NOTICE OF ANNUAL GENERAL MEETING AND ABRIDGED SHAREHOLDER REPORT

2015

Contents

Notice of annual general meeting

Life Healthcare Group Holdings Limited
Registration number: 2003/002733/06
Share code: LHC
ISIN: ZAE000145892
("Life Healthcare" or "the Company")

Notice of annual general meeting

Notice is hereby given that the annual general meeting of shareholders of Life Healthcare Group Holdings Limited will be held at The Wanderers Club, 21 North Street, Illovo, Johannesburg on Wednesday, 27 January 2016, at 15:30.

The following business will be transacted and resolutions proposed, with or without modification:

Ordinary business

1. **Annual financial statements**
   Presentation of the audited consolidated annual financial statements as approved by the board of directors of the Company, including the directors' report, external auditor's report and the report by the audit committee, of the Company and the Group for the financial year ended 30 September 2015, as published on the Company's website at www.lifehealthcare.co.za. The summarised consolidated annual financial results are included as Annexure C to this notice.

2. **Social, ethics and transformation committee**
   Life Healthcare's social, ethics and transformation committee report is set out on page 123 of the integrated report, which is published on the Company's website at www.lifehealthcare.co.za and Annexure A to this notice. The committee will report, through one of its members, on matters within its mandate as required in terms of Regulation 43(5)(c) of the Companies Act, 71 of 2008 (Companies Act).

3. **Ordinary resolutions number 1.1 to 1.5: Re-election of directors**
   Directors retiring by rotation:

   3.1 Ordinary resolution number 1.1
   Resolved that MP Ngatane who retires by rotation in terms of clause 28.7.1 of the Company's memorandum of incorporation and who, being eligible, offers himself for re-election be hereby re-elected as an independent non-executive director of the Company;

   3.2 Ordinary resolution number 1.2
   Resolved that LM Mojela who retires by rotation in terms of clause 28.7.1 of the Company's memorandum of incorporation and who, being eligible, offers herself for re-election be hereby re-elected as an independent non-executive director of the Company;

   3.3 Ordinary resolution number 1.3
   Resolved that PJ Golesworthy who retires by rotation in terms of clause 28.7.1 of the Company's memorandum of incorporation and who, being eligible, offers himself for re-election be hereby re-elected as an independent non-executive director of the Company;

   3.4 Ordinary resolution number 1.4
   Resolved that PP van der Westhuizen who retires by rotation in terms of clause 28.7.1 of the Company's memorandum of incorporation and who, being eligible, offers himself for re-election be hereby re-elected as director of the Company;

Director appointed during the year:

3.5 Ordinary resolution number 1.5

Resolved that ME Nkeli who was appointed by the board as an independent non-executive director of the Company with effect from 1 October 2015, who retires in terms of clause 28.8.1 of the Company's memorandum of incorporation and who, being eligible, offers herself for re-election be hereby re-elected as an independent non-executive director of the Company.

An abbreviated *curriculum vitae* in respect of each of the current directors offering themselves for re-election is contained in the explanatory note forming part of this notice.

4. Ordinary resolution number 2: Reappointment of external auditors

Resolved that the reappointment of the auditors, PricewaterhouseCoopers Inc., as nominated by the Company's audit committee, as independent auditors of the Company and the Group; and M Naidoo as the designated audit partner, for the financial year ending 30 September 2016 be approved.

5. Ordinary resolutions number 3.1 to 3.4: Appointment of Group audit committee members

Resolved that an audit committee comprising independent non-executive directors in terms of section 94(4) of the Companies Act, as set out below, be and is hereby appointed by way of separate resolutions to hold office until the next annual general meeting:

5.1 PJ Golesworthy (Chairman);
5.2 LM Mojela;
5.3 RT Vice; and
5.4 GC Solomon

An abbreviated *curriculum vitae* in respect of each of the independent directors proposed to be appointed to the audit committee is contained in the explanatory note forming part of this notice.

6. Ordinary resolution number 4: Approval of remuneration policy

Resolved that the Group remuneration policy, as described in the remuneration report included on pages 100 to 109 of the integrated report and Annexure B to this notice, is hereby approved by way of a non-binding advisory vote, as recommended in the King Report on Corporate Governance for South Africa, 2009 (King III).

