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Fortis sells Dental Corporation for $284 mn

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Fortis to divest stake in Dental Corporation at $284 mn



Singapore: Fortis Healthcare is selling its 64 percent stake in Dental Corporation (DC), Australia, to healthcare company Bupa, for a consideration of $284 million (A$270 million). The deal is expected to be completed in March 2013, subject to shareholder and regulatory approvals.

Mr Malvinder Singh and Mr Shivinder Singh, executive chairman and executive vice chairman, Fortis Healthcare, said that, "As a premier healthcare company, we are quick to assess the competitive landscape, the opportunities for growth and emerging trends. We are decisive in our response and bold in our actions. The move is good for Fortis as it aligns the company with its current strategic priorities. This will help consolidate our presence as one of the fastest growing healthcare companies in the region."

Fortis had entered DC in Jan 2011 and has since added value to the business growing it from 140 dental practices to 190 dental practices in Australia and New Zealand. The model however has remained confined to the two countries and in-spite of exploration and backing has found limited acceptance in other Fortis geographies, as originally envisaged.

The DC divestment is in line with Fortis's strategic decision to focus on healthcare in Asia including India and on developing, staffing, operating and managing healthcare assets that cater to complex clinical work at the higher end of the medical delivery value spectrum.