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 differ by more than 20% from those of the previous corresponding period.

Shareholders are advised that Advanced Health expects to report that earnings and headline earnings per share for the year ending 30 June 2016, attributable to the parent, will reflect a loss position, although the total comprehensive income is expected to show a gain due to favourable foreign exchange differences.

The main reason for this movement is due to the Company rolling out its strategy to become the leading provider of day hospitals in South Africa and Australia, with 9 new day hospitals in various stages of completion in South Africa and the opening of its new flagship 6 theatre day clinic in Chatswood Sydney, Australia in January 2016.

As is the nature of the roll out of day hospitals, the initial building development of the hospital takes up to 18 months, depending on circumstances for the completion of the construction and the commissioning process. These hospitals will then require a settling-in period of up to 36 months before the envisaged financial advantages fully materialise. In South Africa, the company has already developed and opened 5 new day hospitals as follows:

- Durbanville - operational since August 2015;
- Panorama - operational from January 2016;
- Groenkloof - operational since February 2016;
- Worcester – operational from April 2016; and
- Soweto – operational from May 2016.

Other day hospitals are in various stages of construction or negotiation. This has the impact of the group carrying substantial costs whilst the operations are established. The company is however starting to see a significant increase in turnover and number of cases in both South Africa and Australia compared to the prior comparative period.

Accordingly the earnings and headline earnings per share for the year ending 30 June 2016 is expected to be a loss and more than 100% lower than the earnings per share of 7.89 cents and headline earnings per share of 4.00 cents for the comparative year ended 30 June 2015. A further trading update will be provided at a later stage when more certainty is obtained in terms of the range and numbers.
The financial information on which this trading statement is based has not been reviewed and reported on by the company’s auditors.

1 June 2016
Johannesburg

Designated Advisor
Arbor Capital Sponsors Proprietary Limited