMITED

ACN 000 727 882

THE CONSIDERATION OFFERED IS \$0.40 CASH  
FOR EACH ALPHA SHARE

Financial Adviser to Ramsay Centauri

SALOMON SMITH BARNEY

A member of  citigroup

Legal Adviser to Ramsay Centauri

BLAKE DAWSON WALDRON

L A W Y E R S

# Important Dates

---

Announcement Date	9 April 2001
Bidder's statement lodged and dated	12 April 2001
Date of the Offers	26 April 2001
Close of the Offers - 7 pm (Sydney time), unless extended	28 May 2001 *

\*The Offers may be extended to the extent permissible under the Corporations Law

## Enquiries

---

Should you have any questions about this Offer, please contact the Ramsay Centauri information line on (02) 9660 1751 or consult your broker or other financial or professional adviser.

If you have any questions about your shareholding or need a replacement Acceptance Form, please contact Computershare on 02 8234 5222.

# Table of Contents

---

<b>Letter from the Chairman</b>	<b>2</b>
<b>Offer at a glance</b>	<b>4</b>
<b>Why you should accept Ramsay's Offer</b>	<b>6</b>
<b>Bidder's Statement</b>	<b>13</b>
1. Terms and Conditions of Offer	<b>15</b>
2. Statutory Information	<b>25</b>
3. Definitions and Interpretation	<b>35</b>
Appendix A - ASIC modifications and exemptions	<b>39</b>



**Ramsay Health Care Limited**  
ABN 001 288 768  
Level 9, 154 Pacific Highway  
St. Leonards NSW 2065 Australia  
Tel 61 2 9433 3444 Fax 612 9433 3460  
Email [enquiry@ramsayhealth.com.au](mailto:enquiry@ramsayhealth.com.au)  
[www.ramsayhealth.com.au](http://www.ramsayhealth.com.au)

26 April, 2001

Dear Alpha Shareholder,

I am pleased to enclose the cash Offer from Ramsay Centauri Pty Limited, a wholly-owned subsidiary of Ramsay Health Care Limited, to acquire all of your shares in Alpha Healthcare Limited.

### **The Offer**

Ramsay's Offer is \$0.40 cash per Alpha Share.

Ramsay believes that its Offer represents a full and fair price for your Alpha Shares.

The Offer represents a premium of 15.4% to the volume weighted average share price over the 90 trading days prior to announcement of the Offer and a premium of 31.4% to the volume weighted average share price over the 12 months prior to announcement of the Offer. Ramsay believes these premiums are understated given the significant takeover speculation which began to influence the Alpha Share price from late November 2000.

The Offer for your Alpha Shares is scheduled to close at 7.00pm (Sydney time) on 28 May, 2001, unless extended.

A summary of how to accept the Offer is set out on pages 4 & 5 of this booklet, with details provided in Section 1 of the enclosed Bidder's Statement. It is important that you read this document in full before you make a decision concerning your Alpha shareholding.

### **Acquisition of Alpha Shares and Debt**

You should be aware that Alpha's largest shareholder, the Receiver and Manager of Sun Healthcare Group Australia Pty Limited, has agreed to sell approximately 19.9% of the issued ordinary shares of Alpha to Ramsay at \$0.40 per share.

Importantly, Ramsay has also agreed to acquire debt owed by the Alpha group with an aggregate book value of approximately \$31 million at a total price of approximately \$11 million from the Receiver and Manager of Sun Healthcare and SHG Holdings Pty Limited, and from subsidiaries of James Hardie Industries Limited. The full amount of this debt will be payable by Alpha to Ramsay.

### **Ramsay Health Care**

Ramsay Health Care is one of Australia's largest private hospital operators. It owns and operates 15 hospitals in New South Wales, Victoria, Queensland, South Australia and Western Australia, with more than 1,760 beds. It employs over 4,500 people and caters to the health needs of more than 300,000 patients each year.

Ramsay Health Care has a high quality portfolio of hospitals and an excellent record in hospital management and patient care. As part of its growth strategy, Ramsay Health Care has been seeking to invest in other hospitals and health care activities that closely relate to its core competencies.

Further information on Ramsay Health Care is available at: [www.ramsayhealth.com.au](http://www.ramsayhealth.com.au).

Should you have any questions about Ramsay's Offer, please call (02) 9660 1751.

If you accept the Offer you will not have to pay any brokerage or stamp duty.

I am delighted to extend Ramsay's Offer to you.

Yours sincerely,



**Paul Ramsay**

Chairman

Ramsay Health Care Limited

# The Offer at a glance

---

This summary provides an overview of Ramsay Centauri's Offer and is qualified by the detailed information set out in the Bidder's Statement contained in this booklet. You should read the Bidder's Statement in full before making any investment decisions in relation to your Alpha Shares.

## ***What is Ramsay Centauri offering for your Alpha Shares?***

40 cents cash for each Alpha Share you hold.

## ***Will I pay any brokerage or stamp duty if I accept the Offer?***

No.

## ***When does the Offer close?***

The Offer closes at 7:00pm Sydney time on 28 May, 2001, unless extended.

## ***How do I accept the Offer in respect of my Alpha Shares?***

Depending on the type of your holding, you should accept the Offer as follows:

- For CHESS Holdings of Alpha Shares - instruct your stockbroker or CHESS controlling participant to initiate acceptance of the Offer on your behalf; or
- For Issuer Sponsored Holdings of Alpha Shares - complete and sign the enclosed Acceptance Form in accordance with the instructions and return it to Computershare Investor Services Pty Limited at GPO Box 7045, Sydney NSW 1115 or Level 2, 60 Carrington Street, Sydney NSW 2000.

## ***What are the Offer conditions?***

The conditions to which the Offer is subject are set out in full in the Bidder's Statement. However, in summary, the main conditions are:

- Ramsay Centauri acquiring a relevant interest in at least 29.2% of all Alpha Shares on issue at the end of the Offer period; and
- No "prescribed occurrences" (being the events mentioned in sections 652C(1) and (2) of the Corporations Law) having occurred in relation to Alpha or one of its subsidiaries after the date of the announcement of the Offer.

***When will I receive my payment if I accept the Offer?***

You will receive payment, assuming Ramsay Centauri has received all necessary documentation at the same time as your acceptance, on or before:

- If the Offer is conditional at the time Ramsay Centauri receives all necessary documentation, 5 business days after the date the Offer becomes or is declared unconditional; or
- If the Offer is unconditional at the time Ramsay Centauri receives all necessary documentation, 5 business days after your acceptance of the Offer.

***What happens if I do not accept?***

If Ramsay Centauri becomes entitled to acquire your Alpha Shares compulsorily under the Corporations Law, it intends to do so. If your Alpha Shares are compulsorily acquired, you will be paid later than Alpha shareholders who chose to accept the Offer.

If Ramsay Centauri does not become entitled to compulsorily acquire your Alpha Shares, you will remain a shareholder in Alpha.

***What should I do if I have questions about the Offer?***

If you have any questions, please refer to the contact numbers on the inside front cover of this document or consult your financial or other professional adviser.

# Why you should accept Ramsay Centauri's Offer

---



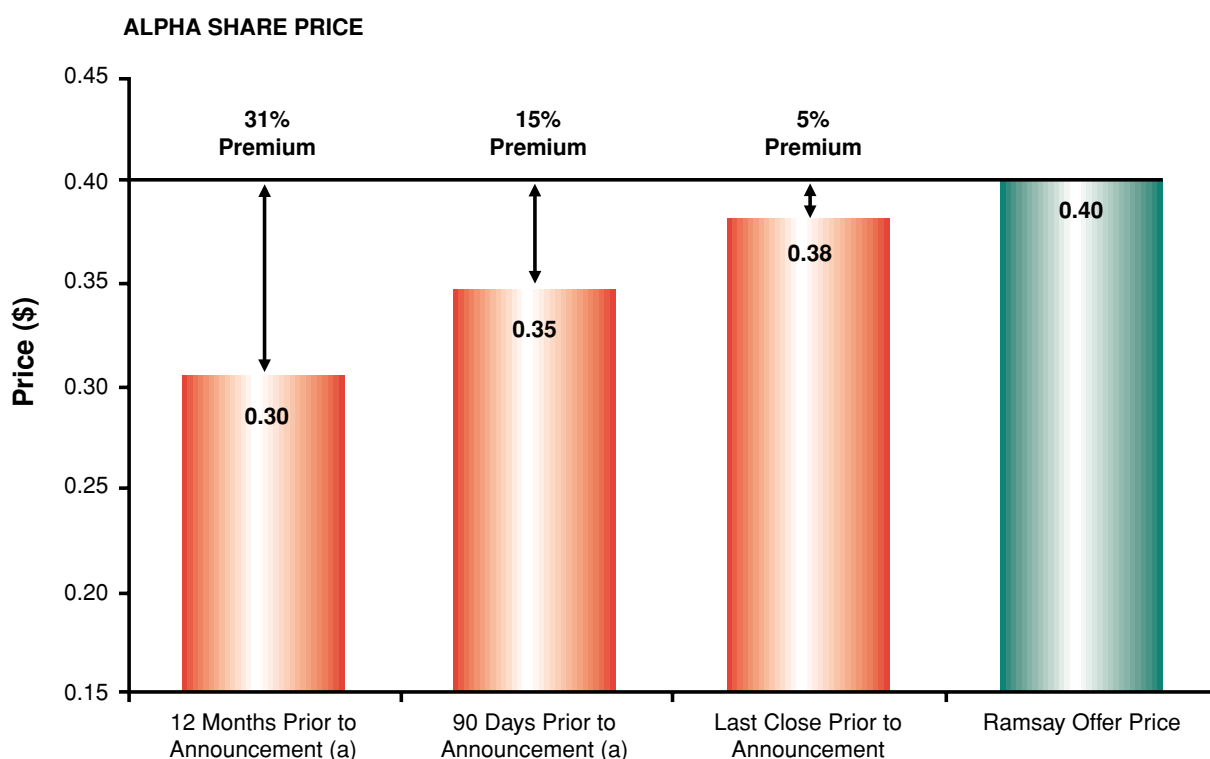
RAMSAY  
HEALTH CARE



## 1. You will receive a significant cash premium

Ramsay Centauri believes its Offer of 40 cents cash for each of your Alpha Shares represents a full and fair price. The Offer **represents a significant cash premium** to the price at which Alpha Shares have traded prior to the announcement of Ramsay Centauri's Offer.