7. Ordinary resolution number 5: Placement of authorised, but unissued shares under the control of the directors

Resolved that the authorised, but unissued, shares in the capital of the Company be and are hereby placed under the control of the directors of the Company, limited to 2% of the authorised shares of the Company and, further, that the directors be and are hereby authorised and empowered to allot and issue all or any of these shares upon such terms and conditions as they may determine and deem fit, subject to the provisions of the Companies Act, the Company's memorandum of incorporation and the Listings Requirements of the JSE Limited (JSE) and provided that this authority shall not extend beyond the next annual general meeting or 15 (fifteen) months from the date of this resolution, whichever date is earlier.

8. Ordinary resolution number 6: General authority to issue ordinary shares for cash

Resolved that the board of directors of the Company be and are hereby authorised, by way of a renewable general authority, to issue those ordinary shares in the share capital of the Company under the control of the directors for cash as and when they in their discretion deem fit, subject to the Companies Act, the Company's memorandum of incorporation and the JSE Listings Requirements, when applicable, and provided that:

- this authority shall be valid until the Company's next annual general meeting or for 15 (fifteen) months from the date of this resolution, whichever period is shorter;
- the ordinary shares must be issued to public shareholders as defined by the JSE Listings Requirements and not to related parties;

Notice of annual general meeting (continued)

- the securities which are the subject of the general issue of shares for cash may not exceed 78 634 607 shares, being 7.5% (per cent) of the number of listed equity securities of the Company as at the date of this notice of annual general meeting, provided that:
  - any equity securities issued under this authority during the period must be deducted from the number above;
  - in the event of a sub-division or consolidation of issued equity securities during the period contemplated above, the existing authority must be adjusted accordingly to represent the same allocation ratio; and
  - the calculation of the listed equity securities is a factual assessment of the listed equity securities as at the date of the notice of annual general meeting;
- in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount at which the ordinary shares may be issued is 10% of the weighted average traded price of the Company's ordinary shares measured over 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the Company and the party subscribing for the securities;
- a paid press announcement giving full details will be published at the time of any issue representing, on a cumulative basis within the period of this authority, 5% or more of the number of ordinary shares in issue prior to that issue, in terms of the JSE Listings Requirements; and
- any such general issue is subject to exchange control regulations and approval at that time.

Additional information in respect of ordinary resolution number 6
Approval for this ordinary resolution is obtained by achieving a 75% majority of the votes cast in favour of this resolution at the annual general meeting by all equity security holders entitled to vote thereon and present or represented by proxy.

Special business

Shareholders are requested to consider and, if deemed fit, pass the following special resolutions with or without modification:

9. Special resolution number 1: General authority to repurchase Company shares
Resolved that the board of directors of the Company be hereby authorised, by way of a renewable general authority, to approve the purchase of its own ordinary shares by the Company, or to approve the purchase of ordinary shares in the Company by any subsidiary of the Company, upon such terms and conditions as the board of directors of the Company may from time to time determine, provided that:

- this general authority shall be valid until the Company's next annual general meeting or for 15 (fifteen) months from the date of passing of this resolution, whichever period is shorter;
- the ordinary shares be purchased through the order book of the trading system of the JSE and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty;
- an announcement complying with the JSE Listings Requirements be published by the Company (i) when the Company and/or its subsidiaries have cumulatively repurchased 3% of the ordinary shares in issue as at the time when the general authority was given (the initial number) and (ii) for each 3% in the aggregate of the initial number of the ordinary shares acquired thereafter by the Company and/or its subsidiaries;
- the repurchase by the Company of its own ordinary shares shall not in the aggregate in any one financial year exceed 5% of the Company's issued ordinary share capital as at the beginning of the financial year, provided that the acquisition of ordinary shares as treasury shares by a subsidiary of the Company shall not be effected to the extent that in aggregate more than 10% of the number of issued ordinary shares of the Company at the relevant times are held by or for the benefit of the subsidiaries of the Company taken together;

- repurchases must not be made at a price more than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which the transaction is effected;
- at any point in time the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any subsidiary of the Company;
- subject to the exceptions contained in the JSE Listings Requirements, the Company and the Group will not repurchase ordinary shares during a prohibited period (as defined in the Listings Requirements) unless they have in place a repurchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in writing to the JSE prior to the commencement of the prohibited period;
- prior to the repurchase, a resolution has been passed by the board of directors of the Company confirming that the board has authorised the repurchase, that the Company satisfies the solvency and liquidity test contemplated in the Companies Act, and that since the test was done there have been no material changes to the financial position of the Group; and
- such repurchases will be subject to the applicable provisions of the Companies Act (including sections 114 and 115 to the extent that section 48(8) is applicable in relation to the particular repurchase), the Company's memorandum of incorporation, the JSE Listings Requirements and the Exchange Control Regulations 1961. It is the intention of the board of directors to use this general authority should prevailing circumstances (including the tax dispensation and market conditions) warrant it, in their opinion.

