

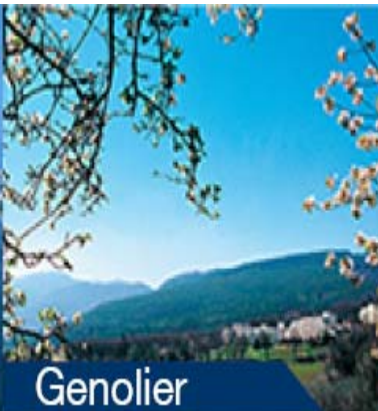
Unterschiedliche Blickwinkel der Privatklinik Bethanien-Akquisition durch die börsenkotierte Spitalgruppe Genolier Swiss Medical Network



Antoine Hubert
CEO
Genolier Swiss Medical Network SA



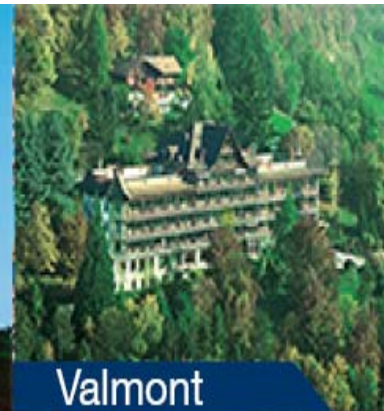
CMEV



Genolier



Montchoisi



Valmont



Générale

Dr. Yves Cheridito
CEO
Wineus Investment & Consulting AG



Privatklinik Bethanien

Ayhan Güzelgün
Leiter
Spezialfinanzierungen
Migros Bank AG

Mr. Antoine Hubert

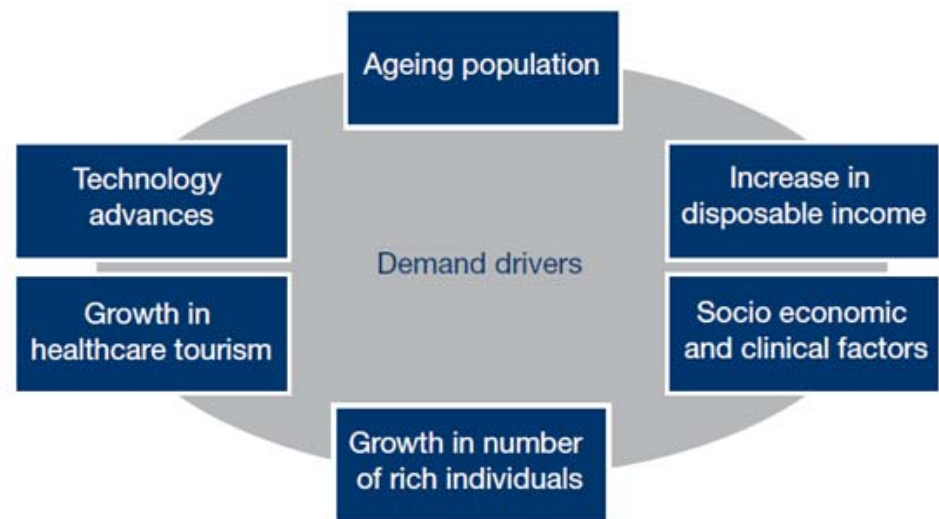
CEO and Delegate of the Board of Directors
Genolier Swiss Medical Network (“GSMN“)

- **Listed** on the main segment of SIX Swiss Exchange
- **Leading private hospital group** in the **Romandie**
- High quality services, brand value, congenial working environment and an experienced entrepreneurial management team

