



Acquisition of Alliance Medical Group

Legal Disclaimer

IMPORTANT NOTICE: THIS PRESENTATION IS NOT AND DOES NOT CONTAIN AN OFFER OF SECURITIES FOR SALE OR A SOLICITATION OF AN OFFER TO PURCHASE OR SUBSCRIBE FOR SECURITIES IN ANY JURISDICTION, INCLUDING THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN. THE SECURITIES MENTIONED IN THIS PRESENTATION (THE "SECURITIES") HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES UNLESS REGISTERED UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM, OR A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT. THERE WILL BE NO PUBLIC OFFER OF THE SECURITIES IN THE UNITED STATES.

This presentation is being supplied to you solely for your information and used at the presentation held in November 2016. The information contained herein is for discussion purposes only and does not purport to contain all information that may be required to evaluate Life Healthcare, Alliance Medical Group, and/or their respective financial positions.

These materials do not constitute or form a part of any offer or solicitation or advertisement to purchase and/or subscribe for Securities in South Africa, including an offer to the public for the sale of, or subscription for, or the solicitation of an offer to buy and/or subscribe for, shares as defined in the South African Companies Act, No. 71 of 2008 (as amended) or otherwise (the "Act") and will not be distributed to any person in South Africa in any manner that could be construed as an offer to the public in terms of the Act. Nothing in these materials should be viewed, or construed, as "advice", as that term is used in the South African Financial Markets Act, 2012, and/or Financial Advisory and Intermediary Services Act, 2002, and nothing in the document should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa.

The Company has not authorized any offer to the public of securities in any Member State of the European Economic Area. With respect to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of securities requiring publication of a prospectus in any Relevant Member State. As a result, the securities may only be offered in Relevant Member States (a) to any legal entity which is a qualified investor as defined in Article 2(1)(e) of the Prospectus Directive; or (b) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this paragraph, the expression an "offer of securities to the public" means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to exercise, purchase or subscribe the securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

This communication is directed only at (i) persons who are outside the United Kingdom or (ii) in the United Kingdom, persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or who are high net worth entities, and other persons to whom it may lawfully be communicated, including those falling within Article 49(2) of the Order (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this communication relates will only be available to and will only be engaged in with, relevant persons. Any person who is not a relevant person must not act or rely on this document or any of its contents

AMG's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("adopted IFRS"), and with those parts of the UK Companies Act 2006 applicable to companies reporting under adopted IFRS. Life Healthcare's financial statements have been prepared in accordance with IFRS and the requirements of the JSE Limited Listings Requirements and Companies Act, 71 of 2008, of South Africa.

This presentation includes certain forward-looking statements, beliefs or opinions, including statements with respect to Life Healthcare or Alliance Medical Group's business, financial condition, results of operations and prospects. Forward-looking statements are typically identified by the use of forward looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes", "anticipates", "annualized", "goal", "target" or "aim" or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy that involve risk and uncertainties. These statements reflect the directors' beliefs and expectations and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. No representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. There are a number of risks, uncertainties and factors that could cause actual results and developments to differ materially from those expressed or implied by these statements and forecasts. Past performance cannot be relied on as a guide to future performance. Forward-looking statements speak only as at the date of this presentation, and Life Healthcare expressly disclaims any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation. No statement in this presentation is intended to be a profit forecast. As a result, you are cautioned not to place any undue reliance on such forward-looking statements.

The Banks are each acting exclusively for Life Healthcare and for no-one else in connection with any transaction mentioned in these materials and will not regard any other person (whether or not a recipient of this presentation) as a client in relation to any such transaction and will not be responsible to any other person for providing the protections afforded to their respective clients, or for advising any such person on the contents of this presentation or in connection with any transaction referred to in this presentation.

No reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its accuracy or completeness. No representation or warranty, expressed or implied, is given by or on behalf of Life Healthcare, Alliance Medical Group, the Banks or their respective affiliates, directors, officers or employees, advisors or any other person as to the accuracy or completeness of the information or opinions contained in this presentation, and no liability whatsoever is accepted for any such information or opinions or any use which may be made of them.

Persons receiving this document should make all trading and investment decisions in reliance on their own judgement and not in reliance on the Banks. None of the Banks is providing any such persons with advice on the suitability of the matters set out in this presentation or otherwise providing them with any investment advice or personal recommendations. Any presentations, research or other information communicated or otherwise made available in this presentation is incidental to the provision of services by the Banks to Life Healthcare and is not based on individual circumstances.