The Company's directors undertake that they will not implement any such repurchases while this general authority is valid, unless:

- the Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 (twelve) months after the date of the general repurchase;
- the assets of the Company and the Group will exceed their liabilities for a period of 12 (twelve) months after the date of the general repurchase. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the Company's latest Group audited annual financial statements;
- the Company and the Group will have adequate share capital and reserves for ordinary business purposes for a period of 12 (twelve) months after the date of the general repurchase; and
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the general repurchase.

Reason for and effect of special resolution number 1

The reason for and the effect of special resolution number 1 is to grant the Company's board of directors a general authority to approve the Company's repurchase of its own ordinary shares and to permit a subsidiary of the Company to purchase ordinary shares in the Company.

For the purposes of considering special resolution number 1 and in compliance with the JSE Listings Requirements, the JSE Listings Requirements require the following disclosures which are disclosed in the annexures attached to this notice:

Major shareholders of the Company (Page 91– 92 of the annual financial statements and Annexure E to this notice);

Share capital of the Company (Page 62 of the annual financial statements and Annexure F to this notice); and

Notice of annual general meeting (continued)

- Directors' responsibility statement
  The directors, whose names appear on page 96 to 97 of the integrated report and Annexure D to this notice, collectively and individually accept full responsibility for the accuracy of the information contained in this special resolution number 1 and certify, to the best of their knowledge and belief, that there are no other facts, the omission of which would make any statement false or misleading, that they have made all reasonable enquiries in this regard and that this resolution contains all information required by law and the JSE Listings Requirements.
- Litigation statement
  There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware), which may have or have had a material effect on the Company and the Group's financial position over the last 12-month period.
- Material change
  Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the trading or financial position of the Company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

10. Special resolution number 2: General authority to provide financial assistance to related and inter-related companies

Resolved that, to the extent required in terms of, and subject to the provisions of, sections 44 and 45 of the Companies Act, the shareholders of the Company hereby approve of the Company providing, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, any direct or indirect financial assistance as contemplated in such sections of the Companies Act to any 1 (one) or more related or inter-related companies or corporations of the Company and/or to any 1 (one) or more members of any such related or inter-related Company or corporation and/or to any 1 (one) or more persons related to any such Company or corporation, on such terms and conditions as the board of directors of the Company, or any one or more persons authorised by the board of directors of the Company from time to time for such purpose, deems fit.

The main purpose for this authority is to grant the board of directors the authority to authorise the Company to provide intergroup loans and other financial assistance for purposes of funding the activities of the Group. The board undertakes that:

- it will not adopt a resolution to authorise such financial assistance, unless the board is satisfied that:
  - immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test as contemplated in the Companies Act; and
  - the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company; and
- written notice of any such resolution by the board shall be given to all shareholders of the Company and any trade union recognised by the Company;
  - within 10 business days after the board adopted the resolution, if the total value of the financial assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds 0.1% of the Company's net worth at the time of the resolution; or
  - within 30 business days after the end of the financial year, in any other case.

Reason for and effect of special resolution number 2

The reason for and the effect of Special Resolution Number 2 is to provide a general authority to the board of directors of the Company for the Company to grant direct or indirect financial assistance to any Company forming part of the Group, including in the form of loans or the guaranteeing of their debts.

11. To transact any other business that may be transacted at an annual general meeting

Record dates

The record date in terms of section 59 of the Companies Act for shareholders to be recorded on the securities register of the Company in order to receive notice of annual general meeting is Friday, 11 December 2015. The record date in terms of section 59 of the Companies Act for shareholders to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the annual general meeting is Friday, 22 January 2016, and the last day to trade in the Company's shares in order to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the annual general meeting is Friday, 15 January 2016.

Approval required for resolutions

Ordinary resolutions number 1 to 5 contained in this notice of annual general meeting require the approval by more than 50% of the votes exercised on the resolutions by shareholders present or represented by proxy at the annual general meeting, subject to the provisions of the Companies Act, the memorandum of incorporation of the Company and the JSE Listings Requirements.