Clear strategy

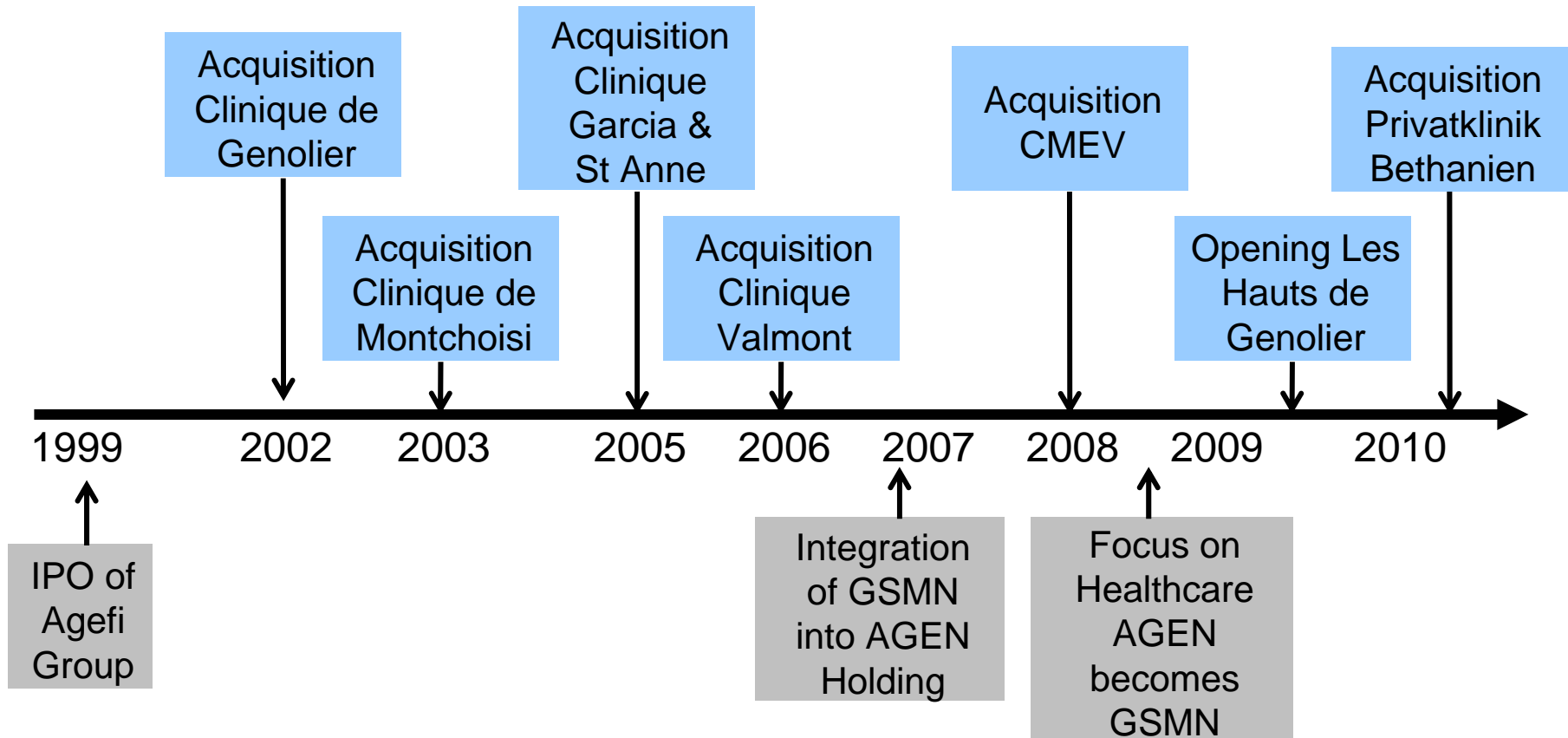
- **Focus** on healthcare
- **Ambition** to become a key player
- Increasing revenues and profits through acquisition of underperforming clinics that can be restructured and operationally optimized
- Hospitality at new levels in terms of high quality treatment and overall services

- **Demand for healthcare is growing** in Switzerland, as well as in Western Europe, **largely driven by demographic and social changes**
- Healthcare expenditures are expected to **increase due to**
 - **Ageing population**
 - **Increasing levels of disposable income**
 - **Socio-economic factors**
 - **Technological advances** making new medical treatments available, and
 - **Growth in healthcare tourism**



