26 NOVEMBER 2015

IHH Healthcare Berhad

IHH Reports Strong Underlying Growth in Q3 2015

- Headline revenue and EBITDA grew by 16% and 12% to RM2.1 billion, RM476.4 million respectively YoY; Operational PATMI* (excluding exceptional items and effects of PLife REIT) grew 30% YoY to RM210.9 million
- Continued execution of project pipeline: Opening of Gleneagles Kota Kinabalu and Gleneagles Medini in Malaysia; Acibadem Taksim in Turkey;
- Expansion of footprint in key markets: India, signed agreements to acquire Global Hospitals; China, entered lease agreement to operate ParkwayHealth Chengdu Hospital

KUALA LUMPUR/SINGAPORE, 26 November 2015 – IHH Healthcare Berhad ("**IHH**" or the "**Group**"), a leading premium healthcare provider, today announced continued solid financial growth for the third quarter ended 30 September 2015 ("**Q3 2015**").

Headline revenue and earnings before interest, tax, depreciation, amortisation, exchange differences and other non-operational items ("EBITDA") grew 16% and 12% respectively year-on-year ("YoY") to RM2.1 billion and RM476.4 million. Revenue growth was mainly driven by continued organic growth at existing hospitals and ramp up of its three newer hospitals: Acibadem Atakent Hospital in Turkey, as well as Pantai Hospital Manjung and Gleneagles Kota Kinabalu in Malaysia. Continental Hospital in India contributed RM15.9 million of revenue since the acquisition was successfully completed in March 2015.

Headline PATMI was down 19% YoY to RM118.5 million on unrealised foreign exchange losses of RM217.1 million with the translation of non-Turkish Lira denominated borrowings by Acibadem Holdings in Q3 2015 into the Group's financial statements. These losses are accounting in nature and unrealised.

Operational PATMI*, which strips out exceptional items and the effects of PLife REIT, grew 30% to RM210.9 million on the back of strong EBITDA growth and a reversal of an over-provision for tax of RM15.2 million in the previous corresponding period.

The Group continued to benefit from its diversified operations of 41 hospitals across 10 countries as a stronger Singapore Dollar, against the Malaysian Ringgit helped to offset the impact of a weaker Turkish Lira on its translation into the ringgit, which is IHH's reporting currency.

*For a more accurate reflection of the Group's **underlying operating performance**, the effects of the consolidation of PLife REIT, in which IHH owns a 35.8% indirect stake, as well as the impact from one-off exceptional items, should be stripped out.

For the nine months ended September 30, 2015, IHH sustained its strong financial growth across key metrics. Revenue grew 14% YoY to RM6.2 billion, lifting EBITDA by 13% to RM1.5 billion. As a result of the EBITDA growth and the reversal of the tax provision made in the previous year, operational PATMI, which excludes exceptional items and strips out the contribution from PLife REIT, improved by 28% to RM643.8 million.

The Group remained in a strong fiscal position, with RM2.1 billion in cash and cash equivalents as at the end of September 2015. Gearing edged up to 0.17 times from 0.08 times as at December 31, 2014 on the acquisition of Continental Hospitals, planned capital expenditure and allocation of cash into money market funds and long-term fixed deposits.

Operational Highlights

In August 2015, IHH announced that it executed definitive agreements to acquire 73.4% majority stake in Global Hospitals, a leading tertiary and quaternary hospital group in India with 1,100 beds across four hospitals in key metro cities. This comes at the heels of its acquisition of a 51% stake in Continental Hospitals in March 2015. These in tandem will propel IHH to become one of the leading hospital group in India.

In October 2015, the Group entered into a joint venture with Shanghai Broad Ocean Investments Co. Ltd that will lease space in Chengdu to operate its first tertiary facility in Western China – the 350-bed ParkwayHealth Chengdu Hospital that is expected to open in 2017.

In the same month, IHH opened its 350-bed brownfield development in Turkey, Acibadem Taksim Hospital, which is part of the Group's planned five-year project pipeline laid out at the point of its dual-listing in 2012. In Malaysia, Gleneagles Kota Kinabalu recently commemorated the official opening of its first healthcare facility in East Malaysia, while Gleneagles Medini commenced operations in November.

IHH Managing Director and CEO, Dr Tan See Leng, said: "We are excited by the significant steps we have taken to boost our competitive position in the key markets of China and India. Together with the strong growth pipeline in our home markets of Malaysia, Singapore and Turkey, we are well positioned to continue delivering sustainable growth.

"We are committed to delivering the same superior patients outcomes in all our operations while remaining focused on our growing, diversified operations to create long-term value for our investors."

Segmental review for Q3 2015

Parkway Pantai, the Group's largest operating subsidiary, reported a 19% YoY increase in revenue to RM1.3 billion while EBITDA improved 15% to RM310.2 million. This was the result of the continued organic growth of its existing hospitals and healthcare businesses as well as from the ramp up of its Mount Elizabeth Novena Hospital in Singapore. Mount Elizabeth Novena posted a 29% increase in revenue to RM123.6 million as compared to Q3 2014 and a 55% growth in EBITDA to RM38.5 million from greater operating leverage.