Ordinary resolution number 6 and special resolutions number 1 to 2 contained in this notice of annual general meeting require the approval by at least 75% of the votes exercised on the resolutions by shareholders present or represented by proxy at the annual general meeting, subject to the provisions of the Companies Act, the memorandum of incorporation of the Company and the JSE Listings Requirements.

Attendance and voting by shareholders or proxies

Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration, are entitled to attend and vote at the annual general meeting, and are entitled to appoint a proxy or proxies (for which purpose a form of proxy is attached hereto) to attend, speak and vote in their stead. The person so appointed as proxy need not be a shareholder of the Company. Proxy forms must be lodged with the transfer secretaries of the Company, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, South Africa, or posted to the transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Monday, 25 January 2016, at 15:30 (South African time). Any forms of proxy not lodged by this time must be handed to the Chairman of the meeting.

Proxy forms must only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration.

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll, every shareholder shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such shareholder bears to the aggregate amount of the nominal value of all the shares issued by the Company.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own name" registration, should contact their central securities depository participant (CSDP) or broker in the manner and time stipulated in their agreement:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the meeting, to obtain the necessary Letter of Representation to do so.

Notice of annual general meeting (continued)

In compliance with section 58(8)(b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy is set out immediately below:

An ordinary shareholder entitled to attend and vote at the annual general meeting may appoint any individual (or individuals) as a proxy/ies to attend, participate in and vote at the annual general meeting in place of the shareholder. A proxy need not be a shareholder of the Company.

A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the annual general meeting.

A proxy may delegate its authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.

The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in exercising any rights as a shareholder.

The appointment of a proxy is revocable by the shareholder cancelling this in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.

If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice required by the Act or the Company's memorandum of incorporation to be delivered by the Company to the shareholder, must be delivered by the Company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.

Attention is also drawn to the notes to the form of proxy.

Completing a form of proxy does not preclude any shareholder from attending the annual general meeting.

Proof of identification required

In terms of the Companies Act, any shareholder or proxy who intends to attend or participate at the annual general meeting must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the annual general meeting. A green bar-coded identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted at the annual general meeting as sufficient identification.

By order of the board of directors

Fazila Patel
Company Secretary

Johannesburg

12 November 2015

Explanatory notes to the notice of annual general meeting

Ordinary resolutions

Ordinary resolutions number 1.1 to 1.5

Re-election of directors

Directors retiring by rotation

In accordance with the Company's memorandum of incorporation, one-third of directors are required to retire at each annual general meeting and may offer themselves for re-election. The abbreviated *curricula vitae* of the directors offering themselves for re-election appear below:

Dr MP (Malefetsane) Ngatane (61)
Independent non-executive director
South African – BSc, MBChB, FCOG

Malefetsane is a specialist obstetrician and gynaecologist. He has served as a consultant obstetrician and gynaecologist, and superintendent of the Chris Hani Baragwanath Hospital. He also served as the head of obstetrics and gynaecology at Natalspruit Hospital. He is currently in private practice. Malefetsane is the president of the Commonwealth Boxing Council (CBC), based in London, and serves on the boards of Boxing South Africa (BSA) and the World Boxing Council based in Mexico. He is also the vice-president of the African Boxing Union based in Tunisia and previously served as treasurer for the International Planned Parenthood Federation in Nairobi. He was appointed to the Life Healthcare board of directors in 2007.

LM (Louisa) Mojela (59)
Independent non-executive director
South African – BCom (National University of Lesotho (NUL))

Louisa is group chief executive officer and chairman of WIPHOLD – of which she is a founder member. She holds non-executive directorships in Distell Group Limited, Ixia Coal, Sun International Limited and USB-ED Limited. She previously held positions at the Lesotho National Development Corporation, Development Bank of Southern Africa and Standard Corporate and Merchant Bank. She was appointed to the Life Healthcare board of directors in 2010.

PJ (Peter) Golesworthy (57)
Lead independent non-executive director
British – BA (Hons) (first class), Accountancy Studies, CA

Peter qualified as a chartered accountant with the Institute of Chartered Accountants of Scotland. He serves as a director of a number of private companies and as a member of various investment committees of certain Old Mutual businesses. He was previously the finance director of Old Mutual (South Africa). He was appointed to the Life Healthcare board of directors in 2010.