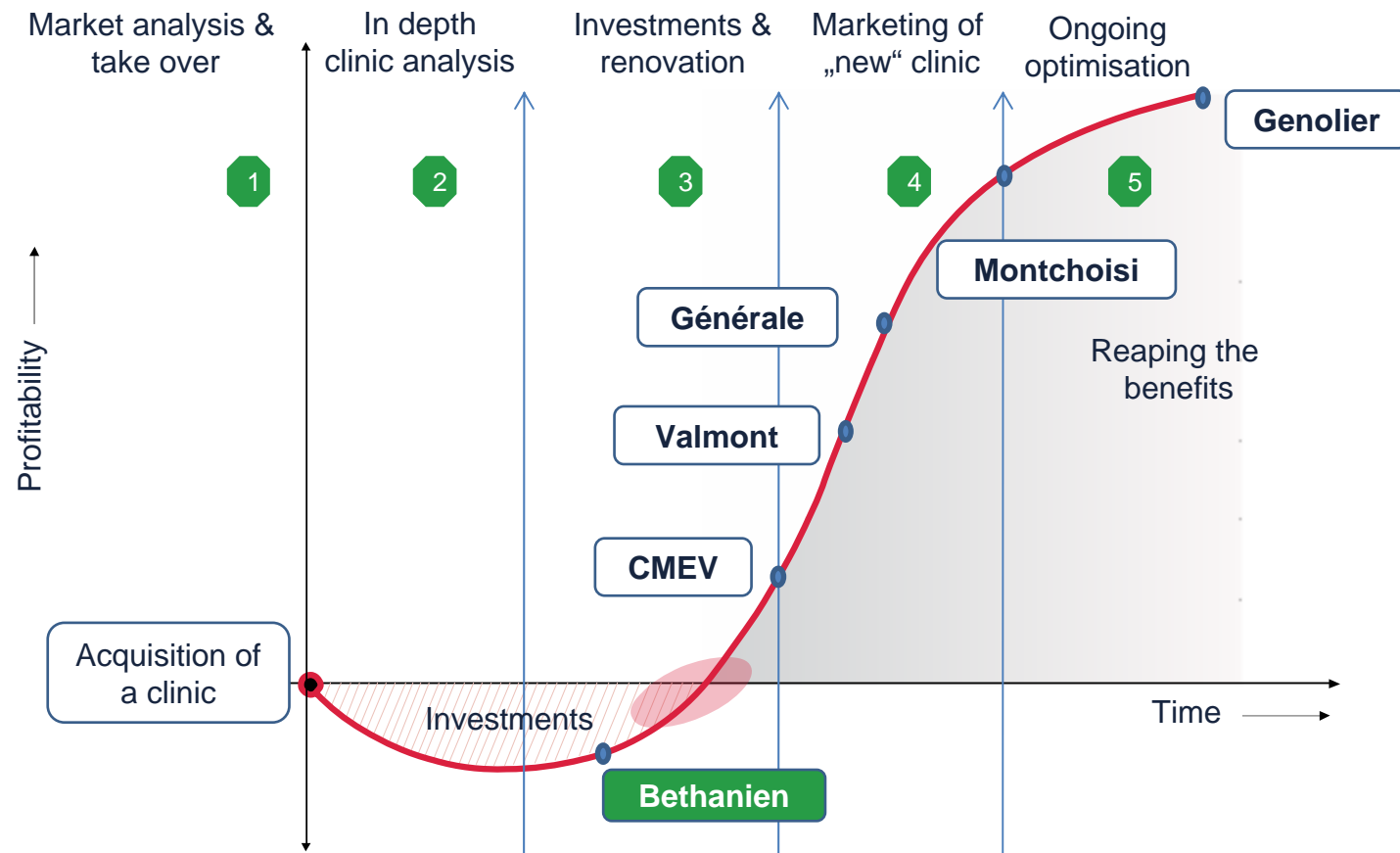
History of GSMN

Presently, there are **six owned clinics** (incl. Bethanien) in the portfolio of GSMN and **one luxury residence for the aged**



Strategy of GSMN

- Goal of GSMN to become a **private hospital network with 20 to 25 private clinics in 10 to 15 Swiss cantons**
- To reach its goal, GSMN pursues a **“Buy-Invest-Reap”-strategy**