The figures in this presentation have not been audited. They have been partly taken from the full year 2016 financial statements and partly from internal management information reports.

Today's Presenters



André Meyer
CEO Life Healthcare



Guy Blomfield
CEO Alliance Medical Group



Pieter van der Westhuizen
CFO Life Healthcare

Table of Contents

1. Transaction Highlights
2. Market Overview
3. Alliance Medical Group
4. Transaction Rationale
5. Process

Transaction Highlights

Life Healthcare acquisition of Alliance Medical Group (“AMG”)

**Life Healthcare to acquire approximately 95% of AMG for an initial cash consideration of approximately £550 million and deferred cash consideration of up to £40 million dependent on performance
To be funded by debt and refinanced through a subsequent rights issue
Implied Enterprise Value of £760m up to £800m**

- ✓ **AMG is one of the leading European diagnostics providers**
 - Excellent market positions in core markets: UK, Italy and Ireland
 - Established partner with national health systems like NHS in the UK
 - Focus on quality and collaboration
 - Year ended March 2016, revenue: £219m (ZAR 3.8bn) and EBITDA⁽¹⁾: £60m (ZAR 1.1bn)
- ✓ **Operating in high growth markets**
 - Strong demand led growth: mid – high single digit growths⁽²⁾
 - Most healthcare systems struggling to cope with demand creates additional opportunities for the private sector
 - Out-of-hospital / community based model evolving with select consolidation opportunities
- ✓ **Strong, experienced and committed management team**
 - Ongoing commitment to Life Healthcare evidenced by ongoing personal investment
 - Proven track record and experience in the healthcare sector
- ✓ **Establishes Life Healthcare as a truly international player, geographically diversifies revenue to 24%⁽³⁾ outside South Africa and is a continuation of the strategy of growing complementary services**
- ✓ **Key funding highlights**
 - Funding will be met ultimately through a mixture of equity and new debt facilities

Note: FX (GBPZAR): 17.5342.

1. AMG's EBITDA represents earnings before interest, tax, depreciation, amortisation of acquired intangibles, profit/(loss) on disposal of property, plant and equipment, and exceptional items. 2. AMG Management analysis. 3. Based on Life Healthcare revenue for year ended in September 2015 and AMG revenue calendarised to September 2015 (see p.18).

Life Healthcare's Strategic Objectives

Life Healthcare's Objectives	What AMG Offers
<ul style="list-style-type: none"> • Geographic diversity 	<ul style="list-style-type: none"> • UK-based with presence in 8 countries provides pan EU reach
<ul style="list-style-type: none"> • High growth 	<ul style="list-style-type: none"> • Strong underlying demand driven by demographics, disease burden and advances in medical technology
<ul style="list-style-type: none"> • Strong basket of currencies 	<ul style="list-style-type: none"> • GBP and EUR
<ul style="list-style-type: none"> • Complementary service lines / disciplines 	<ul style="list-style-type: none"> • MRI, CT, PET-CT; strong linkages into high growth therapeutic areas: oncology and neuro-disorders
<ul style="list-style-type: none"> • Market leadership 	<ul style="list-style-type: none"> • 30-year track record; leading position in UK, Ireland and Italy; key partner with the NHS
<ul style="list-style-type: none"> • Experienced and committed management team 	<ul style="list-style-type: none"> • Longstanding experience in the healthcare sector and ongoing commitment to Life Healthcare evidenced through management investment

Market Overview

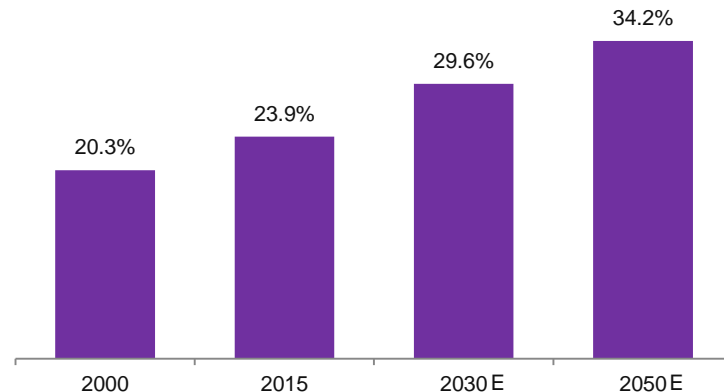
Western European Healthcare Markets

Key Themes

- **Demand growth**
 - Demographics
 - Increased focus on early diagnosis
 - Medical technology advancement
- **Capacity constraints in public facilities**
 - Shift towards out-of-hospital care due to limited space
 - Shortage of radiologists
 - Concern over waiting times in public systems
- **Limited public sector capex**