PP (Pieter) van der Westhuizen (44)
Chief Financial Officer
South African – BCom (Acc), CA(SA)

Pieter completed his training contract and qualified as a chartered accountant in 1996 at PricewaterhouseCoopers Inc. He joined President Medical Investments Limited (Presmed) in 1999, which became part of Afrox Healthcare Limited. Pieter performed various roles in the finance department of Afrox Healthcare and played a significant role in Afrox Healthcare's delisting in 2005 and its subsequent relisting as Life Healthcare in 2010. He was appointed as Chief Financial Officer in 2013.

Director appointed during the year

In accordance with the Company's memorandum of incorporation, directors appointed since the last annual general meeting to fill any vacancy and serve as a director of the Company are required to retire at the first annual general meeting following their appointment and may offer themselves for re-election. The abbreviated *curriculum vitae* of the director offering herself for re-election appears below.

Life Healthcare Group

Explanatory notes to the notice of annual general meeting (continued)

MEK (Mpho) Nkeli (50)
Independent non-executive director
South African – BSc (Environmental Science), MAP, MBA

Mpho Nkeli currently serves on the board of Impala Platinum. She has previously served on the board of Johannesburg City Parks and as executive director on the boards of Alexander Forbes Group and Vodacom South Africa. She was a member of the Commission of Employment Equity before being appointed chairman from 2009 to 2012. She has executive experience spanning 15 years in diverse functions. She trained as an environmental scientist; then moved to marketing, communications, social investment and enterprise development. Mpho later focused on human resources and transformation and was responsible for human resources at Alexander Forbes, whereafter she joined Vodacom in 2011 for three years as the chief human resources officer. She has also contributed to changes in legislation relating to B-BBEE. She received the Laureate Award from the University of Pretoria in 2009. She recently joined Search Partners International (SPi), the oldest executive search and board practice firm, as an associate director. She was appointed to the Life Healthcare board of directors in 2015.

Ordinary resolution number 2
Re-appointment of external auditors
In terms of section 90(1) of the Companies Act, a public company must at each annual general meeting appoint an auditor.

Ordinary resolutions number 3.1 to 3.4
Appointment of Group audit committee
In terms of section 94(2) of the Companies Act, a public company must at each annual general meeting elect an audit committee comprising at least three members who are directors and who meet the criteria of section 94(4) of the Companies Act. The abbreviated *curricula vitae* of each of the independent non-executive directors proposed to be appointed to the audit committee appear below. As is evident from the *curricula vitae* of these directors, all of them have academic qualifications and experience in one or more of the following areas, i.e. finance, accounting, commerce or industry.

PJ (Peter) Golesworthy (57)
Lead independent non-executive director
British – BA (Hons) (first class), Accountancy Studies, CA

Peter qualified as a chartered accountant with the Institute of Chartered Accountants of Scotland. He serves as a director of a number of private companies and as a member of various investment committees of certain Old Mutual businesses. He was previously the finance director of Old Mutual (South Africa). He was appointed to the Life Healthcare board of directors in 2010.

LM (Louisa) Mojela (59)
Independent non-executive director
South African – BCom (National University of Lesotho (NUL))

Louisa is group chief executive officer and chairman of WIPHOLD – of which she is a founder member. She holds non-executive directorships in Distell Group Limited, Ixia Coal, Sun International Limited and USB-ED Limited. She previously held positions at the Lesotho National Development Corporation, Development Bank of Southern Africa and Standard Corporate and Merchant Bank. She was appointed to the Life Healthcare board of directors in 2010.

RT (Royden) Vice (68)
Independent non-executive director
South African – BCom, CA(SA)

Royden is the chairman of the board of Waco International Holdings Proprietary Limited since retiring in July 2011 after 10 years as the company's chief executive officer. The Waco group of companies has subsidiaries in the UK, USA, Australia, New Zealand, Chile and southern Africa. Prior to this, Royden was chief executive officer of Industrial and Special Products of the UK-based BOC Group, responsible for operations in over 50 countries and revenue of US$4 billion. He was also chairman of African Oxygen Limited (Afrox) from 1994 to 2001 and Afrox Healthcare, which successfully listed in 1999. He serves as a non-executive director on the boards of Hudaco Industries Limited where he is the chairman, and Murray and Roberts Holdings. Royden is a governor of Rhodes University. He has extensive global leadership experience, having lived on three continents – America (New York), Africa (Johannesburg) and Europe (London). Royden was appointed to the Life Healthcare board of directors in 2014.

