

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited Year ended 30-June-15 R'000	Audited Year ended 30-June-14 R'000
ASSETS		
Non-current assets	113 556	82 538
Property, plant and equipment	59 487	60 601
Goodwill	25 461	10 412
Intangible assets	25 788	7 992
Deferred taxation	2 820	3 533
Current assets	142 942	164 997
Inventories	6 587	3 820
Trade and other receivables	16 053	13 976
Other financial assets	3 382	3 318
Operating lease asset	185	-
Current tax receivable	1 450	-
Cash and cash equivalents	115 285	143 883
Non-current assets held for sale	36 703	-
Total assets	293 201	247 535
EQUITY AND LIABILITIES		
Capital and reserves	205 868	172 874
Stated capital	137 378	120 378
Foreign currency translation reserve	27 233	31 297
Retained earnings	38 934	17 876
Revaluation reserve	-	2 037
Share-based payment reserve	2 323	1 286
Non-controlling interest	19 562	15 462
Total equity	225 430	188 336
Non-current liabilities	25 809	24 235
Other financial liabilities	14 152	14 512
Finance lease obligations	849	3 971
Operating lease liability	634	-
Provisions	1 993	1 264
Deferred taxation	8 181	4 488
Current liabilities	41 962	34 964
Other financial liabilities	5 597	7 852
Finance lease obligations	6 792	7 796
Trade and other payables	26 143	13 540
Provisions	779	1 612
Operating lease liabilities	41	141
Current tax payable	2 599	4 023
Bank overdraft	11	-
Total equity and liabilities	293 201	247 535

Notes to statement of financial position

Total number of shares in issue ('000)	221 615	211 615
Net asset value per share (cents)	101.72	89.00
Net tangible asset value per share (cents)	78.60	80.30

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited Year ended 30-June-15 R'000	Audited Year ended 30-June-14 R'000
Revenue	180 144	155 791
Cost of sales	(80 529)	(77 842)
Gross profit	99 615	77 949
EBITDA (earnings before interest, impairment, tax, depreciation and amortisation)	35 566	31 758
Investment income	6 861	1 451
Depreciation and amortisation	(8 342)	(7 778)
Net finance costs	(1 805)	(2 101)
Profit before taxation	32 280	23 330
Taxation	(10 074)	(7 851)
Profit for the period	22 206	15 479
Other comprehensive (expense)/income for the period, net of tax	(897)	4 943
Total comprehensive income for the period	21 309	20 422
Profit attributable to:		
Owners of the parent	15 854	7 740
Non-controlling interest	6 352	7 739
Total comprehensive income attributable to:		
Owners of the parent	14 957	12 683
Non-controlling interest	6 352	7 739
Earnings per share (cents)	7.15	6.44
Diluted earnings per share (cents)	7.14	6.44

Notes to the statement of comprehensive income

Headline earnings for the period attributable to ordinary shareholders:

Headline earnings per share (cents)	3.26	6.44
Diluted headline earnings per share (cents)	3.26	6.44
- Total number of shares in issue ('000)	221 615	211 615
- Weighted average number of shares ('000)	221 615	120 272
- Diluted weighted average number of shares ('000)	222 086	120 273

Reconciliation of headline earnings calculation:

Earnings for the period attributable to ordinary shareholders	15 854	7 740
Net fair value gain on Investment properties	(13 185)	-
Loss on sale of Property, plant and equipment	223	-
Tax effects of adjustments	3 889	-
Non-controlling interest effects of adjustments	451	-
Headline earnings for the period attributable to ordinary shareholders	7 232	7 740

ABRIDGED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Audited Year ended 30-June-15 R'000	Audited Year ended 30-June-14 R'000
Net cash flows from operating activities	26 333	33 249
Net cash flows from investing activities	(43 175)	(7 305)
Net cash flows from financing activities	(9 124)	92 930
Net (decrease)/increase in cash and cash equivalents	(25 966)	118 874
Effect of translation of foreign operations	(2 643)	(3 947)
Cash and cash equivalents at beginning of year	143 883	28 956
Cash and cash equivalents at end of year	115 274	143 883