The Offer represents a 5.3% premium to Alpha's closing price on the last trading day prior to announcement of the Offer, a 15.4% premium to the volume weighted average share price over the 90 trading days prior to announcement of the Offer and a 31.4% premium to the volume weighted average price over the 12 months prior to announcement of the Offer. Ramsay Centauri believes that these premiums are understated given the significant takeover speculation which began to influence the Alpha share price from late November 2000.



<sup>(a)</sup> Volume weighted average trading price.

In addition, the Receiver and Manager of the Sun Healthcare Group and subsidiaries of James Hardie Industries have agreed to sell their Alpha debt to Ramsay Centauri at a discount to book value of approximately \$20 million, which implies an equivalent discount to their assessment of the value of Alpha's net tangible assets against which Alpha's debt is secured.

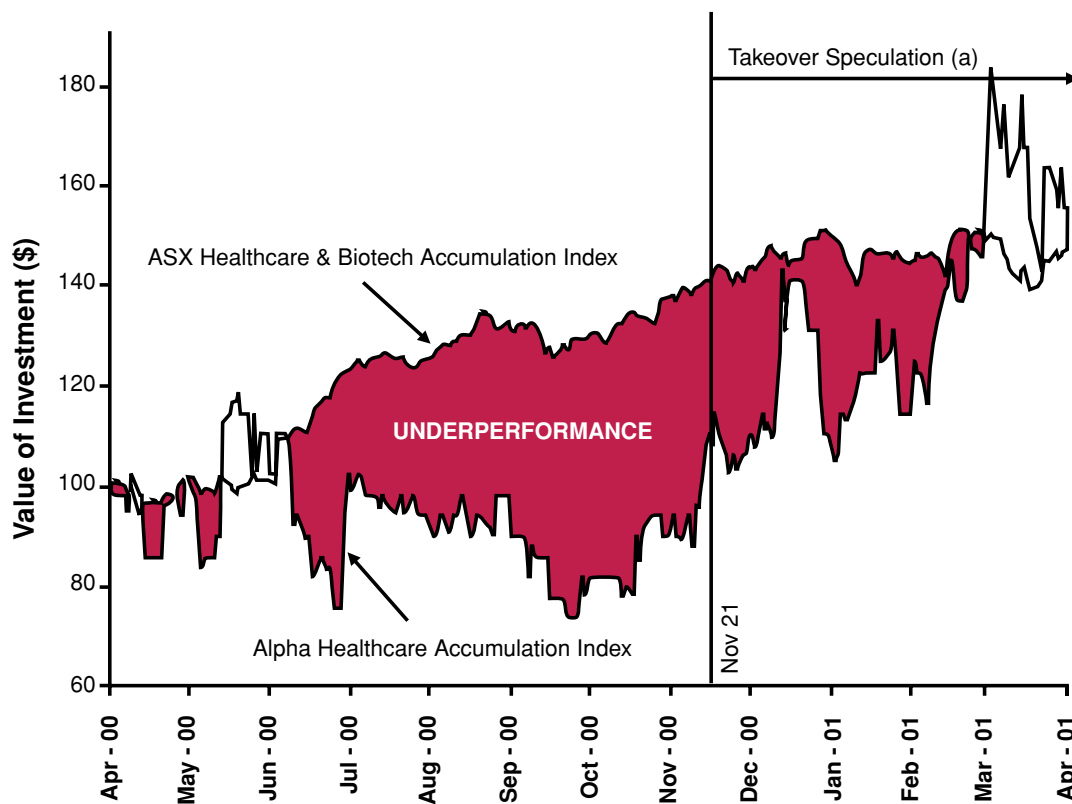
The Offer represents a 10.7% premium to Alpha's net tangible asset backing of \$0.36 per share, after adjusting net tangible assets as at 31 December 2000 for the implied discount referred to above.

## 2. Alpha's largest shareholder has agreed to sell 19.9% at the Offer price

The Receiver and Manager of the Sun Healthcare Group has agreed to sell approximately 19.9% of Alpha's shares to Ramsay Centauri at the Offer price of 40 cents per share.

## 3. Alpha has underperformed

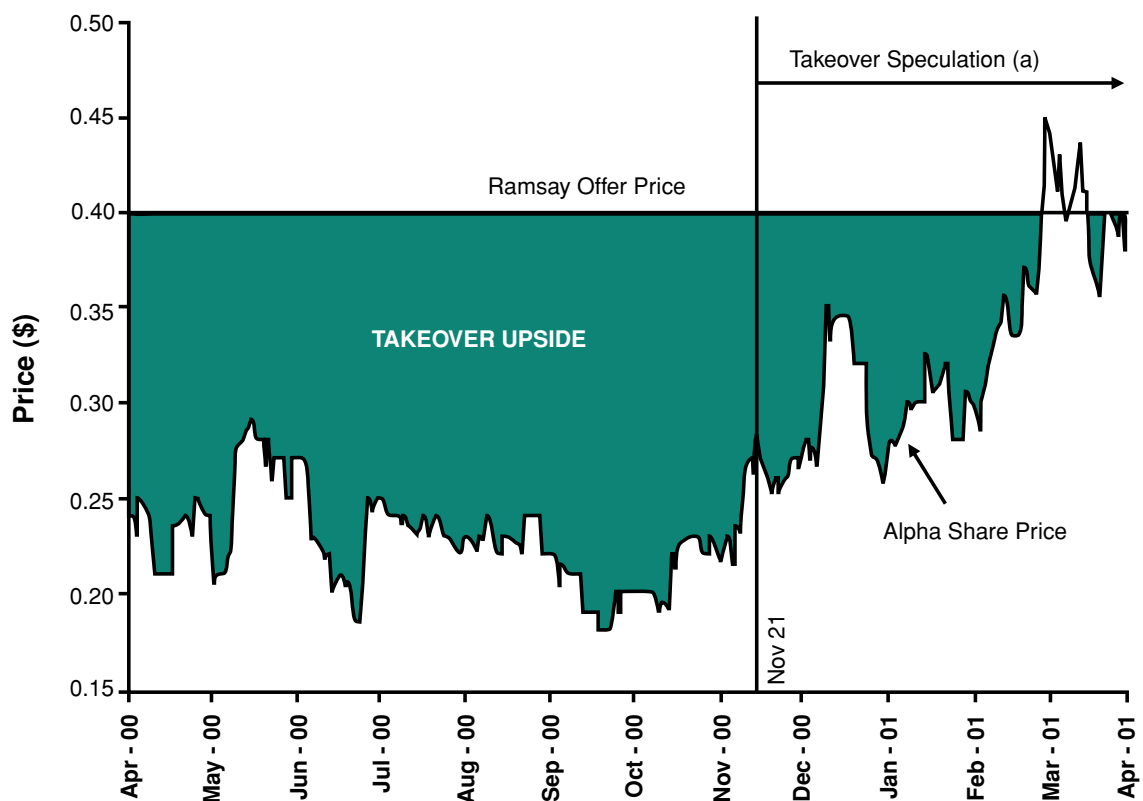
In the last 12 months, **Alpha's share price has consistently underperformed other Australian hospital and healthcare companies.** As shown in the graph below, Alpha has generally underperformed the ASX Healthcare & Biotech Accumulation Index.



<sup>(a)</sup> Refer to quotes below.

#### 4. Alpha's share price likely to fall in the absence of Ramsay Centauri's Offer

The Alpha share price has consistently traded at levels below 40 cents in the last 12 months, except for limited periods during which Ramsay Centauri believes that Alpha's share price was driven more by takeover speculation than by Alpha's underlying operating performance.



<sup>(a)</sup> Refer to quotes below.

The influence of takeover speculation in recent share price performance is confirmed by media articles and Alpha's own disclosures as shown below:

*"Medical services group Alpha Healthcare Ltd said today the recent strength in its share price may have been caused by the flow on effect from speculation of a possible takeover of Australian Hospital Care Ltd by Mayne Nickless Ltd."*

Source: Australian Associated Press, November 21, 2000.

*"Amongst Australia's private hospital operators, Alpha is considered by many observers to be the next group that will be swamped by the consolidation of the industry."*

Source: The Australian Financial Review, December 19, 2000 (p 2).

*“Australia’s Ramsay Health Care has confirmed that it is on the acquisition trail.”*  
*“Alpha Healthcare is one possible target...”*

Source: *The Australian*, February 19, 2001 (p 35).