GC (Garth) Solomon (48)
Independent non-executive director
South African – BCom, BCompt (Hons), CA(SA)

Garth completed his articles with Deloitte & Touche; thereafter he served in various commercial and corporate finance roles with the South African Revenue Service, Group Five Properties and African Harvest Limited before joining Old Mutual Private Equity in 2003. He was appointed head of private equity in 2012, and was a member of the Old Mutual Private Equity team until 2013. In this capacity he was involved in numerous investments and served on the boards and sub-committees of a number of large private businesses including Air Liquid, Metro Cash & Carry, the Tourvest Group and Liberty Star Consumer Holdings. Garth is currently the co-owner and a director of Evolve Capital, an investment trust that invests in small and medium-sized businesses. Garth was appointed to the Life Healthcare board of directors in 2005.

Ordinary resolution number 4
Approval of remuneration policy
The King Report on Corporate Governance for South Africa, 2009 (King III) recommends that the remuneration policy of the Company be submitted to shareholders for consideration and for an advisory, non-binding vote to give shareholders an opportunity to indicate their support for or opposition to the material provisions of the remuneration strategy.

Ordinary resolution number 5
Placement of authorised, but unissued shares under the control of the directors
The reason for proposing this resolution is to seek a general authority and approval for the directors to allot and issue ordinary shares, up to a maximum of 2% of the authorised shares of the Company, in order to enable the Company to take advantage of business opportunities which might arise in the future.

Ordinary resolution number 6
General authority to issue ordinary shares for cash
A general authority to issue ordinary shares for cash is requested. The aggregate number of ordinary shares able to be allotted and issued in terms of this resolution will be limited to 78 634 607 ordinary shares, representing approximately 7.5% of the ordinary shares in issue as at the date of the annual general meeting in order to fund future potential acquisitions.

Special resolutions

Special resolution number 1
General authority to repurchase shares
The annual renewal of this authority is required in terms of the provisions of the Listings Requirements. The existing authority to the directors is due to expire at the forthcoming annual general meeting, unless renewed.

Special resolution number 2
General authority to provide financial assistance to related and inter-related companies
General authority is given to the directors to enable them, subject to the provisions of sections 44 and 45 of the Companies Act, to authorise the Company to provide financial assistance to related and inter-related companies of the Company.

ANNEXURE A
Social, ethics and transformation committee report

The social, ethics and transformation committee assists the board with monitoring the Group's actions and impacts on the environment, consumers, employees, communities and other stakeholders while maintaining the highest level of good corporate citizenship.

The chairman of the committee presents the following report to shareholders for the 2015 financial year, in accordance with the requirements of the Companies Act.

Committee composition

The committee comprises five members:

- LM Mojela (chairman – independent non-executive director);
- Adv FA du Plessis (independent non-executive director) retired on 28 January 2015;
- Dr MP Ngatane (independent non-executive director);
- JK Netshitenzhe (independent non-executive director) appointed on 29 January 2015;
- A Meyer (CEO – executive director); and
- Dr NK Patel (Chief Operating Executive – Healthcare Services – a non-voting member).

Invitees at committee meetings were relevant members of management who are experts on each of the disciplines or areas falling within the mandate of the committee specified in regulation 43(5) of the Companies Act. The Chairman of the board and the Company Secretary are standing invitees.

The committee operates in accordance with a formal terms of reference, which are reviewed annually by the board and in terms of the annual work plan approved by the committee.

The committee met three times during the period under review and the proceedings of each meeting were reported to the board.

Responsibilities

The committee has a duty to:

- monitor the social, economic, governance and environmental activities of the Group;
- bring matters relating to these activities to the attention of the board as appropriate; and
- report annually to shareholders on the matters within the scope of its responsibilities.

Functioning

Key issues addressed by the committee included the following:

- The Group's submission to the Panel in the Competition Commission Inquiry into Private Healthcare;
- Energy saving initiatives undertaken at the hospitals to ensure sustainability and cost saving;
- Implementation of an Environmental Management System to reduce environmental risks and impacts;
- Reviewed developments in the areas of ethics management, which includes a dedicated anonymous hotline for tip-offs;
- Regulatory developments relating to the B-BBEE Act and the monitoring of management's efforts to improve the Group's B-BBEE rating;
- Monitoring the impact of the Group's corporate social investment spend;

- Reviewing the Group's compliance with the Competition Act, National Health Act and the Consumer Protection Act;
- Reviewing the Group's plans with regard to compliance with the Labour Relations Amendment Act, Protection of Personal Information Act and the Employment Equity Act;
- Reviewing the Group's transformation strategy;
- Feedback from the environment and climate change forum;
- Reviewing the Group's transformation initiatives and employment equity; and
- Reviewing the Group's procurement policies, including preferential procurement.