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Net stated capital R'000	Revaluation reserve R'000	Share based payment reserve R'000	Foreign currency translation reserve R'000	Retained earnings R'000	Non-controlling interest R'000	Total equity R'000
Balance at 30 June 2013	467	2 037	1 283	26 354	10 136	5 489	45 766
Profit for the year	-	-	-	-	7 740	7 739	15 479
Other comprehensive	-	-	-	4 943	-	-	4 943
Shares issued for acquisition of subsidiaries	21 864	-	-	-	-	-	21 864
Specific issue of shares	20 000	-	-	-	-	-	20 000
General issue of shares	81 284	-	-	-	-	-	81 284
Capital raising fee	(3 237)	-	-	-	-	-	(3 237)
Share-based payment expenses	-	-	3	-	-	-	3
Dividends	-	-	-	-	-	(2 166)	(2 166)
Change of interest in NCI	-	-	-	-	-	1 581	1 581
Increase in NCI on reverse acquisition	-	-	-	-	-	2 819	2 819
Balance at 30 June 2014	120 378	2 037	1 286	31 297	17 876	15 462	188 336
Profit for the year	-	-	-	-	15 854	6 352	22 206
Other comprehensive income for the year	-	3 167	-	(4 064)	-	-	(897)
Shares issued for acquisition of intangible assets	17 000	-	-	-	-	-	17 000
Share-based payment expense	-	-	1 037	-	-	-	1 037
Transfer between reserves	-	(5 204)	-	-	5 204	-	-
Acquisition of subsidiary	-	-	-	-	-	273	273
Dividends	-	-	-	-	-	(2 525)	(2 525)
Balance at 30 June 2015	137 378	-	2 323	27 233	38 934	19 562	225 430

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

The summary audited consolidated financial statements are prepared in accordance with the Listings Requirements of the JSE Limited for provisional reports, and the requirements of the Companies Act applicable to summary financial statements. The JSE Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the summary consolidated financial statements from which the summary financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The summary audited consolidated financial statements have been prepared under the supervision of CJPJ Van Zyl CA (SA) in his capacity as Chief Financial Officer.

The summary audited consolidated financial statements for the year were authorised for issue by the directors on 31 August 2015.

The auditors, Mazars (Gauteng) Inc., have issued their unmodified opinion on the Group's annual financial statements for the year ended 30 June 2015. A copy of the auditor's report together with a copy of the audited financial statements is available for inspection at the Company's registered office.

These summary audited consolidated financial statements have been derived from the Group's annual financial statements. The contents of this announcement are extracted from audited information, although the announcement is not itself audited. The directors take full responsibility for the preparation of the provisional report and the financial information has been correctly extracted from the underlying annual financial statements.

The auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the Company's registered office.

STATED CAPITAL

The issued stated capital of Advanced Health is 221 614 801 shares amounting to R218 377 305 (2014: 211 614 801) being the legal entity listed on the JSE AltX.

Reconciliation of stated capital

	Shares '000	Share Value R'000
Balance as at 1 July 2014 (Legal entity)	211 615	208 378
IFRS 3 reverse acquisition adjustments	-	(88 000)
Consolidated share capital as at 1 July 2014	211 615	120 378
Share issued on 1 July 2015 to acquire intangible assets at R1.70	10 000	17 000
Balance as at 30 June 2015	221 615	137 378

BUSINESS COMBINATIONS

On February 6, 2015, Presmed Australia, the Australian subsidiary of Advanced Health, entered into an agreement to acquire 68% of the ordinary Shares in Chatswood E.N.T. (Trading) Trust ("Chatswood ENT") for total cash consideration of R15 047 817. The Company's core business is providing specialised services for ear, nose and throat including short-procedures surgical facilities services in day hospitals. The acquisition is consistent with the Company's growth strategy.

In the four months to 30 June 2015, Chatswood E.N.T. contributed revenue of R8.3 million and a loss of R100 396 to the results of Advanced Health. Had the acquisition occurred on 1 July 2014, management estimates that Chatswood E.N.T. would have contributed R20 million revenue to the Group.

Recognised provisional fair values on acquisition

	Provisional Fair value R'000
Property, plant and equipment	296
Inventories	1 219
Trade and other receivables	902
Cash and cash equivalents	1 559
Other financial liabilities	(1 550)
Trade and other payables	(1 205)
Deferred tax	(366)
Net identifiable assets and liabilities	855
Goodwill on acquisition	14 466
Non-controlling interest	(273)
Total net consideration	15 048
Cash acquired	(1 559)
Net cash outflow	13 489

The goodwill is mainly attributable to the skills and technical talent of the Chatswood E.N.T. work force. The carrying amount of trade and other receivables estimate their fair value and there are no contractual accounts receivable acquired.

The acquisition of the above subsidiary is based on provisional fair values as the group has not yet determined the fair values of the identifiable assets, liabilities and/or contingent liabilities. The fair value of the subsidiary will be accurately determined by the next reporting date.

