In terms of paragraph 3.4(b)(i) of the Listings Requirements of the Johannesburg Stock Exchange, listed companies are required to publish a trading statement as soon as they become reasonably certain that the financial results for the next period to be reported on will be more than 20% different from those of the previous corresponding period or from a profit forecast previously provided to the market in relation to such period.

Shareholders are advised that Advanced Health expects to report that net profit after taxation attributable to the parent, as per the financial results for the year ended 30 June 2015, has increased to R15.854 million compared to R7.470 million for the year ended 30 June 2014. The prospectus issued by the company on 31 March 2014 showed a profit forecast of R14.111 million.

However due to the increased number of shares in issue pursuant to the listing, the earnings per share will be 7.15 cents for the year ended 30 June 2015 compared to earnings per share of 6.44 cents for the year ended 30 June 2014, representing an increase of 11.02%. The forecast earnings was 6.71 cents per share, representing an increase of 6.56%.

Headline earnings for the year will be R7.232 million compared to the prior year of R7.740 and the forecast of R14.111 million. Accordingly, the headline earnings per share will be 3.26 cents for the year ended 30 June 2015 compared to headline earnings per share of 6.44 cents for the year ended 30 June 2014, being a decline of 49.38%. The forecast headline earnings was 6.71 cents per share, representing a decrease of 48.58%.

The reasons for headline earnings being lower than anticipated are as follows:

- The impact of the strengthening of the rand against the Australian dollar, with approximately 87% of the group’s revenue coming from the Australian operations with an average exchange rate of R9.55 to the Australian Dollar. The number of patients and revenue per patient was slightly ahead of the profit forecast. However, the forecast assumed an exchange rate of R10.82 to the Australian Dollar.
- Higher costs being absorbed with the development of new clinics in both South Africa and Australia.
- The weighted average number of shares increased to 221 614 801 shares from 120 272 415 shares in the prior year. The increase in the weighted average number of shares for the year ended 30 June 2015 is a result of the shares being weighted for the entire year as well as the issue of new shares for the acquisition of five companies where day clinics are being developed.
The financial information on which this trading statement is based has not been reviewed and reported on by the company’s auditors.

The company’s results announcement for the year ended 30 June 2015 is expected to be published on or about 1 September 2015.

27 August 2015
Johannesburg

Designated Advisor
Arbor Capital Sponsors Proprietary Limited