*“There has been recent media speculation that the sale of a 38% parcel might trigger a full takeover bid for Alpha, with the likelihood of a control premium.”*

Source: *Alpha Healthcare Limited*, March 8, 2001.

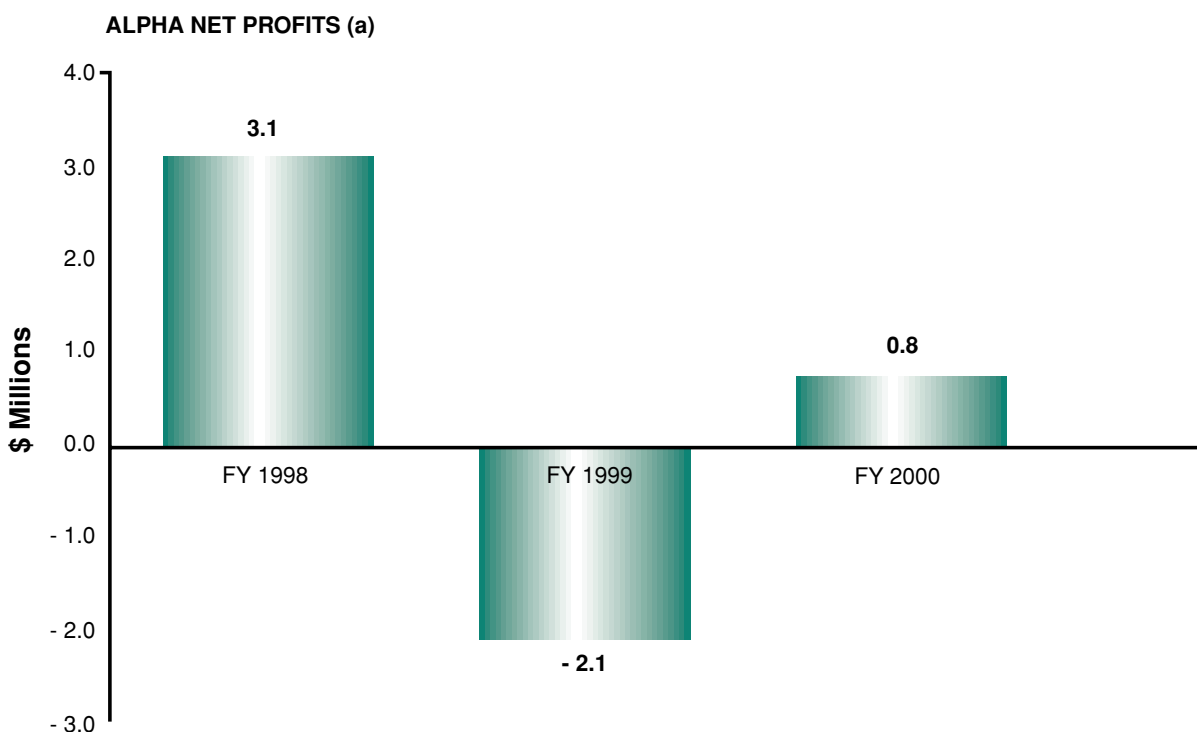
This view is also confirmed by the higher than normal average daily trading volume in Alpha Shares since 21 November 2000, when the first reports of takeover speculation commenced. From that time to the day prior to the announcement of the Offer, the average daily trading volume was approximately 110,000 shares, compared to the average daily trading volume of approximately 44,000 shares over the previous 12 months.

**Ramsay Centauri believes that, in the absence of its Offer, the Alpha share price is likely to remain below 40 cents.**

## 5. Alpha’s financial performance has been poor

**Alpha’s financial performance over the past few years has been poor with both revenues and profits being volatile.**

Alpha experienced a significant loss in FY 1999 and was just break-even in FY 2000.



(a) Before tax and abnormals.

Alpha has announced that it will incur further losses in FY 2001.

*"In addition to the small loss reported for the half-year ended 31 December 2000, the company will make a larger loss for the half-year to 30 June 2001 as a consequence of the Westmead start-up period."*

*Source: Alpha Healthcare, 30 March, 2001.*

An improvement in the underlying profitability of Alpha is dependent on its new Westmead hospital performing to projections. After reviewing Alpha's internal projections, Ramsay Centauri believes that these are overly optimistic.

## 6. Alpha has paid no dividends for three years

**Alpha has not paid a dividend** to its shareholders since March 1998 and there is no indication that it will do so in the foreseeable future.

Additionally, as disclosed in Alpha's half year results to 31 December 2000, Alpha has **no franking credits available** to pay franked dividends.

## 7. Alpha's future performance on a stand alone basis may be compromised by its gearing

Ramsay Centauri believes that, in the absence of a takeover offer, it is unlikely that Alpha's share price will increase in the short to medium term due to constraints imposed by Alpha's gearing.

Alpha's gearing of 199% (net debt/equity) reported in its last available balance sheet as at 31 December 2000 is unsustainable.

Alpha has had difficulty servicing its financial obligations, and has been forced to renegotiate some of them. Operating cash flow after capital investment has been insufficient to meet the financial obligations of Alpha. Therefore, the repayment of these obligations is being funded principally through the sale of fixed assets and investments.

Ramsay Centauri believes that the high level of gearing and negative cash flow will limit Alpha's ability to invest in its hospitals, with the possible resultant loss of competitive standing and growth.

In addition, the high level of gearing increases the risks associated with an investment in Alpha.

**The willingness of the Receiver and Manager of Sun Healthcare Group and subsidiaries of James Hardie Industries to sell debt to Ramsay Centauri at a significant discount is a reflection of the substantial financial risks inherent in Alpha.**

The sale of the debt does not improve Alpha's position as the full amount of this debt will be payable by Alpha to Ramsay Centauri.

## **8. There is no other takeover offer for your shares**

Ramsay Centauri's Offer is the only takeover offer for your Alpha Shares.

**Ramsay Centauri believes that it is unlikely that a competing takeover offer will emerge for Alpha given Ramsay Centauri's agreements to acquire 19.9% of Alpha's Shares and a significant portion of Alpha's debt.**

Upon completion of these agreements, Alpha will owe Ramsay Centauri approximately \$31 million.

## **9. Acceptance of the Offer avoids transactions costs**

By accepting Ramsay Centauri's Offer, **you will not incur brokerage and stamp duty costs** that are normally associated with share transactions.

# Bidder's Statement

## **Cash Offer from Ramsay Centauri Pty Limited ACN 096 070 156 to acquire shares in Alpha Healthcare Limited ACN 000 727 882**

This Bidder's Statement is dated 12 April 2001. It includes an Offer dated 26 April, 2001.

A copy of this Bidder's Statement was lodged with the Australian Securities and Investments Commission ("ASIC") on 12 April 2001. ASIC takes no responsibility for the contents of this Bidder's Statement.

Clause 1 in section 3 of this Bidder's Statement contains a dictionary of certain words and expressions used in this booklet, including this Bidder's Statement.

This is an important document and requires your immediate attention.

If you are in any doubt as to how to deal with it please consult your financial or other professional adviser. This document contains the Bidder's Statement which has been prepared by Ramsay Centauri Pty Limited.

This page has been intentionally left blank



# Section 1 - Terms and conditions of the offer

---

## 1. Offer

### 1.1 Offer for your Alpha Shares

Ramsay Centauri offers to acquire all of your Alpha Shares on the terms set out in this Offer.

This Offer extends to Alpha Shares that are issued during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights attached to, Alpha Options which are on issue on the Register Date.

### 1.2 Offer includes Rights

If Ramsay Centauri acquires your Alpha Shares under this Offer, Ramsay Centauri is also entitled to any Rights attached to those shares.

### 1.3 Consideration

Ramsay Centauri offers A\$0.40 cash for each of your Alpha Shares.

## 2. Offer Period

Unless withdrawn or extended, this Offer will remain open during the period that begins on the date of this Offer and ends at 7.00 pm (Sydney time) on 28 May, 2001.

If, within the last 7 days of the Offer Period:

- (a) Ramsay Centauri varies the Offer to improve the consideration offered; or
- (b) the consideration is taken to be increased under section 651A(2) of the Corporations Law because Ramsay Centauri purchases Alpha Shares outside the Bid for a cash price higher than the consideration offered,

section 624(2) of the Corporations Law will apply to extend the Offer Period so that it ends 14 days after that event.

## **3. Acceptance**

### **3.1 Accept for all your Alpha Shares**

You may only accept this Offer in respect of all your Alpha Shares.

### **3.2 CHESS Holdings**

If your Alpha Shares are in a CHESS Holding, you must comply with the SCH Business Rules. To accept this Offer in accordance with those rules, you must:

- (a) instruct your Controlling Participant to initiate acceptance of this Offer under rule 16.3 of the SCH Business Rules; or
- (b) if you are a Controlling Participant, yourself initiate acceptance under that rule, so as to be effective before the end of the Offer Period.

You may instead, or in addition, complete and sign the Acceptance Form in accordance with the instructions on it. Once completed and signed, you should return the Acceptance Form together with all other documents required by the instructions on it to one of the addresses specified. This will authorise Ramsay Centauri to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf. For return of the Acceptance Form to be an effective acceptance of the Offer, you must ensure it is received in time to give instructions to your Controlling Participant, and your Controlling Participant to carry out those instructions, before the end of the Offer Period.