Inpatient admissions at Parkway Pantai's Singapore hospitals improved 0.7% YoY to 16,859, driven mainly by local patients as well as patients from non-traditional markets such as the Middle East. Revenue intensity, or average revenue per inpatient admission, grew by 3% to RM27,351. Malaysia operations saw a slight dip of 0.2% in patient volumes to 45,615, on a general slowdown in consumer consumption. However, revenue intensity increased 9.6% to RM5,443. The increase in revenue intensity in both markets was due to more complex cases being undertaken and an adjustment in prices to account for cost inflation.

Acibadem Holdings, Turkey's largest private healthcare provider by registered beds, reported an 11% YoY growth in revenue to RM686.7 million and a 5% increase in EBITDA to RM93.4 million in Q3 2015. This was led by organic growth at its existing hospitals and the continued ramp up of Acibadem Atakent Hospital, which contributed EBITDA of RM3.7 million compared to start-up losses of RM0.3 million in Q3 2014. Excluding the impact from the depreciation of the Turkish Lira, revenue and EBITDA would have grown by 16% and 9% respectively over last year, demonstrating its strong underlying performance.

Inpatient admissions declined by 4.7% YoY to 29,805 due to the long periods of holidays to celebrate Eid festivities, which fell in Q3 this year compared to Q4 last year. However, revenue intensity registered a substantial growth of 20.2% to RM10,826 as a result of taking on more complex cases and adjusting prices for inflation.

IMU Health, the Group's medical education arm, maintained revenue in Q3 2015 at RM54.1 million as a lower intake for its medicine programme was offset by an increase in tuition fees. EBITDA declined by 9% to RM17.8 million on higher expenses incurred for marketing and promotional activities, repair and maintenance of its buildings and staff costs to cope with an overall increase in student enrolment.

PLife REIT, which has a portfolio of 47 healthcare-related properties as at 30 September 2015, reported a 17% increase in external revenue and 16% growth in EBITDA on improved contribution from the nursing homes it acquired in Q4 2014 and 2015, as well as higher rental income from its Singapore properties, which were leased to Parkway Pantai.

Outlook and Prospects

The robust demand for quality private healthcare services in the region, especially in India and China, continues to present opportunities for IHH to expand its footprints. The Group expects to have sufficient capacity to support demand for quality private healthcare across its home markets, which will drive revenue growth.

IHH expects higher cost of operations arising from wage inflation given the increased competition for trained healthcare personnel. In Malaysia, the operating costs of the Group's

Malaysian operations has increased as a result of GST implementation. The Group aims to mitigate these impacts through higher revenue intensity procedures and continued tight cost controls. At the same time, while the Group expects pre-operating costs and start-up costs of new hospital operations to partially erode profitability in the initial stage, it will target to achieve optimal operating leverage by growing patient volumes in tandem with phasing in the opening of new wards at these new facilities.

As IHH extends its footprint across the region, it will be exposed to currency volatility in the countries where it operates that may result in translational differences in the Group's balance sheet and income statement. IHH will continue to optimise and proactively manage its capital structure, including borrowing in the functional currency of its operating entity or in the same currency as its foreign investment, where possible. Concurrently, Acibadem continues to take firm action to hedge its cash flow, such as conserving hard currency and medical tourism receipts to service its non-lira obligations.

The Group is confident that its strong brands and network of hospitals, backed by its strong balance sheet and operating cash flows, will enable it to achieve continued success in the competitive environment expected for the rest of the year.

IHH Chairman, Tan Sri Dato' Dr Abu Bakar bin Suleiman, said: "As we venture forward, our differentiated business strategy, along with our solid balance sheet, ensure that we will continue to create long-term value for our shareholders. We are in a strong position to expand our reach globally and capitalise on this growing demand for quality healthcare in key growth markets. At the same time, we remain committed to ensure that we continue to serve our communities as a trusted healthcare partner by providing patient-centred treatment options."

For further information or to speak to an IHH spokesperson, please contact:

Penelope Koh
t. +65 6307 7881
e. penelope.koh@ihhhealthcare.com

Josephine Chew
t. +65 9061 0353
e. josephine.chew@watatawa.asia

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, the UAE, Macedonia and Iraq. We employ more than 25,000 people and operate over 7,000 licensed beds across 42 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.ihhhealthcare.com.

APPENDIX

Financial Results Highlights

Unaudited condensed consolidated statements of comprehensive income for the financial period ended 30 September 2015

Headline Group performance

	3rd Quarter ended			YTD (9M ended)		
	30 Sep 2015	30 Sep 2014	Variance	30 Sep 2015	30 Sep 2014	Variance
	RM million		%	RM million		%
Revenue	2,064.3	1,783.9	16	6,160.6	5,406.6	14
EBITDA	476.4	426.3	12	1,527.2	1,352.2	13
PATMI	118.5	146.9	(19)	518.1	515.1	1
PATMI (excluding exceptional items)	222.7	176.2	26	684.6	540.9	27

Core Group performance

(adjusted to exclude contribution from PLife REIT and exceptional items)

	3rd Quarter ended				YTD (9M ended)			
	30 Sep '15	30 Sep '14	Variance (@ constant currency)		30 Sep '15	30 Sep '14	Variance (@ constant currency)	
	RM million		%	%	RM million		%	%
Revenue	2,036.4	1,760.1	16	11	6,084.5	5,335.2	14	13
EBITDA	415.7	373.9	11	5	1,355.9	1,194.7	13	11
PATMI	106.7	132.7	(20)	(42)	477.3	475.6	0	(9)
PATMI (excluding exceptional items)	210.9	162.0	30	16	643.8	501.4	28	22