



IHH Healthcare Berhad

(formerly known as Integrated Healthcare Holdings Berhad)

IHH Group demonstrates robust growth

- Group revenue & EBITDA for third quarter rise 85% and 48% YoY respectively
- Consolidation of Acibadem drives significant revenue and EBITDA growth for Q3 2012 financial results
- PATMI excluding exceptional items falls 19% owing to Novena start-up costs
- Active steps taken to reduce exposure to currency fluctuations

KUALA LUMPUR/SINGAPORE, 28 November 2012 – IHH Healthcare Berhad *(formerly known as Integrated Healthcare Holdings Berhad)* (“IHH” or the “Group”), today announced unaudited results for the third quarter of 2012.

The Group’s revenue as well as earnings before interests, taxes, depreciation, amortisation, exchange differences and other non-operational items (“EBITDA”) both registered robust growth year-on-year (“YoY”) upon the consolidation of Acibadem Holdings (“Acibadem”) from 24 January 2012.

Group revenue for the three months ended 30 September 2012 grew 85% YoY to RM1.5 billion, up from RM0.8 billion for the same period in 2011. Total EBITDA for the same quarter this year rose 48% YoY to RM253.5 million, against RM171.1 million for the same period in 2011.

Apart from the boost from Acibadem, existing operations continued to improve and posted healthy gains in the third quarter, contributing further to the revenue and EBITDA growth.

Profit after tax and minority interests (“PATMI”) excluding exceptional items fell 19% YoY to RM96.1 million, however, as a result of start-up losses from the newly opened Mount Elizabeth Novena Hospital (“Novena”).

Improved Performance by Existing Operations

Overall, Parkway Pantai posted a 16% jump in revenue in Q3 2012 against the same period in 2011, spurred by higher inpatient admissions and greater revenue intensities. Inpatient admissions at its Singapore hospitals grew almost 10% with continued demand for quality care and the opening of Novena on 28 June 2012, while admissions in Malaysia were maintained. Revenue intensities increased in both

Singapore and Malaysia (by 7% in the former and 11% in the latter) as a result of more complex cases undertaken by the hospitals and also price increases to compensate for cost inflation.

Novena contributed RM19.1 million to Parkway Pantai's total revenue of RM883.1 million for the quarter, as it gradually ramped up operations in its initial months. The start-up costs incurred for staffing and running the facilities resulted in the new hospital recognising an EBITDA loss of RM23.9 million in Q3 2012.

Excluding the effects of such start-up and pre-operating loss, Parkway Pantai's EBITDA improved 15% YoY to RM191.1 million while EBITDA margins were maintained at 22% for Q3 2012. Factoring in Novena's impact, however, Parkway Pantai's EBITDA growth was smaller at 5% (to RM167.2 million), with EBITDA margins dipping to 19%.

At IMU Health, revenue climbed 16% YoY in Q3 2012 as a result of higher student enrolment levels across the majority of its academic programmes and also fee increases. IMU Health's EBITDA rose 10% YoY in line with the revenue growth, although EBITDA margins dipped slightly to 35% (against 37% in the previous year), due mainly to a one-off claw back of lease rental. Excluding the one-off lease rental expense, IMU Health's EBITDA would have risen 28% YoY and EBITDA margins improved to 41% instead.

Quarter-on-Quarter Performance Weakened by Seasonality

On a quarter-on-quarter basis, seasonality factors accounted for a drop in the Group's performance. Revenue and EBITDA fell across Parkway Pantai's key markets due to low season in Malaysia and Singapore as patients tend to postpone elective medical procedures during Ramadan and Hungry Ghost Festival, both of which coincided in the third quarter this year

In Turkey, inpatient admissions at Acibadem dipped 4% compared to the previous quarter as a result of a slowdown in patient volumes during the summer months. But the drop in hospitals earnings was offset by higher revenue from Acibadem's healthcare services.