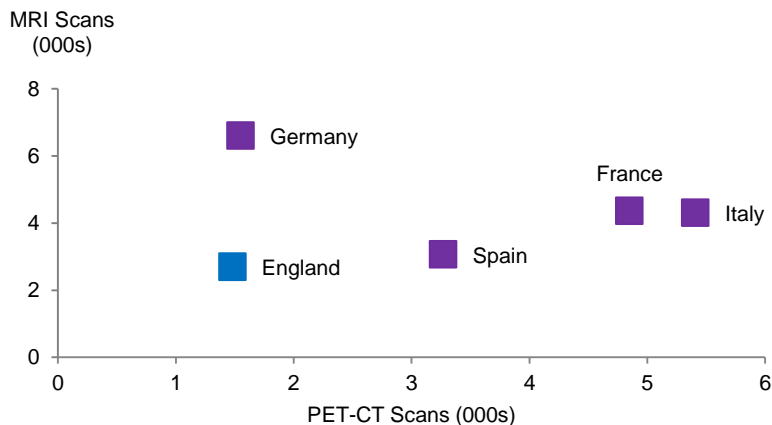
Demographics / growth⁽¹⁾

(% aged over 60+ in Europe)



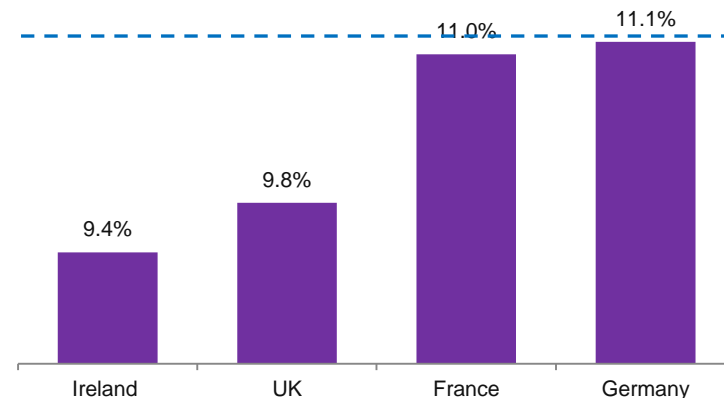
Scan Penetration Levels⁽²⁾

Scans per Million Population (15E)



Total Healthcare Expenditure⁽³⁾




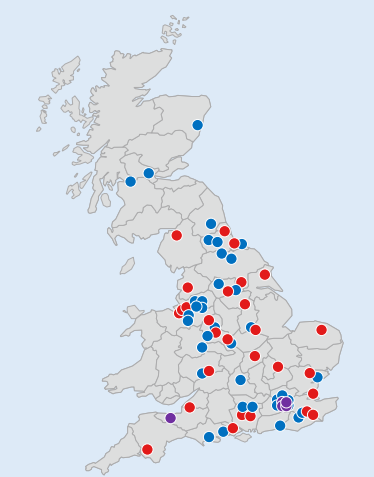
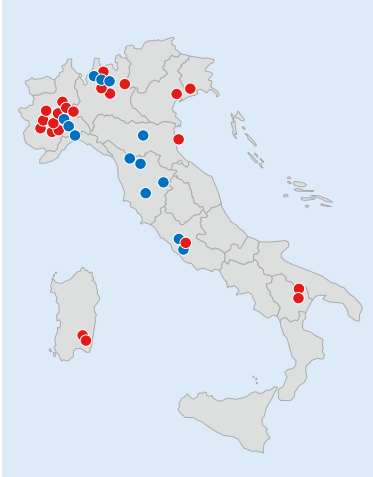
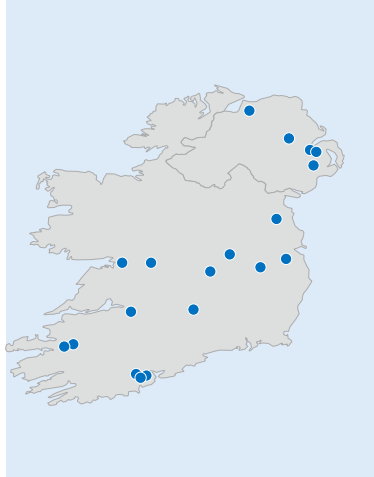

