

ASX Announcement

23rd February 2016

LIFEHEALTHCARE ANNOUNCES HALF YEAR RESULTS

LifeHealthcare Group Limited (ASX: LHC), one of Australia's leading independent distributors of high end medical devices today announced its half year results to 31st December 2015.

- Revenue **up 12.3%** to \$54.4 million (HY15: \$48.4m)
- Operating EBITDA was maintained at \$8.5 million (HY15: \$8.5m)
- Operating NPATA down to \$3.8 million (HY15: \$4.3m)
- Statutory EBITDA of \$8.2 million (HY15: \$8.5m)
- Statutory NPAT of \$3.1 million (HY15: \$4.2m)
- Interim dividend declared of 5.0cps unfranked (HY15: 7.5cps)

(Growth is relative to half year to 31st December 2014)

Key Highlights:

- HY16 REVENUE exceeded prior corresponding period by 12.3%.
- Capital equipment revenue growth of 21.6% was driven by the acquisition of M4 Healthcare with organic growth impacted by phasing differences in tenders and large capital in the corresponding period.
- Growth of 5.8% in implants reflects modest above-market growth with momentum from accelerated new active surgeons partially offset by reduced procedural volumes across top 15 surgeons and product launch delays.
- Gross Margin improvement against headwind of AUD FX deterioration.
- Successful completion and integration of Medical Devices Australia Cardiology & Thoracic Pty Ltd in October 2015;
- Investments in new product platforms, expansion of customer base and fully consolidated acquisitions provides a strong pathway for growth in H2 and FY17.
- Transitioned executive leadership team.

> Not your typical multinational

Financial Statements and a Financial Results Briefing Presentation are available on the ASX Announcements Platform.

Dividend

The Directors are pleased to declare an interim dividend (unfranked) of 5.0 cents per share. This follows a 7.5 cent final dividend paid in September 2015 (un-franked). This represents a payout ratio of 69% of Statutory NPATA.

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