The success factors of GSMN

- **Resilience of healthcare industry** despite the current difficult economic situation
- Persistent **quest for organic growth**:
 - Due to new affiliated doctors (each new doctor attracts additional revenue)
 - Higher capacity and occupancy rates (renovations concluded)
 - Extending the sourcing network for foreign patients in key markets
 - Margin improvements thanks to an efficient cost cutting program
- As a **group**, GSMN benefits from its size in the regional healthcare system:
 - Increased negotiating power with insurance companies and government
 - Increased negotiating power with suppliers
- **Independence** from government and insurance companies:
 - GSMN is free to alter its service offering of medical specialities
 - No financial backing of government leads to urge to improve operating efficiency
- Teaming up with their **affiliated doctors** by:
 - Treating the doctors as entrepreneurs and applying adequate incentive schemes
 - Heavily investing in the clinics' infrastructure and working environment

The five step-acquisition process



The five step approach was applied in the Bethanien acquisition very successfully:

- GSMN has been looking for acquisition opportunities with an **adequate size, strong brand and similar culture** in the **German part of Switzerland**
- Bethanien as a very **renowned private clinic in the Zurich area** was identified to be an **ideal flag ship clinic** for GSMN's entrance into this market
- Intense **preparation** and **due diligence** process over several months
- Tendering of a **binding offer** for Privatklinik Bethanien
- **Entering into negotiations** with Bethanien's main shareholders
- **Credit agreement signed with Migros Bank** on 21 October 2009
- **Sale and purchase agreements** signed on 22 October 2009
- More than 90% of shares already tendered, **integration into group** as of 1 January 2010

GSMN & Bethanien clinic

➤ Short profile of Bethanien:

- 180 admitting physicians
- 250 employees (FTE)
- 111 available beds
- 5'000 patients per year
- 2'061 surgeries and 219 deliveries over first 6 months in 2009
- Key specialties are Orthopaedics (28%), Gynaecology and Obstetrics (27%) and Surgery and Internal Medicine (25%)



➤ Short profile of GSMN (incl. Bethanien):

- **6 private clinics** as well as **a residence for the aged** in Switzerland
- Offers **501 available beds**
- Has **551 affiliated doctors**
- Engages **821 employees** (FTE) as well as
- 72 environmental services and outside lab employees and
- Performed **8'601 surgical interventions** (IPD, in the first half year of 2009)

Bethanien builds an ideal platform for further acquisitions in the German part of Switzerland!

Dr. Yves Cheridito

Chief Executive Officer

Wineus Investment & Consulting AG

- Wineus is a **boutique Private Equity firm** based in Zurich investing in the three areas “healthcare”, “cleantech” and “food & water”
- Besides the classical **investment business**, Wineus offers its clients tailored **consulting services** in the areas of
 - Structuring complex financing solutions, and
 - Deal advisory
- Wineus has a deep knowledge of GSMN because of a long-standing **working relationship with the management** from many past projects
- Within the scope of the Bethanien acquisition, **GSMN mandated Wineus** to provide an adequate **financing structure** for
 - The **acquisition**
 - The **future development of Bethanien** (heavy capital expenditures planned)
 - The **ongoing operations** of the clinic
- Wineus **coordinated and canalised the entire financing process** for GSMN’s management allowing them to **focus on their daily business**

During the acquisition process:

- Preparation of adequate financing memorandum
- Selection and contacting of potential financing partners
- Marketing with banks
- Coordination of all involved parties and information requests
- Communication and explanation of changes during the transaction
- Handing over “responsibility” of financing the acquisition to have more time to run the daily business and negotiate the transaction

Pre-conditions for signing of sale and purchase agreement:

- Selection of binding offers for adequate financing structure
- Negotiation of conditions of term sheets with banks
- Selection of adequate bank and signed term sheet securing the necessary financing
- Negotiation of terms and conditions of credit contracts
- Coordination of signing of credit contracts

After the signing:

- Coordination of timely credit transfer to seller

Wineus' financing process



- Establishing of a **target financing structure** together with GSMN
- **Preparation of detailed financing memorandum** and selection of **potential financing partners**
- **Marketing** phase incl. management presentations, site visits, etc. with banks
- **Fundraising** with negotiations, provision of a selection of indicative offers and selection of most convenient financing solution (re. structure and bank)
- In parallel, **coordination of**
 - **Client needs**
 - **Information requests of banks**
 - **Communication** between **GSMN** and **financing partners**
 - Securing of **timely finalisation** and **final credit contracts**, etc.