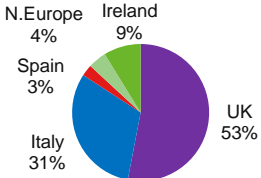
(% of GDP 2015)



Source: 1. United Nations (2015) World Population Prospects: The 2015 Revision. 2. AMG Management Analysis, NHS cancer strategy 2015-2020. 3. OECD Health Statistics 2016.

Alliance Medical Group

AMG Overview

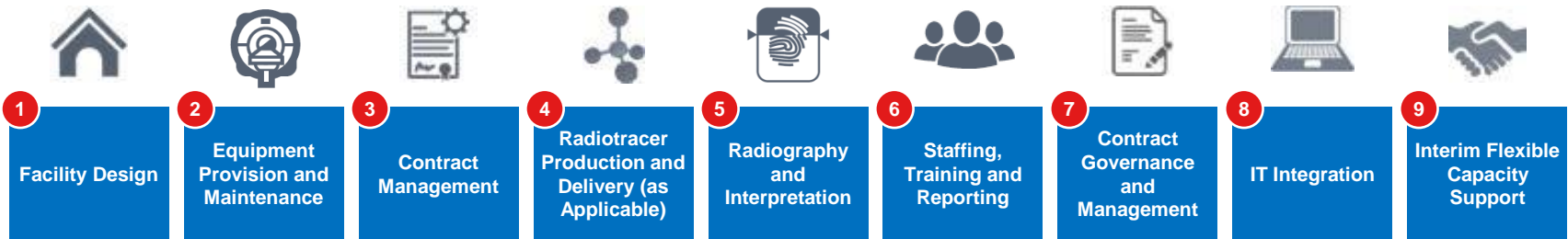
	~ R3.8bn Revenue ⁽¹⁾		~ R1.1bn EBITDA ⁽¹⁾	
	#1 UK ⁽¹⁾ 	#1 Italy ⁽¹⁾ 	#1 Ireland ⁽¹⁾ 	Other Geographies
1 Territorial Coverage	 <ul style="list-style-type: none"> DI static sites: 37 PET-CT 1 contract sites: 31⁽²⁾ Mobiles: 45 	 <ul style="list-style-type: none"> Owned clinics: 13 Static sites: 22 	 <ul style="list-style-type: none"> Operating sites: 19 	 <ul style="list-style-type: none"> Spain Netherlands Portugal Germany Norway
2 Revenues ⁽¹⁾	• R2.0bn / £116m	• R1.2bn / £68m	• R0.3bn / £19m	Geographical Split  <ul style="list-style-type: none"> N.Europe 4% Ireland 9% Spain 3% Italy 31% UK 53%
3 Service Offering	<ul style="list-style-type: none"> MRI CT PET-CT Radiopharmacy 	<ul style="list-style-type: none"> MRI CT PET-CT 	<ul style="list-style-type: none"> MRI CT PET-CT 	

1. For the year ended on 31 March 2016, FX (GBPZAR): 17.5342 . 2. Including The Christie.
 Note: Geographical split based on Mar-YE 2016A financials.