### **3.3 Issuer Sponsored or Unregistered Holdings**

If your Alpha Shares are in an Issuer Sponsored Holding or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your Alpha Shares, to accept this offer you must complete and sign the Acceptance Form in accordance with the instructions on it. Once completed and signed, you should return the Acceptance Form together with all other documents required by the instructions on it to one of the addresses specified before the end of the Offer Period.

### **3.4 Foreign laws**

It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer.

## 4. Your Agreement Resulting from Acceptance

### 4.1 Effect of Acceptance Form

By completing, signing and returning the Acceptance Form, you will have:

- (a) authorised Ramsay Centauri and each of its officers and agents to correct any errors in, and complete any omissions from, the Acceptance Form necessary to:
  - (i) make it an effective acceptance of this Offer in relation to your Alpha Shares which are not in a CHESS Holding; or
  - (ii) enable the registration of the transfer of your Alpha Shares to Ramsay Centauri, or both; and
- (b) if any of your Alpha Shares are in a CHESS Holding, authorised Ramsay Centauri and each of its officers and agents to:
  - (i) instruct your Controlling Participant to effect your acceptance of this Offer in respect of your Alpha Shares under rule 16.3 of the SCH Business Rules; and
  - (ii) give to your Controlling Participant on your behalf any other instructions in relation to your Alpha Shares which are contemplated by the sponsorship agreement between you and your Controlling Participant and are necessary or appropriate to facilitate your acceptance of this Offer.

### 4.2 Your agreement

By accepting this Offer in accordance with Clause 3, you:

- (a) have accepted this Offer;
- (b) represent and warrant to Ramsay Centauri that all your Alpha Shares will be at the time of your acceptance of this Offer and of transfer to Ramsay Centauri fully paid up and that Ramsay Centauri will acquire good title to and beneficial ownership of them free from Encumbrances;
- (c) have transferred, or consented to the transfer in accordance with the SCH Business Rules of, your Alpha Shares to Ramsay Centauri subject to the conditions of the constitution of Alpha on which they were held immediately before your acceptance of this Offer (and Ramsay Centauri agrees to take those Alpha Shares subject to those conditions);

- (d) if and when the contract resulting from your acceptance of this Offer becomes unconditional, have irrevocably appointed each of the Directors of Ramsay Centauri for the time being as your attorney to:
  - (i) attend and vote in respect of your Alpha Shares at all general meetings of Alpha; and
  - (ii) execute all forms, notices, documents (including a document appointing a Director of Ramsay Centauri as a proxy in respect of any of your Alpha Shares) and resolutions relating to your Alpha Shares and generally to exercise all powers and rights which you have as the registered holder of those Alpha Shares; and
- (e) have agreed not to attend or vote in person at any general meeting of Alpha or to exercise, or to purport to exercise (in person, by proxy or otherwise) any of the powers conferred on the Directors of Ramsay Centauri by paragraph 4.2(d); and
- (f) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Ramsay Centauri has not yet paid or provided the consideration due to you), have authorised Ramsay Centauri to transmit a message to SCH in accordance with rule 16.6.1 of the SCH Business Rules so as to enter those of your Alpha Shares which are in a CHESS Holding into a Ramsay Centauri Takeover Transferee Holding.

#### **4.3 Powers of attorney**

If the Acceptance Form is signed under power of attorney, the attorney will have declared that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney under Clause 4.1 and paragraphs (d) and (f) of Clause 4.2.

#### **4.4 Validation of otherwise ineffective acceptances**

Except in relation to Alpha Shares which are in a CHESS Holding, Ramsay Centauri may in its absolute discretion (but is not obliged to) treat the receipt by it of the Acceptance Form as a valid acceptance although it does not receive the other documents required by the instructions on the Acceptance Form or any of the other requirements for acceptance have not been complied with, but if it does so, subject to Clause 6.1, Ramsay Centauri will not be obliged to make the consideration available to you until Ramsay Centauri receives all those documents and all of the requirements for your acceptance referred to in Clause 3.3 and in the Acceptance Form have been met.

## 5. Conditions

### 5.1 Conditions of this Offer

This Offer and the contract resulting from your acceptance of this Offer are subject to the fulfilment of the following conditions:

- (a) that at the end of the Offer Period, Ramsay Centauri has a relevant interest in more than 29.2% (by number) of the Alpha Shares on issue at that time; and
- (b) that none of the following events occurs during the period beginning on 9 April 2001 and ending at the end of the Offer Period:
  - (i) Alpha converts all or any of its shares into a larger or smaller number of shares;
  - (ii) Alpha or a subsidiary of Alpha resolves to reduce its share capital in any way;
  - (iii) Alpha or a subsidiary of Alpha:
    - (A) enters into a buy-back agreement; or
    - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Law;
  - (iv) Alpha or a subsidiary of Alpha issues shares (other than Alpha Shares issued as the result of the exercise of Alpha Options) or grants an option over its shares, or agrees to make such an issue or grant such an option;
  - (v) Alpha or a subsidiary of Alpha issues, or agrees to issue, convertible notes;
  - (vi) Alpha or a subsidiary of Alpha disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
  - (vii) Alpha or a subsidiary of Alpha charges, or agrees to charge, the whole, or a substantial part, of its business or property;
  - (viii) Alpha or a subsidiary of Alpha resolves to be wound up;
  - (ix) the appointment of a liquidator or provisional liquidator of Alpha or of a subsidiary of Alpha;
  - (x) a court makes an order for the winding up of Alpha or of a subsidiary of Alpha;

- (xi) an administrator of Alpha, or of a subsidiary of Alpha, is appointed under section 436A, 436B or 436C of the Corporations Law;
- (xii) Alpha or a subsidiary of Alpha executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Alpha or of a subsidiary of Alpha.

## **5.2 Separate conditions for benefit of Ramsay Centauri**

Each of paragraph (a) and subparagraphs (i) to (xiii) of paragraph (b) of Clause 5.1:

- (a) is and must be construed as a separate condition; and
- (b) subject to section 630 of the Corporations Law and Clause 5.5:
  - (i) does not prevent your acceptance of this Offer resulting in a contract for the disposal of your Alpha Shares but entitles Ramsay Centauri to rescind that contract by notice to Alpha; and
  - (ii) operates only for the benefit of Ramsay Centauri.

## **5.3 Notice declaring Offers free of conditions**

Subject to the Corporations Law, Ramsay Centauri may declare this Offer and any contract resulting from acceptance of this Offer free from any of the conditions in Clause 5.1 by giving notice in writing to Alpha:

- (a) in the case of the conditions in Clause 5.1(a) and paragraph 5.1(b)(iv), not less than 7 days before the last day of the Offer Period; and
- (b) in the case of the conditions in Clause 5.1(b) (other than paragraph 5.1(b)(iv)), not later than at the end of the Offer Period.

## **5.4 Notice publication date**

The date for giving the notice on the status of the conditions in Clause 5.1 that is referred to in section 630(1) of the Corporations Law is 21 May, 2001 subject to extension in accordance with section 630(2) of the Corporations Law if the Offer Period is extended under Part 6.6 of the Corporations Law.

## 5.5 Contract void if conditions not fulfilled

If any of the conditions in Clause 5.1 is not fulfilled:

- (a) at the end of the Offer Period; and
- (b) Ramsay Centauri has not declared this Offer and the contract resulting from your acceptance of it free of that condition,

the contract resulting from your acceptance of this Offer is automatically void.

## 6. Ramsay Centauri's Obligations to provide consideration

### 6.1 Timing

Subject to this Offer, Ramsay Centauri will provide the consideration for your Alpha Shares to you in accordance with Clause 6.3:

- (a) if Ramsay Centauri is given the necessary transfer documents with your acceptance of this Offer, on or before the earlier of:
  - (i) if the Offer has become unconditional, five business days after the date the Offer becomes unconditional; and
  - (ii) 21 days after the end of the Offer Period; or
- (b) if Ramsay Centauri is given the necessary transfer documents after your acceptance of this Offer and before the end of the Offer Period, and the Offer is still subject to a condition in Clause 5.1 at the time Ramsay Centauri is given the necessary transfer documents, by the end of whichever period ends earlier:
  - (i) 5 business days after the contract resulting from your acceptance of this Offer becomes unconditional;
  - (ii) 21 days after the end of the Offer Period; or
- (c) if Ramsay Centauri is given the necessary transfer documents after your acceptance of this Offer and before the end of the Offer Period, and the Offer is unconditional at the time Ramsay Centauri is given the necessary transfer documents, by the end of whichever period ends earlier:
  - (i) 5 business days after Ramsay Centauri is given the necessary transfer documents; and
  - (ii) 21 days after the end of the Offer Period; or

- (d) if Ramsay Centauri is given the necessary transfer documents after your acceptance of this Offer and after the end of the Offer Period, within 21 days after Ramsay Centauri is given the necessary transfer documents, but if at the time Ramsay Centauri is given the necessary transfer documents the contract resulting from acceptance of the Offer is still subject to a condition in Clause 5.1, within 5 business days after the contract becomes unconditional.

## **6.2 Ramsay Centauri may set off share scheme debts**

If you owe a debt to Alpha, or any other person, under the terms of an employee or Director incentive scheme, Ramsay Centauri may satisfy its obligations by paying as much of the consideration as is required to discharge that debt to Alpha (or the other person to whom it is owed) and paying you any remaining consideration.