October 2008 to December
2008

January 2009 to February
2009

March 2009 to
April 2009

April 2009 to
July 2009

Target financing structure

Preparatory work

Marketing

Fundraising

Project management, coordination, negotiation, communication, etc. by Wineus

- Understanding of the **industry**
- Understanding of the **client's vision and strategy**
- Quick **decision making process**
- **Time availability** of key people to go through the process
- **Flexibility** to set up a customer-tailored, not bank-tailored credit solution
- Enough **monetary power**
- **Attractive** conditions

Marketing phase started at the heights of the credit crunch

- This fact complicated the entire financing process as most of the banks were heavily reducing its financing activities
- General risk aversion of potential financing partners was very high

Communication with contacted banks

- Wineus strived to provide all relevant information on GSMN, Bethanien as well as the industry to the banks
- However, probably due to increased risk aversion, too much information seemed to make some banks insecure
- Some banks go the “extra-mile” to understand a client / industry, others not

Excellent relationship with GSMN

- Wineus had continuous access to top management and company information
- Availability of management for presentations, conf calls and discussions is key
- Congenial working atmosphere
- Without deep knowledge of client and industry, no credibility as partner for banks

Mr. Ayhan Güzelgün
Leiter Spezialfinanzierungen
Migros Bank AG

Credit process & assessment

1. Credit request

- ✓ Business plan
- ✓ Principle decision MB
- ✓ Indicative Term Sheet

2. Management & sight visit

- ✓ Visit of two clinics
- ✓ Discussion: Ind. TS & list of questions

3. Credit approval process

- ✓ DD-assessment, financial model, credit application
- ✓ Credit decision by authority