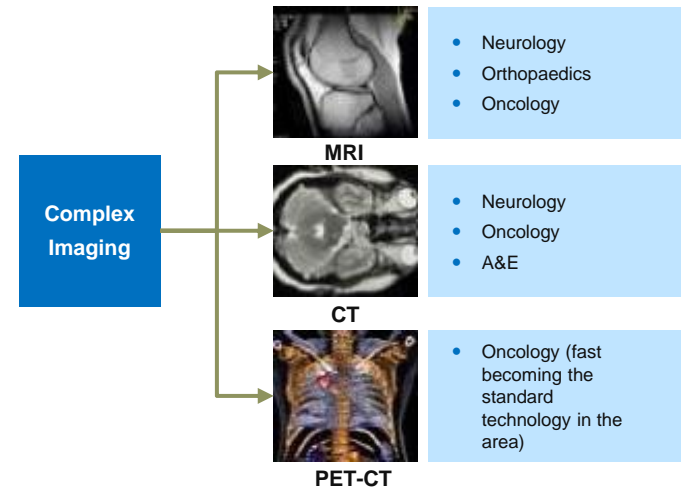
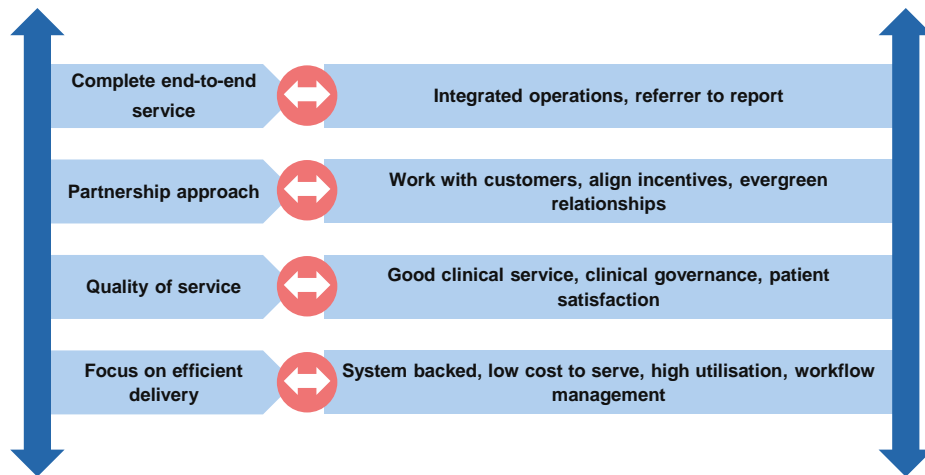
Fully Integrated Diagnostics Platform

Proven track record of partnering with national health services (e.g. NHS England)

Overview of End-to-End Service Provision



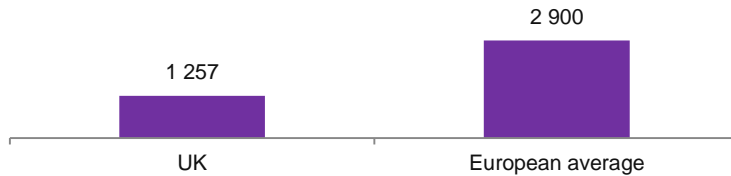
AMG Approach



Landmark Contract to Collaborate with NHS England on PET-CT at a National Level

PET-CT Scans

PET-CT scans per million population (2014)



- UK per capita scan rates below other major European countries
- Creation of new local capacity will stimulate demand

PET-CT Contract

- 10-year contract, won via public tender with NHS England for the provision of PET-CT scanning services
- Covers 31 sites with no volume caps at a fixed price per scan
- Partnership with The Christie (major cancer centre in Europe)
- Development partner for the NHS

98%
of people within a one-hour drive of a static scanner

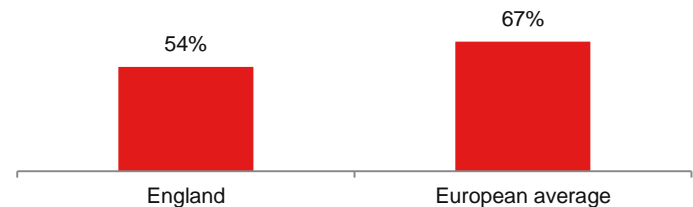
...with a reduction in cost per scan
(18%)

5-year Survival is Markedly Lower

- UK is targeting the European 5-year cancer survivorship of 67% rate by 2020
- Demand for PET-CT is expected to grow quickly as awareness of its functionality improves
- If scan volumes continue growing in line with the past it will take c.12 years for UK to reach the same per capita number of scans as other European countries
- **Market growth rate of 12-14% p.a. expected over the next 4-5 years**

Molecular Imaging Collaborative Network

- The Molecular Imaging Collaborative Network (MICN) will deliver
 - ✓ Coverage to 70% of England via the PET-CT
 - ✓ More static scanners to improve local access
 - ✓ Reduced turnaround times
 - ✓ Standardised evidence-based pathways of care
 - ✓ Up to seven day per week access to scanners
 - ✓ Capacity for collaborative research
 - ✓ Increased value for money to the NHS
 - ✓ Vertically integrated radiopharmacy