For the year ended June 2015

SEGMENTAL REPORTING

Geographical Information

The group operates in two main geographical areas, namely South Africa and Australia, and the segmental information is set out below:

	2015		2014		2015		2014	
	SA	SA	Aus	Aus	Total	Total	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
External revenue	23 377	7 259	156 767	148 532	180 144	155 791	-	-
Inter-segmental revenue	3 069	-	26 244	38 320	-	-	-	-
Total segment revenue	26 446	-	183 011	186 852	180 144	155 791	-	-
Profit/(loss) for the year	(1 583)	(2 618)	23 789	18 097	22 206	15 479	-	-
Segment assets	150 262	128 278	142 939	119 257	293 201	247 535	-	-
Segment liabilities	12 759	14 856	55 012	44 343	67 771	59 199	-	-

The revenue from external parties and all other items of income, expenses, profits and losses reported in the segment report are measured in a manner consistent with that in the statement of comprehensive income.

COMPARISON WITH PROFIT FORECAST

In accordance with the JSE Listings Requirements, Advanced Health has set out a comparison between the profit forecast as contained in the Company's prospectus dated 31 March 2014 and the audited report for the year ended 30 June 2015 summarised below:

	Audited Year ended 30-June-15 R'000	Forecast 30-June-2015 R'000
Revenue	180 144	203 045
Operating profit	27 224	28 864
Profit after taxation	22 206	22 473
Other comprehensive income for the year	(897)	-
Total comprehensive income for the year	21 309	22 473
Profit attributable to:		
Equity holders of parent	15 854	14 111
Non-controlling interest	6 352	8 362
Total comprehensive income attributable to:		
Owners of parent	14 957	14 111
Non-controlling interest	6 352	8 362
Earnings per share		
- Basic (cents per share)	7.15	6.71
- Diluted (cents per share)	7.14	6.71
Weighted average number of shares	221 615	210 831
Diluted weighted average number of shares	222 086	210 831

Whilst earnings per share and comprehensive income attributable to shareholders was higher than the forecast in the prospectus issued by the company, revenue levels were not achieved primarily due to the strengthening of the Rand against the Australian dollar, with revenues from Australia representing approximately 87% of the group's revenues. The exchange rate assumed in the prospectus was R10.82 to the Australian Dollar, whilst the average exchange rate for the period under review was R9.55. This impact has flowed through the operating results of the group. Patient numbers and revenue per patient were substantially in line with those projected in the prospectus. Other income resulted from the fair value of property previously occupied by the group being transferred to property held for investment. The major variance on the share weighting relates to specific shares that were issued for the acquisition of the intangible assets.

INTANGIBLE ASSETS AND ISSUE OF SHARES

During the period under review the Group entered into an agreement to acquire five start-up companies which include specific rights to allow Advance Health to operate day hospitals once development and construction is complete. The objective is to develop five day hospitals, one in Gauteng and four in the Western Cape. Construction has commenced on some of these day clinics. The acquisition consideration was settled through the issue of 10 000 000 new shares on 1 July 2014 at an issue price of R1.70 per share.

PLANT AND EQUIPMENT

The increase in plant and equipment relate capital costs incurred to expand operations in relation specifically to the development of the new day clinics.

ASSETS HELD FOR SALE

During the 2015 financial year a building owned in Australia was transferred to investment property, because of the development of Chatswood private hospital. Subsequently it was decided that the building would be leased to a third party and as such was held for capital appreciation.

In June 2015, management received a firm offer for the purchase of the building for approximately R39 million, subject to specific suspensive conditions which are anticipated to be completed within the next financial year.

As a result of the offer, the investment property has been transferred to assets held for sale. Group is now committed to selling the building and anticipate the sale of the building to be highly probable within the next financial year.

Assets held for sale

Net fair value of building as at 30 June 2015 R'000
36 703

When considering the fair value of buildings certain direct attributable costs have been considered which result directly from and are essential to the transaction and would not have been incurred had the decision to sell not been made.

RELATED PARTIES

During the year, certain subsidiaries, in the ordinary course of business, entered into loans and transactions with related parties under terms that are no less favourable than those arranged with third parties.

EXCHANGE RATES

The following exchange rates were used in foreign interest and foreign transactions during the periods:

Rand/Australian Dollar	30 June 2015	30 June 2014
Closing rate	9.4062	9.9844
Average rate	9.5515	9.5257

COMMENTARY

HIGHLIGHTS

- > Revenue increased by 15.6% to R180.1 million
- > EBITDA increased by 12.0% to R35.5 million
- > Profit before interest and taxation increased by 38.4% to R32.2 million
- > Earnings of R15.8 million translated into diluted earnings per share of 7.14 cents.

INTRODUCTION

The company is an investment holding company that provides short procedure surgical facilities and services in day hospitals in South Africa and Australia. The audited consolidated results for the year ended 30 June 2015 reflect a satisfactory performance.