4. Credit agreement

- ✓ Negotiation
- ✓ Coordination with SPA



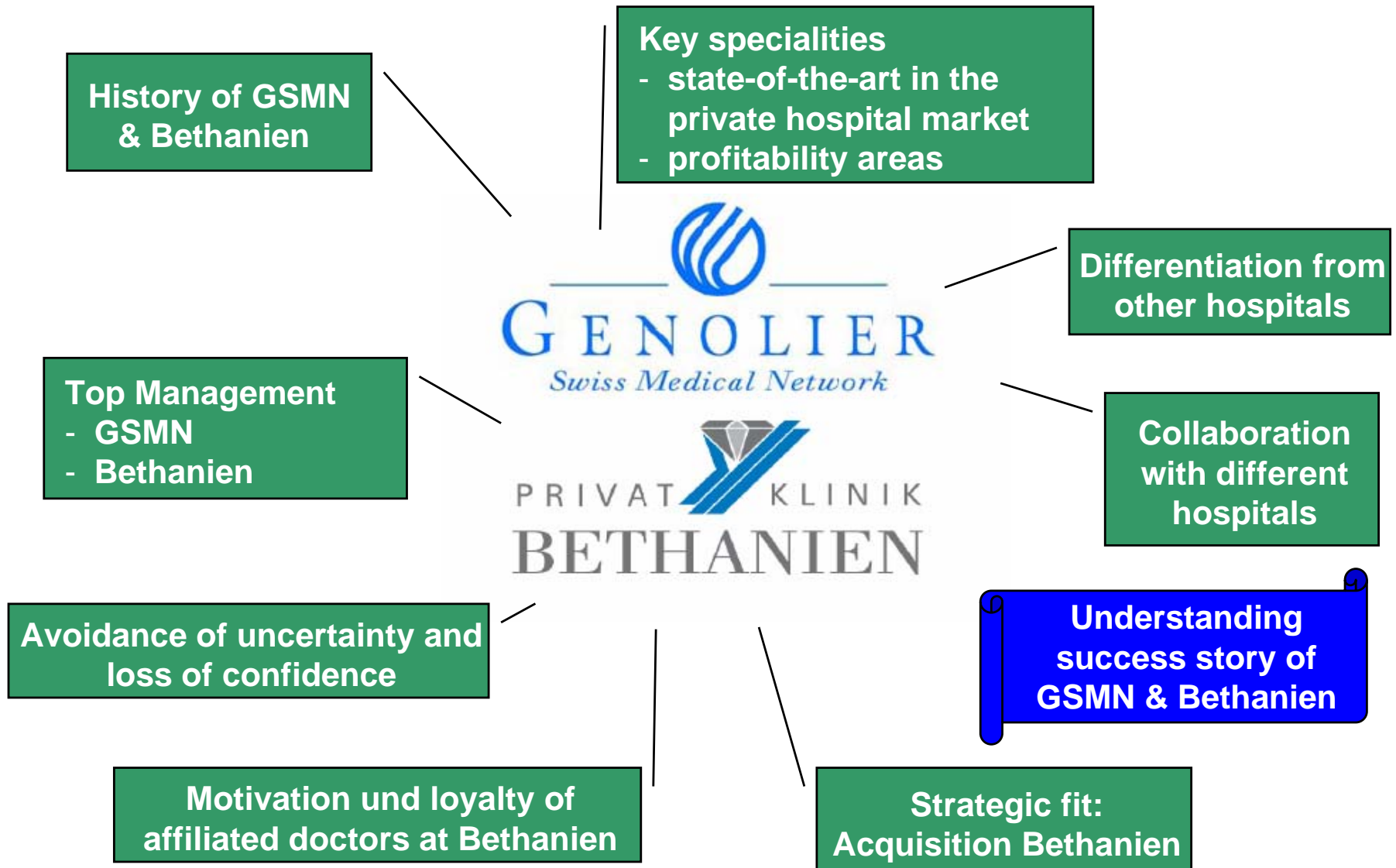
Financing structure

Financials

GSMN & Bethanien
(Value Added)

Industry & Environment

Value Added of GSMN & Bethanien



Dependency on economic cycle

- Client mix (home & abroad)
- Rising health insurance costs
- Creditworthiness of health insurance companies in the future

KVG Revision

Right to exist of private hospitals in Switzerland

Reaction of local population



Collaboration with health insurance companies ("Vertragsspital")

Competitive benchmark

- Key specialities (oncology, surgery, orthopaedics, ophthalmology, etc.)
- Profitability in different special fields is different

Understanding positioning and competitive strength of GSMN

Financials of GSMN & Bethanien

Traceability turnaround strategy

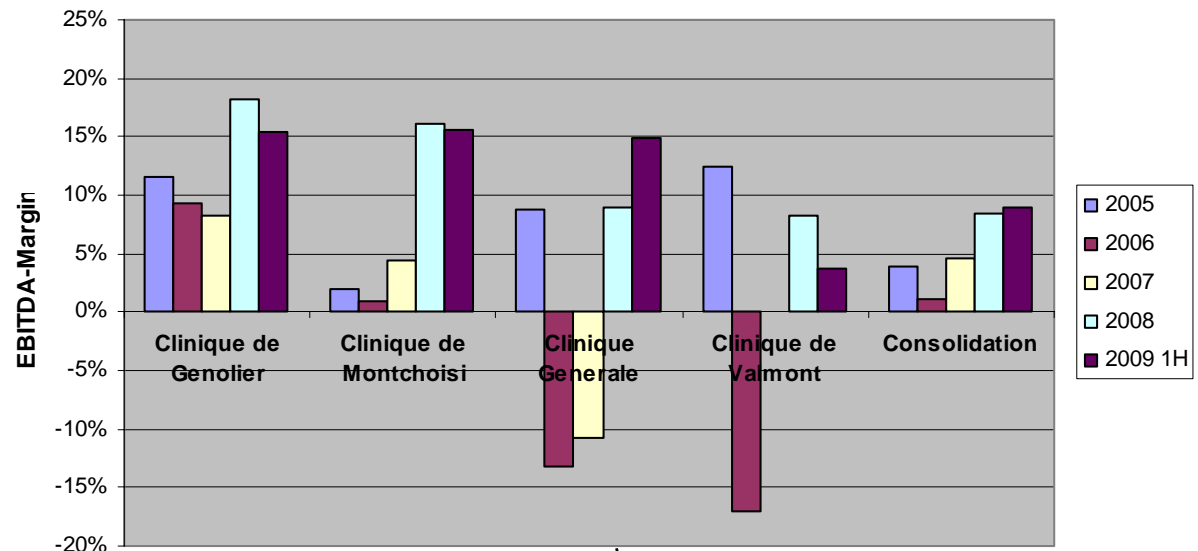
- Revenue, cost & investment drivers
- EBITDA developments in the past
- Key experience: Increase efficiency through reorganisation of clinics