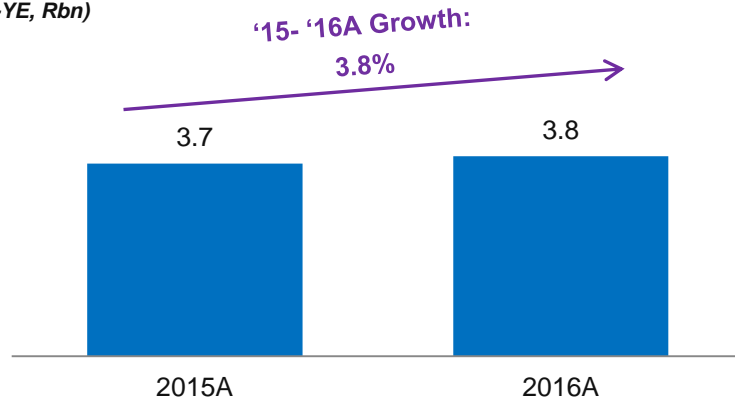
5-year survival in England vs. Europe

Source: AMG Management , <http://www.alliancemedical.co.uk/news/nhs-england-chooses-collaborative-network-bid-to-provide-pet-ct-scanning-services-across>, Cancer Strategy for England 2015-2020.

AMG Historical Financials

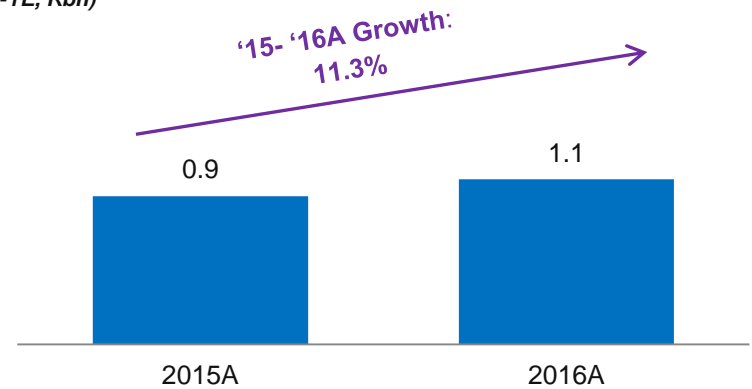
Revenue

(Mar-YE, Rbn)



EBITDA

(Mar-YE, Rbn)



Note: FX(ZAR/GBP) = 17.5342; AMG's financial statements have been prepared in accordance with IFRS as adopted by the European Union, and with those parts of the UK Companies Act 2006 applicable to companies reporting under adopted IFRS.

A Market Leading Player with Strong Growth Potential



Source: AMG Management.

Transaction Rationale

Benefits of Combination

- ✓ **Accelerates Life Healthcare's geographic diversification, 4% to 24% revenue outside of South Africa**
 - AMG operates in 8 European countries

- ✓ **Positions Life Healthcare firmly in diagnostics**
 - A strategically important high growth business
 - Further growth from underlying market demand and potential consolidation
 - Life Healthcare continues to grow its complementary service proposition:
 - Mental health / Acute Rehabilitation / Renal Dialysis / Oncology
 - Diagnostics