FINANCIAL RESULTS

Key financial indicators grew satisfactorily, in comparison to both the prior year actuals and the projections made in the pre-listing prospectus.

The Presmed Australian operations contributed some 87% of income (2014 : 95%). The decrease in the ratio of the Australian contribution to revenue is due mainly to the rand strengthening against the Australian dollar. The results from the South African operations are for a full year against five months in the 2014 results.

OVERVIEW

Presmed Australia, in which Advanced holds a 94,65% interest, once again reported a solid performance with a 5.54 % growth in revenue on the back of a 7.8% increase in patient numbers.

During the year under review, management remained actively involved with the construction of what will be the largest ophthalmic day hospital in Australia, a six-theatre facility, and the acquisition of another day hospital, bringing the number of operational Australian day hospitals to four: the Central Coast Day Hospital, the Epping Surgery Centre, the Ophthalmic Surgery Centre and the recently acquired two-theatre Sydney ENT Facial Day Surgery Centre.

The board continues to evaluate additional investments in the greater Sydney area and the Eastern Sea Board of New South Wales.

The South African activities were focused mainly on developing additional day hospitals in order to achieve its objective of aggressively expanding its footprint across the country. The board is confident that its interim target of managing and operating nine day hospitals by the end of the 2016 calendar year will be achieved.

Growth optimisation is based on the Advanced Health business model, which offers participating medical practitioners a shareholding in the management company of each day hospital, to ensure that medical quality objectives are met. Advanced Health retains the majority shareholding, concentrating on overall management, staffing and increased efficiencies through central services such as information technology, marketing and administration. Properties are developed and owned by property developers, and tenure secured through a long-term lease agreement with Advanced Health.

The third South Africa day hospital to become operational, the Advanced Durbanville Surgical Centre with two theatres, one procedure room and 20 beds, in August 2015, has been well received by patients and specialists.

Estimated dates of completion of day hospitals currently under construction are:

- > Advanced Panorama Surgical Centre, housed in the Panorama Healthcare Centre, which will comprise three theatres, one laser room and 27 beds (operational November 2015);
- > Advanced Groenkloof Day Hospital, in the Walker Creek business park with two theatres and 20 beds (operational December 2015);
- > The 15-bed Advanced Worcester Surgical Centre (operational January 2016);
- > The three-theatre Advanced Soweto Day Hospital in Protea Glen, which will be housed in a building also containing doctors' consulting rooms, a pharmacy, X-ray facilities and a pathology laboratory (operational January 2016).
- > Day hospitals under construction and scheduled for completion during 2016 are the Advanced Knysna Surgical Centre and the Advanced Waterkloof Surgical Centre construction in Vergelegen, Somerset-West.

DIVIDEND DECLARATION

No dividend is proposed or recommended. After a period of approximately three years after listing, the Board of Directors will consider the payment of a maiden dividend.

PROSPECTS

Advanced Health is firmly on track to achieve its aim of growing its footprint of independent, quality and cost-effective same-day surgical facilities, to the benefit of patients, doctors and medical schemes.

In Australia, management continues to increase Presmed's presence in the greater Sydney area and the eastern seaboard of New South Wales. It is firmly entrenched as a leading healthcare company, supported by some 60 accredited ophthalmologists and 15 ENT surgeons.

In South Africa, the opening of the company's third day hospital and the on-schedule construction of six more is a clear signal that Advanced Health will achieve its objective of managing 20 day hospitals by 2020 and being a leading, independent supplier of same-day facilities. In the medium term, however, investors should be aware that such new developments require a settling-in period before the envisaged financial advantages fully materialise.

On behalf of the board

FA van Hoogstraten
Chairman
31 August 2015

CA Grillenberger
Chief Executive Officer

CJPG van Zyl
Chief Financial Officer

CORPORATE INFORMATION

Advanced Health Limited
(Incorporated in the Republic of South Africa)
Registration number: 2013/059246/06
ISIN: ZAE000189049 JSE Code: AVL

Registered Address
Crossway Office Park
Cnr Jean & Lenchen Avenue
Pretoria, 0046
Postnet Suite 668, Private Bag X1
Centurion, 0041

Transfer Secretaries: Trifecta Capital Services Proprietary Limited
Designated Advisor: Arbor Capital Sponsors Proprietary Limited

Directors:

Executive directors

CA Grillenberger (Chief Executive Officer)
CJPG van Zyl (Chief Financial Officer)
MC Resnik # (Chief Operational Officer Australia)

Non-executive directors

PJ Jaffe#
FA van Hoogstraten (Chairman)
WT Mthembu
YJ Visser (alternate)
J Oelofse

Australian

Company Secretary: M Janse van Rensburg
Auditors: Mazars (Gauteng) Inc.