Balance Sheet

- Liquidity & financial debt
- Recoverability of assets
- Goodwill

Financial model

- Quantification value drivers
- Sensitivity analysis
- Debt Capacity



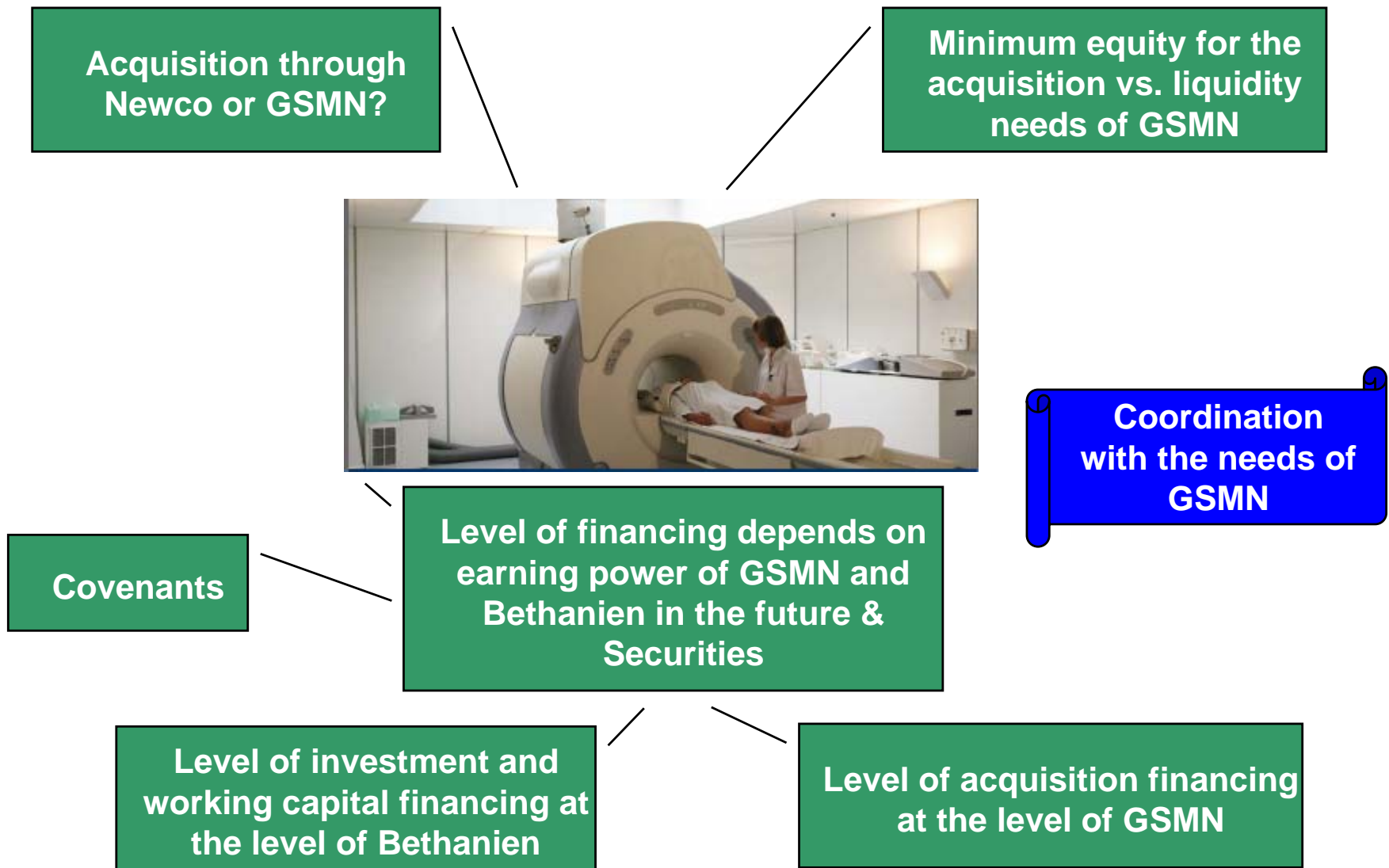
Integration Bethanien

- Value added / investments
- Possibility of increasing earning power