## **6.3 Delivery**

Subject to the Corporations Law, Ramsay Centauri will send cheques for the cash payment due to you at your risk by pre-paid ordinary mail, or in the case of an address outside Australia by airmail, to the address shown in the Acceptance Form.

## **6.4 Rights**

If Ramsay Centauri becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to Ramsay Centauri all documents necessary to vest title to those Rights in it. If you do not give those documents to Ramsay Centauri, or if you have received the benefit of those Rights, Ramsay Centauri may deduct from any cash consideration otherwise payable to you the amount (or value as reasonably assessed by Ramsay Centauri) of those Rights. If Ramsay Centauri does not, or cannot, make such a deduction, you must pay that amount to Ramsay Centauri.

## **6.5 Non Australian residents**

If you are not a resident of Australia you will not be entitled to receive the consideration until you have satisfied Ramsay Centauri that you have obtained all necessary authorities or clearances of the Reserve Bank of Australia (whether under the Banking (Foreign Exchange) Regulations or otherwise) or of the Australian Taxation Office and that you have complied with all other statutory requirements in Australia or elsewhere which are applicable to the sale of your Alpha Shares, their transfer to Ramsay Centauri, and the receipt by you of the consideration for them.



## 6.6 Costs and stamp duty

Ramsay Centauri will pay all costs and expenses of the preparation and distribution of the Offers and all stamp duty payable on the transfer of any Alpha Shares to Ramsay Centauri.

## 6.7 Tax considerations

The sale of Alpha Shares pursuant to the Offer may give rise to a capital gain or income which will be subject to tax in Australia. Alpha shareholders should seek independent professional advice in relation to their own taxation position on the sale of Alpha Shares.

# 7. Offerees

## 7.1 Registered holders

Ramsay Centauri is making an offer in the form of this Offer to:

- (a) holders of Alpha Shares on Alpha's register of members on the Register Date; and
- (b) holders of Alpha Shares during the Offer Period that were issued:
  - (i) after the Register Date; and
  - (ii) as a result of the conversion of, or exercise of rights attached to, Alpha Options on Alpha's register of option holders on the Register Date.

Accordingly, Offers and copies of this Bidder's Statement will be sent to holders of Alpha Shares and Alpha Options on the Register Date.

A person who is able during the Offer Period to give good title to a parcel of Alpha Shares may, in accordance with section 653B of the Corporations Law, accept as if an Offer had been made to that person in relation to those Alpha Shares.

## 7.2 Holdings in distinct proportions

If, during the Offer Period and before you accept this Offer, your Alpha Shares consist of 2 or more separate parcels within the meaning of section 653B of the Corporations Law (for example, because you are a trustee or nominee for several distinct beneficial owners), section 653B of the Corporations Law will apply so that:

- (a) Ramsay Centauri is taken to have made a separate Offer to you in relation to each separate parcel of Alpha Shares; and

- (b) acceptance by you of this Offer in respect of any distinct parcel of Alpha Shares will be ineffective unless:
  - (i) you give Ramsay Centauri notice in accordance with Clause 7.3 stating that your Alpha Shares consist of separate parcels; and
  - (ii) your acceptance specifies the number of Alpha Shares in each separate parcel to which the acceptance relates.

### **7.3 Notices**

The notice required under Clause 7.2(b)(i):

- (a) if it relates to Alpha Shares not in a CHESS Holding, must be in writing; or
- (b) if it relates to Alpha Shares in a CHESS Holding, must be in an electronic form approved by the SCH Business Rules for the purposes of Part 6.8 of the Corporations Law.

## **8 Variation and Withdrawal of Offer**

### **8.1 Variation**

Ramsay Centauri may vary this Offer in accordance with the Corporations Law.

### **8.2 Withdrawal**

Ramsay Centauri may withdraw this Offer with the written consent of ASIC and subject to the conditions (if any) which apply to that consent.

## **9. Governing Law**

This Offer and any contract resulting from your acceptance of it is governed by the law in force in New South Wales.

## Section 2 - Statutory Information

---

### 1. Identity of Bidder

#### 1.1 Offers

Ramsay Centauri Pty Limited ACN 096 070 156 ("Ramsay Centauri") will make Offers constituting a takeover bid for Alpha Shares.

#### 1.2 Ramsay Centauri

Ramsay Centauri is an indirectly wholly owned subsidiary of Ramsay Health Care Limited ("Ramsay") and a member of the Ramsay Group. It currently has no business operations or assets other than a loan facility agreement with Ramsay Health Care Investments Pty Limited for an amount of up to \$18,330,532 plus transaction costs incurred in connection with this Offer.

It has entered into a Pre-Bid Acquisition Agreement in respect of 8,678,400 Alpha Shares (representing 19.9% of Alpha Shares currently on issue) as set out in paragraph 4.

#### 1.3 Ramsay

Ramsay is one of Australia's largest private hospital operators.

Ramsay owns and operates 15 hospitals in New South Wales, Victoria, Queensland, South Australia and Western Australia with some 1,768 beds. It employs more than 4,500 people and caters to the health needs of almost 300,000 patients each year.

Ramsay operates a diverse health care portfolio including acute medical and surgical services, psychiatric services, veterans services as well as outpatient and allied health services. Given the improving health care market, Ramsay is pursuing strategies of internal growth as well as investment in other hospitals and health care activities that closely relate to its core competencies.

Ramsay is listed on the Australian Stock Exchange with a market capitalisation of approximately \$269.8 million as at 11 April 2001.

As at 30 June 2000, Ramsay had consolidated total assets of approximately \$467.4 million. Operating profit after income tax for the year ended 30 June 2000 was \$6.6 million against revenues of \$330.3 million.

## **2. Bidder's Intentions**

### **2.1 Introduction**

Set out in this Clause 2 are Ramsay Centauri's intentions in relation to:

- (a) the continuation of the business of Alpha;
- (b) any major changes to be made to the business of Alpha including any redeployment of the fixed assets of Alpha; and
- (c) the future employment of the present employees of Alpha.

The statements of intention set out in this Clause 2:

- (a) are based on the facts and information concerning Alpha and the circumstances affecting Alpha's business activities that are known to Ramsay Centauri at the date of this Bidder's Statement; and
- (b) have been formed without the benefit of any detailed review of information made available on Alpha's business but with reference only to publicly available information.

After the end of the Offer Period, Ramsay Centauri will conduct a review of the activities, assets and employees of Alpha in light of the information then available to it. Final decisions will only be reached after that review, and in the light of all material facts and circumstances. Accordingly, the statements set out in clause 2.2 and 2.3 are current intentions which may vary as circumstances require.

The intentions of Ramsay Centauri set out in clauses 2.2 and 2.3 are also those of Ramsay.

### **2.2 Ramsay Centauri's intentions if it acquires 100% ownership of Alpha**

If Ramsay Centauri becomes entitled to acquire Alpha Shares compulsorily it intends to do so. Ramsay Centauri is confident that it will receive sufficient acceptances of its Offer to take its relevant interest in Alpha Shares to 90%, thus entitling it to compulsorily acquire Alpha Shares under the Corporations Law. That is so notwithstanding that its Offer is subject to the condition that it acquire a relevant interest in more than 29.2% of Alpha Shares. If this occurs Ramsay Centauri intends to procure that Alpha is removed from the official list of the ASX.

#### **(a) Board of Directors**

Ramsay Centauri intends to replace the Directors of Alpha with nominees of Ramsay Centauri. The identity of Ramsay Centauri's nominees has not yet been determined.

**(b) Business integration**

Ramsay Centauri intends to integrate where appropriate the businesses of Alpha with those of Ramsay Group. In particular, Ramsay Centauri intends to:

- (i) assimilate each of Alpha's business activities with the existing business activities of members of the Ramsay Group. This may include renaming Alpha businesses so that they are identified as being part of the Ramsay Group. Assimilation of business activities will enable benchmarking, which is expected to result in costs savings to the Ramsay Group. Furthermore, it is expected that the Ramsay Group will optimise purchasing power across all facilities;
- (ii) combine the corporate administration activities of each Alpha business with the existing corporate administration activities of the Ramsay Group. It is expected that this will result in a minimising of duplicated administrative functions and consequential cost savings to Ramsay Group as a whole.

**(c) Employees**

Ramsay Centauri intends to review the employment and staffing requirements for the combined operations of Ramsay Group and Alpha. This may lead to the reallocation of responsibilities or redundancy of some of the employees of Alpha and its related bodies corporate. Ramsay Centauri expects that any redundancies that may arise from the assumption of 100% ownership of Alpha will be minimal. Any employees made redundant would receive the redundancy and other entitlements due to them.

**2.3 Ramsay Centauri's intentions if it acquires less than 100% ownership of Alpha**

Ramsay Centauri's intentions as described in Clause 2.2 are dependent on Ramsay Centauri obtaining 100% ownership of Alpha.

If that is not achieved, Ramsay Centauri intends to seek to change the composition of the board as described in paragraph 2.2(a), and would seek to implement its other intentions in respect of Alpha as described in Clause 2.2, although Ramsay Centauri recognises that its ability to do so will depend on the level of its shareholding in Alpha and legal, regulatory and ASX requirements.

Ramsay Centauri intends to maintain Alpha as a company on the official list of the ASX unless Alpha has less than the required spread of shareholders under the Listing Rules, in which case, Ramsay Centauri will seek to have Alpha removed from the official list of the ASX.