Reducing Exposure to Currency Fluctuations

IHH, together with the other shareholders of Acibadem Holdings, are recapitalizing Acibadem. The latter will repay about US\$257 million amounting to approximately 55% of its US-dollar denominated debt and also repay various other short-term loans upon completion of the process. This is expected to reduce the Group's exposure to currency fluctuations and lower its overall borrowing costs in the coming year.

Current Year Prospects & Commentary

IHH Chairman, Tan Sri Dato' Dr Abu Bakar Bin Suleiman, said, “We are pleased with the performance this quarter. The sustained improvements of our existing operations year on year demonstrate the fundamental strengths of our assets and business model. Barring the effects of seasonality, the Group is cautiously optimistic that it would achieve satisfactory performance for the final quarter of the year.”

IHH Managing Director, Dr Lim Cheok Peng, said, “As we continue to strive for greater efficiencies and synergies within our existing business, we are also taking action to capture the growing demand for quality healthcare in our home markets. In addition to the recent opening of Novena, we are renovating existing hospitals in Singapore to improve our offering to patients and maintain our market leadership. We also have a strategically phased pipeline of other expansion projects and new hospital developments in Malaysia and Turkey. These are progressing on schedule and will be completed in the next few years.”

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About IHH Healthcare Berhad (“IHH”)

IHH Healthcare Berhad is a leading premium healthcare provider in markets where the demand for quality care is strong and growing. We are the second largest healthcare group in the world by market capitalisation and are listed on the Main Market of Bursa Malaysia and Main Board of SGX-ST. Our companies offer the full spectrum of integrated healthcare services from clinics to hospitals to quaternary care and a wide range of ancillary services including medical education. We are the leading player in our home markets of Singapore, Malaysia and Turkey, and key markets of the People’s Republic of China (PRC), Hong Kong and India. We are also present in Vietnam, Brunei and Macedonia. We employ more than 24,000 people and operate over 4,900 licensed beds across 32 hospitals worldwide. Our “Mount Elizabeth”, “Gleneagles”, “Pantai” and “Acibadem” brands are among the most prestigious in Asia and Central and Eastern Europe, with a growing presence in the Middle East and North Africa. www.ihh-healthcare.com

APPENDIX I

Financial Results Highlights

Unaudited condensed consolidated statements of comprehensive income for the financial period ended 30 September 2012

Group-level performance

(actual, including Novena')

	3 rd Quarter ended		Variance	YTD (Nine months ended)		Variance
	<u>30 Sept</u> <u>2012</u>	<u>30 Sept</u> <u>2011</u>		<u>30 Sept</u> <u>2012*</u>	<u>30 Sept</u> <u>2011</u>	
	RM million		%	RM million		%
Revenue	1,489.0	805.0	85	5,462.7	2,480.9	120
EBITDA	253.5	171.1	48	1,073.3	505.7	112
PATMI	75.7	142.9	-47	603.0	321.4	88
PATMI (excluding exceptional items)	96.1	118.7	-19	540.0	333.5	62

*: Includes the following effects of profit recognition from the sale of medical suites recognised upon the facility's completion in April 2012:

Revenue	RM 1,209.6 mil
EBITDA	RM 238.3 mil
PATMI	RM 193.6mi

Group-level performance

(adjusted to exclude Novena)

	3 rd Quarter ended		Variance	YTD (Nine months ended)		Variance
	<u>30 Sept</u> <u>2012</u>	<u>30 Sept</u> <u>2011</u>		<u>30 Sept</u> <u>2012</u>	<u>30 Sept</u> <u>2011</u>	
	RM million		%	RM million		%
Revenue	1,469.9	805.0	83	4,233.9	2,480.9	71
EBITDA	277.5	178.0	56	902.7	522.2	73
PATMI	120.2	140.5	-14	359.4	327.5	10
PATMI (excluding exceptional items)	141.6	116.4	22	430.0	339.6	27