Analysis of business plan

- Sustained growth
- Operational activity
- Industry constraints

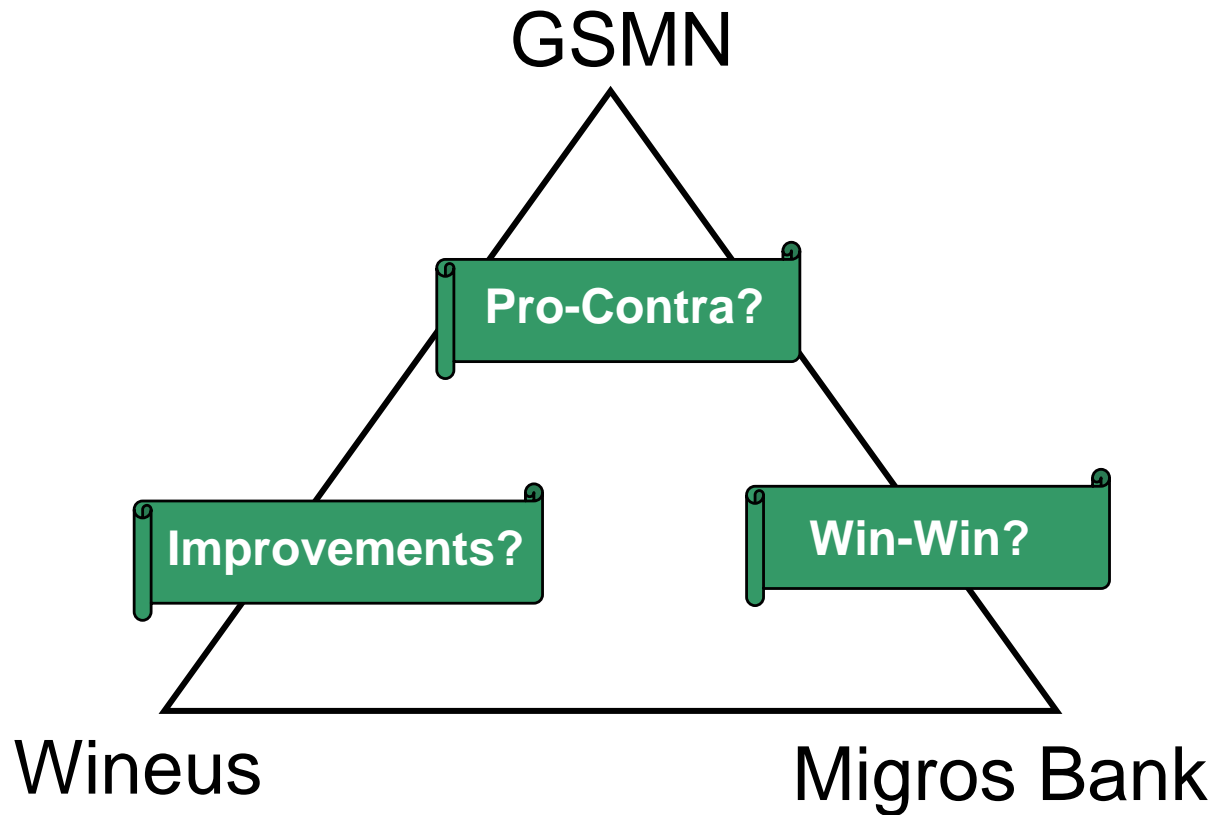
Financing structure



Mr. Antoine Hubert

CEO and Delegate of the Board of Directors
Genolier Swiss Medical Network (GSMN“)

Conclusion



Migros Bank - es geht auch anders

