



20 March 2017

Australian Securities Exchange Limited

PULSE HEALTH LIMITED APPLIES TO POSTPONE SCHEME MEETING PENDING DISCLOSURE RELATING TO HEALTHE CARE TRANSACTION WITH EVOLUTION

Pulse Health Limited (ASX:PHG) ("**Pulse**") will tomorrow make an application to the Supreme Court of New South Wales to postpone its scheme meeting to consider a resolution to approve the acquisition of 100% of the shares in Pulse by Healthe Care Australia Pty Limited ("**Healthe Care**") at \$0.47 cash per share via a scheme of arrangement ("**Scheme**"). Pulse will apply for the scheme meeting currently scheduled on Wednesday, 22 March 2017, to be postponed to Monday, 1 May 2017 to allow adequate time for Pulse to provide, and shareholders to consider, information about recent developments before the scheme meeting.

Healthe Care Transaction with Evolution

Pulse has been informed by Healthe Care that on 17 March 2017 Healthe Care and Evolution Healthcare Partners Pty Ltd ("**Evolution**") as trustee of the EHPO Trust ("**Evolution Trust**") entered into an agreement under which Healthe Care has committed to acquire from Evolution the entities owning two hospitals and one day surgery located in the Illawarra region of New South Wales for \$53.0m, subject to adjustments ("**Evolution Transaction**").

Pulse understands that there is some commonality between stakeholders in: (a) Evolution and the Evolution Trust; and (b) Sante Capital Investments Nominees Pty Ltd ("**Sante Capital**") and the Sante Capital No. 1 Trust ("**Sante Capital Trust**"). Sante Capital has voting power in Pulse of approximately 15.79%. Given this commonality, Pulse considers it is appropriate to ensure Pulse shareholders are adequately informed about the Evolution Transaction, and therefore will prepare supplementary disclosure to be sent to Pulse shareholders in relation to the Evolution Transaction.

Loneragan Edwards & Associates Limited has been commissioned as an independent expert and will provide Pulse with a report stating whether, in its view, the consideration to be received by Evolution under the Evolution Transaction will result in the receipt of a net-benefit by Sante Capital. The report of Lonergan Edwards & Associates Limited will be provided to Pulse shareholders.

Scheme Update

Pulse has closely monitored the receipts of proxy votes received to date and note the overwhelming support in favour of the Scheme by shareholders. Sante Capital has also undertaken to Healthe Care that it will vote in favour of the Scheme and will not transfer its shares, subject to there being no superior proposal, the board of Pulse continuing to recommend the Scheme, the ACCC, New Zealand Overseas Investment Office ("**NZ OIO**"), "no prescribed event", shareholder and court approval conditions under the Scheme Implementation Deed being satisfied or waived, the independent expert not changing its opinion and the Scheme Implementation Deed not being terminated. Sante Capital's undertaking ceases to apply on 31 May 2017.

The ACCC continues to review the transaction and has nominated 30 March 2017 as the provisional date by which it intends to make a decision.



Pulse confirms the trading update that it provided at its half year briefing on 28 February. Health Care has re-iterated its intention to proceed with the Scheme on the terms set out in the Scheme Implementation Deed.

Next steps

Pulse will provide an update and confirm the revised transaction timetable after the Court hearing on Tuesday, 21 March 2017.

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