### **3. Cash Consideration**

#### **3.1 Alpha Shares to which the Offers relate**

The information in this Clause 3.1 is given to the knowledge of Ramsay Centauri based on publicly available information concerning Alpha.

- (a) There are at the date of this Bidder's Statement:
  - (i) 43,610,260 Alpha Shares; and
  - (ii) 2,080,000 Alpha Options each of which, if exercisable and exercised, would result in the issue of one Alpha Share.
- (b) The total amount that Ramsay Centauri could be required to pay for Alpha Shares (including stamp duty at 0.3%) if every holder of Alpha Shares (other than Ramsay Centauri and its associates in respect of Alpha Shares already held by them, but including the Alpha Shares which may be acquired by Ramsay Centauri under the Pre-Bid Acquisition Agreement) accepted the Offers (subject to paragraph (c) below) is A\$17,496,036.
- (c) If every holder of Alpha Options exercised their options and accepted the Offer in respect of those Alpha Shares, an additional A\$834,496 would be payable by Ramsay Centauri in respect of the Offers and the maximum amount payable by Ramsay Centauri under the Offers (including stamp duty at 0.3%) would be A\$18,330,532.

#### **3.2 Source of cash consideration**

- (a) Ramsay Centauri will satisfy the consideration for the acquisition of Alpha Shares to which the Offer relates by full payment in cash.
- (b) Ramsay Centauri will fund the cash required to pay the consideration under the Offer by borrowing A\$18,330,532 from RHCA, plus amounts necessary to cover transaction costs incurred in connection with the Offer (via another wholly owned subsidiary in the Ramsay Group).

- (c) RHCA will fund the loan arrangements referred to in paragraph (b) above utilising a combination of its existing cash resources and funds drawn under RHCA's current bank facility agreements.
- (d) The loan arrangements outlined in paragraph (b) above are provided on terms and conditions, including representations and warranties, undertakings and events of default which are customary for facilities of this type. Each Ramsay borrower has, as at the date of this Bidder's Statement, complied with all of the terms and conditions to which it is a party and there are no circumstances which would or will be likely to constitute a breach or failure to comply with any of those terms and conditions.
- (e) The funds to be provided under the loan arrangements outlined in paragraph (b) above are immediately available for drawdown. Repayment of amounts lent cannot be required before the time when Ramsay Centauri must pay the consideration to holders of Alpha Shares who accept the Offer in accordance with Section 1 of this Bidder's Statement.
- (f) RHCA's current bank facility agreements referred to in paragraph (c) above include:
  - (i) committed domestic multi-option loan/letter of credit facilities provided by Toronto Dominion Australia Limited (A\$25,000,000), Rabo Australia Limited (A\$25,000,000), Citibank, N.A. (A\$30,000,000) and ABN AMRO Australia Limited and ABN AMRO Bank N.V. (Australian Branch) (A\$20,000,000);
  - (ii) committed standby loan facilities provided by Toronto Dominion Australia Limited (A\$10,000,000) and Rabo Australia Limited (A\$10,000,000); and
  - (iii) an overdraft loan facility provided by St George Bank Limited (A\$5,000,000).

In accordance with these bank facility agreements RHCA may currently draw sufficient funds to satisfy the intra-group loan obligations described in paragraph (b) above.

- (g) Each bank facility provided to RHCA is provided on terms and conditions, including representations and warranties, undertakings and events of default which are customary for a facility of this type. RHCA has complied with all of the terms and conditions and there are no circumstances which would or will be likely to constitute a breach or failure to comply with any of those terms and conditions.

- (h) There are no conditions precedent to drawdown under the bank facility agreements which have not been satisfied as at the date of this Bidder's Statement, other than formal matters all of which are capable of fulfilment by the RHCA.
- (i) None of the bank facilities is repayable before the time when Ramsay Centauri must pay the consideration to holders of Alpha Shares who accept the Offer in accordance with Section 1 of this Bidder's Statement.

#### **4. Acquisition by Ramsay Centauri of Alpha Shares**

On 9 April 2001 Ramsay Centauri entered into the Pre-Bid Acquisition Agreement under which Sun Healthcare agreed to sell to Ramsay Centauri 8,678,400 Alpha Shares, comprising 19.9% of Alpha's issued share capital, in consideration of the sum of \$0.40 per Alpha Share.

The obligations of the parties to complete the Pre-Bid Acquisition Agreement are conditional upon:

- (a) Ramsay Centauri lodging within 25 days after the date of the Pre-Bid Acquisition Agreement (9 April 2000) a notice with ASIC pursuant to Item 9 of Section 633(1) of the Corporations Law confirming that Offers have been sent to Alpha shareholders and the holders of securities convertible into Alpha Shares in accordance with Item 6 of Section 633(1) of the Corporations Law (and giving a copy of that notice to Sun Healthcare on the same day); and
- (b) either:
  - (i) if Sun Healthcare has lodged a valid acceptance of the Offer on or before the day which is 3 business days after Sun Healthcare receives a copy of the notice contemplated by paragraph (a) above - Ramsay Centauri having declared the Offer free of all conditions; or
  - (ii) if Sun Healthcare has not lodged a valid acceptance of the Offer on or before the day which is 3 business days after Sun Healthcare receives a copy of the notice contemplated by paragraph (a) above - no "prescribed occurrences" (being events mentioned in sections 652C(1) and (2) of the Corporations Law) having occurred or, if a "prescribed occurrence" has occurred, Ramsay Centauri giving a waiver of that prescribed occurrence to Sun Healthcare;

by the date which is 30 days after the date of the Pre-Bid Acquisition Agreement (9 April 2001).



Except as set out above, neither Ramsay Centauri nor any associate of Ramsay Centauri has provided, or agreed to provide, consideration for an Alpha Share in the 4 months before the date of this Bidder's Statement.

## **5. Other benefits in relation to bid securities**

Neither Ramsay Centauri nor any associate of Ramsay Centauri, during the period of 4 months before the date of this Bidder's Statement, gave, or offered to give or agreed to give a benefit to another person that is not available under the Offer and was likely to induce the other person, or an associate of the other person, to:

- (a) accept the Offer; or
- (b) dispose of Alpha Shares.

## **6. Ramsay Centauri's voting power in Alpha**

As far as Ramsay Centauri is aware, as at the date of this Bidder's Statement, and as at the date the first Offer is sent, Alpha had on issue:

- (a) 43,610,260 Alpha Shares, in 19.9% of which Ramsay Centauri had a relevant interest at the date of this Bidder's Statement and as at the date the first Offer is sent; and
- (b) 2,080,000 Alpha Options. Ramsay Centauri did not have a relevant interest in any Alpha Options at the date of this Bidder's Statement or at the date the first Offer is sent.

As at the date of this Bidder's Statement, and as at the date the first Offer is sent, Ramsay Centauri's voting power in Alpha was 19.9%.

## **7. Other material information**

### **7.1 Assignment of loans**

- (a) Alpha and Sun Healthcare entered into a Loan Agreement dated 10 December 1997 (as amended on 22 January 1998 and 6 June 2000) pursuant to which Sun Healthcare agreed to advance to Alpha up to \$10 million (the "Alpha Loan Agreement"). Repayment of that loan is secured by charges given by Health Care Corporation Pty Limited and Alpha Pacific Hospitals Pty Limited in favour of Sun Healthcare dated 18 December 2000 (as amended on 18 January 2001).

Pursuant to the Pre-Bid Acquisition Agreement Sun Healthcare has agreed to assign to Ramsay Centauri all of its right, title and interest in the Alpha Loan Agreement and the charges securing its repayment in consideration of the sum of \$5 million.

- (b) SHG Holdings and Alpha Westmead Private Hospital Pty Limited (“Alpha Westmead”) (a wholly owned subsidiary of Alpha) entered into a Loan Agreement dated 18 November 1998 pursuant to which SHG Holdings agreed to provide financial accommodation to Alpha Westmead in connection with the construction of the Alpha Westmead Private Hospital (the “Alpha Westmead Loan Agreement”). Alpha provided a guarantee and indemnity in favour of SHG Holdings in respect of repayment of that loan. Pursuant to the Pre-Bid Acquisition Agreement SHG Holdings has agreed to assign to Ramsay Centauri all of its right, title and interest in the Alpha Westmead Loan Agreement and the guarantee and indemnity securing its repayment in consideration of the sum of \$1,133,333.
- (c) On 9 April 2001, Ramsay Centauri, Ramsay and two wholly owned subsidiaries of James Hardie Industries Limited (Ecanif Pty Limited and RCI Pty Limited) entered into a Debt Assignment Agreement in relation to a loan in the amount of \$1.861 million from Ecanif Pty Limited to Health Care Corporation Pty Limited, a wholly owned subsidiary of Alpha (the “Ecanif Loan”) and a convertible note for \$4.0 million issued by Alpha in favour of RCI Pty Limited (“RCI Debt”). Ramsay Centauri agreed to acquire the Ecanif Loan and the RCI Debt for the amounts outstanding as at completion less the principal amount of the RCI Debt discounted back at a rate of 9% per annum for the period from 18 August 2002 until completion, less \$400,000.

The obligations of the parties to complete the Debt Assignment Agreement are conditional upon:

- (i) Ramsay Centauri despatching Offers to Alpha shareholders within 25 days of the date of the Debt Assignment Agreement (9 April 2001); and
- (ii) Ramsay Centauri declaring the Offers free of all conditions or the Offers otherwise becoming free of all conditions by the date which is 30 days after the date of the Debt Assignment Agreement.

