



**MEDIA RELEASE**  
**13 November 2015**

### **LIFE HEALTHCARE DELIVERS SOLID RESULTS**

- Revenue up 12,3% to R14 647 million for the full year
- HEPS: up 1.2% to 179.9 cents
- Dividend up 9.2% to 154 cps

**Johannesburg, 13 November 2015** - [Life Healthcare Group Holdings Limited](#) (JSE: LHC) today delivered a sound set of full year results to investors. Overall the Group performed well with revenue up 12.3% and EBITDA increasing by 12.1% for year ending 2015, reinforcing the Group's performance in the midst of ongoing challenging market conditions.

Speaking at the results presentation in Johannesburg, Andre Meyer, CEO of Life Healthcare "Our growth is a reflection of how our strategy has taken hold, demonstrating results in line with market expectations. The Group continues to focus on its key objectives which includes strategic investment in both the South African and international markets. Through a structured and focused approach, the Group has increased bed capacity with the addition of 253 beds.

#### **Financial Performance**

- **Group revenue** increased by 12.3% to R14 647 million (2014: R13 046 million) consisting mainly of a 9.2% increase in southern African revenue to R13 999 million (2014: R12 871 million) and R648 million (2014: R175 million), revenue contribution from Scanmed. The southern African Hospital division revenue increased by 9.4% to R13 133 million (2014: R12 007 million) driven by a 3% increase in PPDs and a higher revenue per PPD of 6.4%, made up of a 5.9% tariff increase and a 0.5% positive case mix impact. Healthcare Services revenue remained flat in the current year.
- **Normalised EBITDA** increased by 12.1% to R4 048 million (2014: R3 611 million). Normalised EBITDA on a continuing basis increased by 12.5% to R4 048 million (2014: R3 597 million).

#### **Growth in the South African market**

The aim was to grow the acute business through adding additional beds at selected facilities where there is a demand for services. During the year an additional 253 beds (2014: 249) were added to the business. This growth comprised the addition of the 14 bed specialised bed maternity unit at Genesis Clinic, brownfield expansions of 145 beds across the country and the opening of Life Hilton Private Hospital in September 2015 adding a further 94 beds. In the complementary services division, 64

renal stations were added while building has commenced on new mental healthcare units at Life Vincent Pallotti and Life Carstenhof.

Activities as measured by paid patient days (PPDs) increased by 3% and occupancies remained high at 71.9%.

The Group continues to improve the quality metrics as evidenced by an improvement in clinical outcomes, hospital associated infection rates and patient experience in our facilities.

### **Tapping into international growth opportunities**

International expansions in Poland and India remains a focus for the Group. In April 2014, the Group acquired an 80.7% stake in Scanmed Multimedis S.A, a private healthcare service provider in Poland, and bought out the remaining minority shareholders in October 2014. The Group's strategy is to build a countrywide network of healthcare facilities. The group's total investment in Poland is now R1.37 billion. The Polish business consists of 334 beds, seven inpatient cardiology centres and 36 medical centres. The following acquisitions were made during the year:

- Sport Klinika, a 46 bed orthopaedic centre on 1 October 2014;
- Kliniki Kardiologii Allenort (KKA), which has 6 inpatient cardiology centres on 1 January 2015; and
- 49.9% of Carint Scanmed in June 2015, an inpatient cardiology facility

India continues to present a strong economic growth outlook due to the fast growing private healthcare market. This is driven by a growing middle class, increasing disease burden, and limited public sector provision. The Group in November 2014 increased its shareholding to 46.25% (2014:26%) in Max Healthcare Institute Limited (Max Healthcare), an acute care hospital business in India. Max Healthcare added nearly 400 operational beds through the acquisition of Max Vaishali hospital and through the expansion of more operational beds in its existing facilities. Max healthcare now has 2 053 operational beds. Max Healthcare grew both net revenue and Ebitda by 31% for the 12 month period.

### **Outlook for 2016**

The Group expects to continue its robust and efficient performance with a positive outlook for 2016. The group aims to add over 200 beds in South Africa, 50 renal dialysis stations and a new oncology unit at Life Hilton Hospital. Internationally, the Group will continue to focus on its strategy of building world class hospital assets in Poland and India.

Investment in staff skills will continue through the CARE programme, which started in October 2015 and will continue into 2016, involving 24 000 employees.

“The contribution of the doctors, nurses and employees of Life Healthcare have greatly enhanced the quality of our performance. We thank them for their contributions.” concludes Meyer.

The Group continues to monitor and participates actively with the requirements of the Competition Commission’s Inquiry into private healthcare.

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Issued on behalf of:

**Life Healthcare Group**

Tanya Bennetts

Tel: +27 11 219 9672

[tanya.bennetts@lifehealthcare.co.za](mailto:tanya.bennetts@lifehealthcare.co.za)

For more information please contact:

FleishmanHillard

Pippa Galbraith

[pippa.galbraith@fleishman.co.za](mailto:pippa.galbraith@fleishman.co.za)

011 548 2012

**About Life Healthcare Group**

Established in 1983, The Life Healthcare Group has more than 32 years’ experience in the private healthcare and hospital industry. With headquarters in Johannesburg, South Africa, the Group is a listed company on the Johannesburg Stock Exchange. The company’s primary business is private acute hospital care with 63 healthcare facilities in seven of South Africa’s nine provinces and one hospital in Botswana, as well as providing services for acute physical rehabilitation, acute mental healthcare and renal dialysis. Life Healthcare is the first and only South African hospital group to have achieved a multisite ISO9001 certification. Acute and long term hospitalisation services to public sector patients is provided by Life Esidimeni, while Life Occupational Healthcare services both occupational health and employee wellness to private and public employers . The Group includes an international presence through Max Healthcare in India and Scanmed Multimedis in Poland. The three cornerstones of the Life Healthcare Group business and its commitment to patients are, Life, Health and Care. For additional information about the Group, please visit [lifehealthcare.co.za](http://lifehealthcare.co.za).