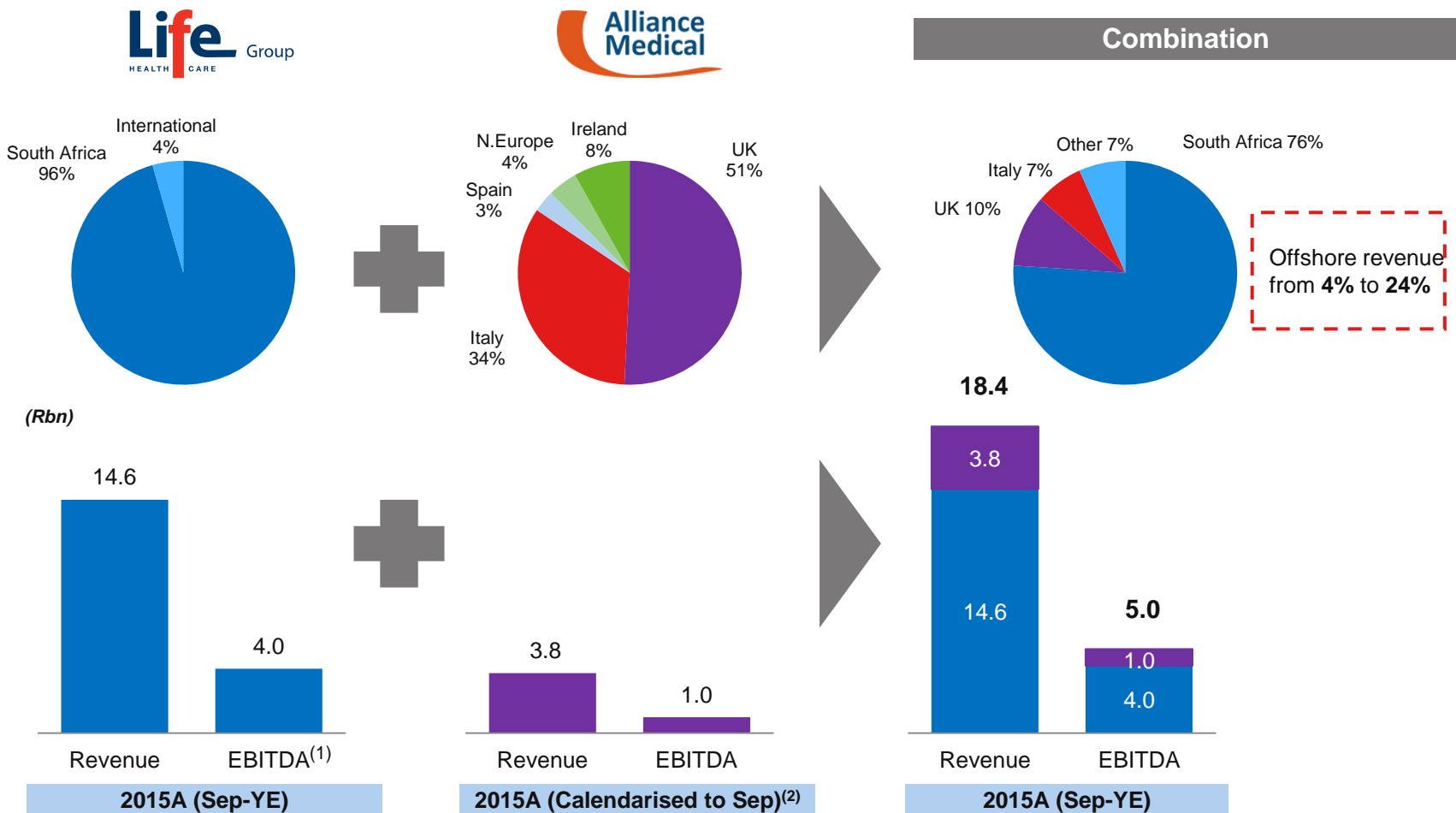
- ✓ **Leveraging AMG's networked imaging services proposition**
 - Understanding of clinical pathways / processes to deliver high quality service
 - Proprietary technology to deliver networked services
 - An efficient operator in Europe

- ✓ **AMG has a strong highly complementary management team**
 - Team has broad healthcare experience to help support Life Healthcare's international growth

- ✓ **Oncology presence enhanced through PET-CT services**
 - Vertically integrated with radiopharmaceutical manufacturing
 - Key component for cancer care, aids in skills transfer

Meaningfully Internationalises Life Healthcare

Illustrative Combination Impact



Source: Company Information. FX (GBPZAR): 17.5342. Note: Life Healthcare's financial statements have been prepared in accordance with IFRS and the requirements of the JSE Limited Listings Requirements and Companies Act, 71 of 2008, of South Africa.

1. Life Healthcare's EBITDA represents earnings before interest, taxation, depreciation and amortisation.

2. AMG financials calendarised to Sep by summing 50% of Mar-YE 2015A revenue / EBITDA and 50% of Mar-YE 2016A revenue / EBITDA.

Process

Key Process Milestones

Date	Event
Nov 2016	<ul style="list-style-type: none">• Transaction closes• Funds drawn from bridge facility
Jan 2017	<ul style="list-style-type: none">• AGM• Rights issue circular posted
Q1 2017	<ul style="list-style-type: none">• Rights issue

Share Key Facts

Number of shares⁽¹⁾ 1,057,800,021

WKN / ISIN A1CZC2 / ZAE000145892

Ticker Symbol LHC

Bloomberg Symbol LHC SJ

Reuters Symbol LHCJ.J

1. As of 10 November 2016.

Contact

Investor Relations: Adam Pyle

Life Healthcare Group Holdings Limited

Phone: 011 219 9000

For further information and current news: <http://www.life.co.za/>