## 7.2 Forecasts made by Alpha

In December 2000, Alpha provided Ramsay with forecast information in respect of Alpha's performance for the year ending 30 June 2001, as well as forecasts for Westmead Private Hospital for the years ending 30 June 2001 and 30 June 2002.

This information indicated the following forecasts:

### Alpha Group

	2001 Forecast for Year ending 30 June
Sales	\$85,624,000
EBIT	\$3,108,000
Net profit	(\$1,479,000)
Net cash flow	(\$3,208,000)

### Westmead Private Hospital

	2001 Forecast fo Year ending 30 June	2001 Forecast for Year ending 30 June
Sales	\$18,531,291	\$34,753,871
EBIT	\$1,400,244	\$5,673,982

Subsequent to this information being provided to Ramsay, Alpha announced its half yearly results which reported Alpha's financial performance for the six month period ended 31 December 2000 as follows:

### Westmead Private Hospital

	Half year ended 31 December 2000
Sales	\$41,425,000
EBIT	\$1,754,000
Net Profit	(\$125,000)

### **7.3 Insurance**

Alpha made a further announcement on 30 March 2001 that the appointment of a provisional liquidator to Alpha's professional indemnity insurer, HIH, had significant implications for Alpha, with the result that Alpha may have to provide for unrecoverable expenses of in excess of \$600,000 in the second half of the current financial year.

### **7.4 Westmead Hospital**

Alpha also announced on 30 March 2001 that it expected the performance of Westmead to impact adversely on Alpha's earnings in the year ending 30 June 2001. In addition to the loss reported for the first half year ended 31 December 2000, Alpha expects to make a larger loss for the second half year ending 30 June 2001.

### **7.5 Copies of announcements**

If you would like a copy of any announcement made by Alpha and referred to in this Bidder's Statement please contact Ramsay's Company Secretary, Larry Ransley, on (02) 9433 3444 or by email to [ransleyl@ramsayhealth.com.au](mailto:ransleyl@ramsayhealth.com.au) during the Offer Period and a copy of the requested announcement will be provided to you free of charge.

### **7.6 No other material information**

There is no information material to the making of a decision by an offeree whether or not to accept the Offer, being information that is known to Ramsay Centauri and has not previously been disclosed to the holders of Alpha Shares other than as disclosed in this Bidder's Statement.

## **8. Modifications to, and exemptions from, the Corporations Law**

Ramsay Centauri has obtained from ASIC certain modifications to, and exemptions from, the Corporations Law in relation to the Bid. A copy of the ASIC instruments providing for the modifications and exemptions is set out in Appendix A.

## Section 3 - Definitions and Interpretation

---

### 1. Definitions

The following definitions apply in this booklet and the Acceptance Form.

**“A\$”** and **“\$”** means Australian Dollars.

**“Acceptance Form”** means the form with that title that accompanies the Offer.

**“Alpha”** means Alpha Healthcare Limited ACN 000 727 882.

**“Alpha Options”** means the options issued by Alpha which, once exercised, require Alpha to issue Alpha Shares.

**“Alpha Shares”** means fully paid ordinary shares in Alpha.

**“ASIC”** means the Australian Securities and Investments Commission.

**“ASX”** means Australian Stock Exchange Limited.

**“Bid”** means the bid constituted by the Offers.

**“Bidder's Statement”** means this document, which is the statement made by Ramsay Centauri under Part 6.5 of the Corporations Law relating to the Bid.

**“CHESS Holding”** means a holding of shares on the CHESS Subregister.

**“CHESS Subregister”** has the meaning set out in the SCH Business Rules.

**“Controlling Participant”** means, in relation to Alpha Shares in a CHESS Holding, the broker or Non Broker Participant with whom the holder has a sponsorship agreement (as defined in the SCH Business Rules).

**“Encumbrance”** means:

- (a) a mortgage, charge, pledge, lien or hypothecation;
- (b) a title retention arrangement;
- (c) a notice under section 218 or 255 of the Income Tax Assessment Act 1936 (Cth) or under section 74 of the Sales Tax Assessment Act 1992 (Cth);

- (d) any other interest in or right over property (including, but not limited to, a right to set off or withhold payment of a deposit or other money);
- (e) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; and
- (f) an agreement to create anything referred to above or to allow any of them to exist.

**“foreign law”** means a law of a jurisdiction other than an Australian jurisdiction.

**“Non Broker Participant”** has the meaning set out in the SCH Business Rules.

**“Offer”** means the offer constituted by section 1 of this booklet (or, if the context so requires, section 1 of this booklet itself) and includes a reference to that offer as varied in accordance with the Corporations Law.

**“Offers”** means the offer constituted by section 1 of this booklet and the other offers made in the same terms in relation to Alpha Shares and includes a reference to those offers as varied in accordance with the Corporations Law.

**“Offer Period”** means the period referred to in Clause 2 of section 1.

**“Pre-Bid Acquisition Agreement”** means the conditional pre-bid agreement dated 9 April 2001 between Ramsay, Ramsay Centauri, SHG Holdings and Sun Healthcare, a copy of which is set out in Appendix B.

**“Ramsay”** means Ramsay Health Care Limited ACN 001 288 768.

**“Ramsay Centauri”** means Ramsay Centauri Pty Limited ACN 096 070 156.

**“Ramsay Group”** means Ramsay and its related bodies corporate.

**“Register Date”** means 19 April 2001, which is the date set by Ramsay Centauri under subsection 633(2) of the Corporations law.

**“RHCA”** Ramsay Health Care Australia Pty Limited ABN 36 003 184 889.

**“RHCI”** Ramsay Health Care Investments Pty Limited ABN 44 078 881 473.

**“Rights”** means all accretions and rights attaching to Alpha Shares after the date of the Offers (including, but not limited to, all rights to receive dividends and other distributions declared or paid and to receive or subscribe for shares, notes or options issued by Alpha).

**“SCH”** means the Securities Clearing House approved under the Corporations Law.

**“SCH Business Rules”** means the business rules of the Securities Clearing House approved under the Corporations Law.

**“SHG Holdings”** means SHG Holdings Pty Limited (Receiver and Manager appointed) ACN 078 173 798.

**“Sun Healthcare”** means Sun Healthcare Group Australia Pty Limited (Receiver and Manager appointed) ACN 078 174 115

**“your Alpha Shares”** means the Alpha Shares:

- (a) of which you are registered or entitled to be registered as the holder in the register of members of Alpha on the date of this Offer;
- (b) issued to you during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights attached to, Alpha Options which are on issue on the Register Date; or
- (c) any Alpha Shares to which you are able to give good title at the time you accept this Offer.

**“you”** means the person to whom an Offer is made or deemed to be made.

## 2. Interpretation

- (a) Words and phrases which are defined by the Corporations Law have the same meaning in this booklet and the Acceptance Form and, if a special meaning is given for the purposes of Chapter 6 or 6A or a provision of Chapter 6 or 6A of the Corporations Law, have that special meaning.
- (b) Headings are for convenience only, and do not affect interpretation.
- (c) The following rules also apply in interpreting this booklet and the Acceptance Form, except where the context makes it clear that a rule is not intended to apply.
  - (i) A singular word includes the plural, and vice versa.
  - (ii) A word which suggests 1 gender includes the other genders.
  - (iii) If a word is defined, another part of speech has a corresponding meaning.

- (iv) References in section 1 of this Bidder's Statement to clauses, paragraphs and subparagraphs are to clauses, paragraphs and subparagraphs of section 1 of this Bidder's Statement.
- (v) References in section 2 of this Bidder's Statement to clauses, paragraphs and subparagraphs, are to clauses, paragraphs and subparagraphs of section 2 of this Bidder's Statement.
- (vi) References in section 2 of this Bidder's Statement to appendices are to appendices of this Bidder's Statement.
- (vii) A reference to a person includes a reference to a corporation.
- (viii) Appendices to this Bidder's Statement form part of it.

DATED 12 April 2001

SIGNED for and on behalf of Ramsay Centauri Pty Limited following a resolution of the Directors of Ramsay Centauri Pty Limited.



**Pat Grier**

Managing Director



# **Appendix A**

## **ASIC modifications and exemptions**

**Australian Securities & Investments Commission**  
**Corporations Law - Subsection 655A(1) - Declaration**

Pursuant to subsection 655A(1) of the Corporations Law (the “**Law**”) the Australian Securities and Investments Commission (“**ASIC**”) declares that Chapter 6 of the Law applies to the person specified in Schedule A in the case referred to in Schedule B as if:

1. item 2(d)(ii) of section 611 was omitted and the following paragraph substituted:

“(ii) subject only to one or both of the following:

(A) any conditions that relate only to the occurrence of an event or circumstance referred to in subsection 652C(1) or (2);

(B) the condition referred to in paragraph 625(3)(c)”;

2. item 3(d)(ii) of section 611 was omitted and the following paragraph substituted:

“(ii) subject only to any conditions that relate only to the occurrence of an event or circumstance referred to in subsection 652C(1) or (2).”;

3. subsection 617(2) was modified by omitting the words:

“the bid may extend to securities that come to be in the bid class during the offer period due to a conversion or exercise of the rights.”,

and substituting the words:

“the bid may extend to securities that come to be in the bid class during the period from the date set by the bidder under subsection 633(2) to the end of the offer period due to a conversion or exercise of the rights.”;

4. paragraph 620(2)(b) was omitted and the following paragraph substituted:

“(ba) If the bidder is given the necessary transfer documents after the acceptance and before the end of the bid period and the offer is subject to a defeating condition at the time that the bidder is given the necessary transfer documents - by the end of whichever period ends earlier:

(i) within one month after the takeover contract becomes unconditional;

(ii) 21 days after the end of the offer period; or

(bb) If the bidder is given the necessary transfer documents after the acceptance and before the end of the bid period and the offer is unconditional at the time that the bidder is given the necessary transfer documents - by the end of whichever period ends earlier:

- (i) one month after the bidder is given the necessary transfer documents;
  - (ii) 21 days after the end of the offer period; or”;
- 5. paragraph 620(2)(c) was modified by adding at the end of the paragraph the following words:

“but if at the time the bidder is given the necessary transfer documents the takeover contract is still subject to a condition which relates to the occurrence of an event or circumstance referred to in subsection 652C(1), 652C(2) or 625(3)(c), within 21 days after the takeover contract becomes unconditional.”;
- 6. subsection 625(3) was modified by adding at the end of the subsection the following words:

“The condition referred to in this subsection is not a defeating condition.”;
- 7. paragraph 630(4) was modified by omitting the words "publishing" and "publish" and substituting in their place "giving" and "give" respectively;
- 8. items 2, 3 and 5 of the table contained in subsection 633(1) were modified by adding at the end of the entry in the left hand column for each item the following words:

“The bidder's statement and offer document need not include the name and address of the holders of bid class securities, the date of the proposed offer or any other date that is related to or dependent on that date, or the details referred to in subparagraphs 636(1)(k)(ii) and 636(1)(l)(ii) or details of transactions required to be disclosed under subparagraphs 636(1)(h) and 636(1)(i) from the period between the date of the bidder's statement and the date of the bid.

If this information is not included in the bidder's statement and offer document, the bidder must:

  - include this information in the bidder's statement and offer document sent under item 6; and
  - send to the target a copy of the bidder's statement sent under item 6.”;
- 9. paragraph 636(1)(j) was omitted and the following paragraph substituted:

"if the bid is to extend to securities that come to be in the bid class during the period from the date set by the bidder under subsection 633(2) to the end of the offer period due to the conversion of or exercise of rights attached to other securities (see subsection 617(2)) – a statement to that effect”;

10. paragraph 636(1)(k) was modified by the insertion of the following subparagraph after subparagraph 636(1)(k)(ii):
- “(iii) the number of securities in the class that the bidder had a relevant interest in immediately before the bidder’s statement is lodged with ASIC (expressed as a number of securities or as a percentage of the total number of securities in the class)”;
11. paragraph 636(1)(l) was omitted and the following paragraph substituted:
- “(l) for an off-market bid - the bidder’s voting power in the company:
- (i) as at the date of the bidder’s statement; and
- (ii) as at the date immediately before the first offer is sent.”;
12. subsection 650B(2) was modified by omitting the words:
- “The person is entitled to receive the improved consideration immediately, or immediately after the exercise of the election.”,
- and substituting the following:
- “The person is entitled to receive the improved consideration immediately, except:
- (a) if the time for payment of the consideration in accordance with subsection 620(2) has not yet occurred, the person is not entitled to receive the improved consideration until that time;
- (b) if the person has to make an election before being entitled to the improved consideration, the person is not entitled to receive the improved consideration until the later of:
- (i) the time when the person makes the election and returns any consideration under s651B(2);
- (ii) the time applicable under paragraph (a).”;
13. the first sentence of paragraph 650C(2) was omitted and the following sentence substituted:
- “If the bid is subject to a defeating condition, the bidder may extend the offer period after the bidder has given the notice under subsection 630(3) only if one of the following happens after the notice has been given:”;
14. paragraph 650F(1)(a) was omitted and the following paragraph substituted:
- “(a) if the condition relates only to the occurrence of an event or circumstances referred to in subsection 652C(1) or (2) - not later than 3 business days after the end of the offer period; or”;

15. paragraph 650G(b) was omitted and the following paragraph substituted:
- “(b) the bidder has not declared the offers to be free from the condition in accordance with section 650F.”;
16. paragraph 650G(c) was omitted and the following paragraph substituted:
- “(c) the condition has not been fulfilled:
- (i) except as provided in subparagraph (ii), at the end of the offer period;
- (ii) in the case of an event or circumstance referred to in subsection 652C(1) or (2), within 3 business days after the end of the offer period.

#### **Schedule A**

Ramsay Centauri Pty Limited ACN 096 070 156 (the “**Bidder**”)

#### **Schedule B**

The takeover bid by the Bidder for all the fully paid ordinary shares in Alpha Healthcare Limited ACN 000 727 882 in respect of which a bidder’s statement is lodged with ASIC on or about the date of this instrument.

Dated this 9<sup>th</sup> day of April 2001

  
Signed by Margaret Ngothanh  
a delegate of the Australian Securities and Investments Commission

**Australian Securities and Investments Commission  
Corporations Law – Subsection 655A(1) – Exemption**

Pursuant to subsection 655A(1) of the Corporations Law (the "**Law**"), the Australian Securities and Investments Commission (the "**Commission**") exempts the person named in Schedule A (the "**Bidder**") from compliance with subsection 650D(3) of the Law in the case referred to in Schedule B, insofar as that subsection 650D(3) requires the document to be signed by a director of the Bidder, on condition that:

- (a) the document is signed by an agent of the director, authorised in writing, in his or her place; and
- (b) an original or verified copy of the authorisation is lodged with the Commission with the signed document referred to in paragraph (a).

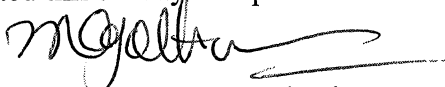
**Schedule A**

Ramsay Centauri Pty Limited ACN 096 070 156 (the "**Bidder**")

**Schedule B**

The takeover bid by the Bidder for all of the ordinary shares in Alpha Healthcare Limited (ACN 000 727 882) in respect of which a bidder's statement is to be lodged with the Commission on or about the date of this instrument.

Dated this 9<sup>th</sup> day of April 2001



Signed by Margaret Ngothanh  
a delegate of the Australian Securities and Investments Commission

**Australian Securities and Investments Commission  
Corporations Law – Subsection 655A(1) – Exemption**

Pursuant to subsection 655A(1) of the Corporations Law (the "**Law**") the Australian Securities and Investments Commission (the "**Commission**") hereby exempts the persons specified in Schedule A from subsection 636(3) of the Law in the case referred to in Schedule B on the conditions specified in Schedule C, insofar as subsection 636(3) would require consent for the inclusion in the bidder's statement referred to in Schedule B ("**Bidder's Statement**") of statements made, or based on statements made, in any announcements to the Australian Stock Exchange Limited by Alpha Healthcare Limited ACN 000 727 882 or any of its related bodies corporate.

**Schedule A**

Ramsay Centauri Pty Limited ACN 096 070 156 (the "**Bidder**") and the directors of the Bidder.

**Schedule B**

The off-market bid by the Bidder for all the fully paid ordinary shares in Alpha Healthcare Limited ACN 000 727 882 in respect of which a bidder's statement is to be lodged with the Commission on or about the date of this instrument.

**Schedule C**

1. The Bidder's Statement must either:
  - (a) inform people of their right to obtain a copy of an announcement referred to in this instrument; or
  - (b) include a copy of the announcement.
2. If the Bidder's Statement informs people of their right to obtain a copy of the announcement, the Bidder must give a copy of the document free of charge to anyone who asks for it during the offer period.

Dated this 9<sup>th</sup> day of April 2001



Signed by Margaret Ngothanh  
a delegate of the Australian Securities and Investments Commission

**Australian Securities and Investments Commission  
Corporations Law – Subsections 655A(1), 669(1) and 673(1) – Declarations**

Pursuant to subsections 655A(1), 669(1) and 673(1) of the Corporations Law (the "**Law**") the Australian Securities and Investments Commission declares that Chapters 6, 6A and 6C of the Corporations Law apply in relation to the persons specified in Schedule A in relation to the class of securities specified in Schedule B for the period of 6 months after the date of this instrument as if:

1. the definition of "associate" in section 9 was modified by:
  - (a) omitting the words:

": The following are the associates of a bidder making a takeover offer, a substantial holder or a 90% holder"

and substituting the following:

"when used in relation to a person in Chapters 6, 6A and 6C means";
  - (b) replacing the references to "bidder or holder" with the word "person" wherever they appear; and
  - (c) replacing the references to "a person" in paragraphs (b) and (c) with the words "another person"; and
  - (d) inserting after paragraph (c) the sentence: "But another person is not an associate of the person merely because of one or more of the circumstances in paragraphs 16(1)(a) to (d).";
2. subsection 10(1) was modified or varied by omitting the word "This" and substituting "Unless the definition of associate in section 9 applies, this";
3. subsection 10(2) was omitted; and
4. subsection 12(1) was omitted.

**Schedule A**

Ramsay Centauri Pty Limited ACN 096 070 156 and its related bodies corporate.

**Schedule B**

Fully paid ordinary shares in Alpha Healthcare Limited ACN 000 727 882

Dated this 2nd day of March 2001



Signed by Margaret Ngothan

a delegate of the Australian Securities and Investments Commission



This page has been intentionally left blank

This page has been intentionally left blank