Conclusion

The committee is satisfied that it has fulfilled its duties during the year under review.

LM Mojela
Chairman

12 November 2015

ANNEXURE B
Remuneration report

The objective of the Group's remuneration strategy is to enable Life Healthcare to attract and retain key talent and to motivate and reward employees appropriately to ensure the achievement of key organisational objectives.

Business objectives, market competitiveness, employee growth and development, the retention of scarce and specialised skills, and legislative compliance all inform the remuneration philosophy. Our remuneration strategy aims to:

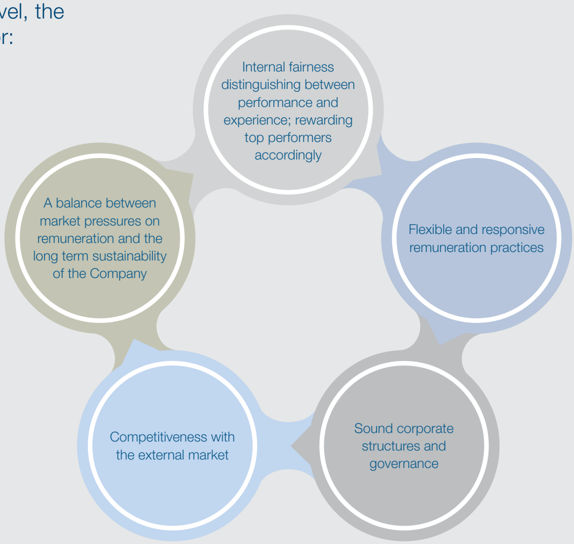
- align management interests with those of shareholders;
- encourage innovation and progress;
- offer organisational support aligned to the vision and direction of the Company goals and strategy;
- be flexible to adapt and change as the business responds to market forces; and
- continually monitor its efficacy to ensure that the unique needs of the employee and the Company are being met.

Life Healthcare acknowledges that focused management and employee attention to business objectives is a critical success factor for sustained long-term value creation for shareholders. To this end, the remuneration strategy aims to attract and retain the talent that is required to give effect to these objectives. The Group targets a mix of remuneration elements to align reward strategy to its stated objectives.

The following aspects are considered in the delivery of a compelling value proposition to employees:

- job evaluation/job sizing;
- design and implementation of remuneration structures based on a unique mix of remuneration elements specific to Life Healthcare;
- development of integrated performance management systems;
- bonus, incentive, and employee ownership plans;
- non-monetary rewards; and
- software/administrative systems to support remuneration strategy.

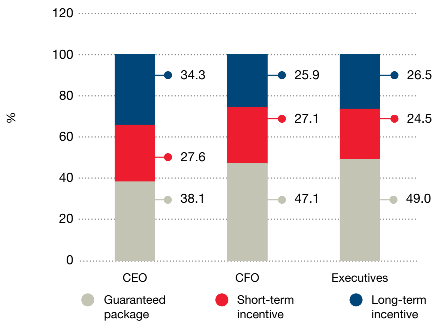
At a practical level, the Group strives for:



Total cost to company (remuneration) is communicated to staff when they start their employment at the Group and annually during the salary review process. High performance and quality are key drivers in the Company. We incentivise our management at every level through a rigorous goal setting process that aligns the need for consistent improvement in profitability with the longer-term ambition of achieving sustainable best practice.

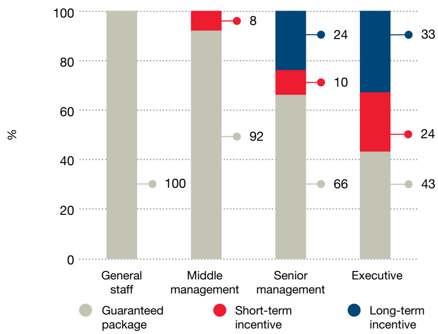
To ensure a pay for performance link, short-term and long-term incentives compose a high percentage (29% to 52%) of total remuneration for senior management which are directly linked to these drivers, whilst junior categories of staff receive performance-linked increases.

Source of remuneration for executives



Remuneration mix

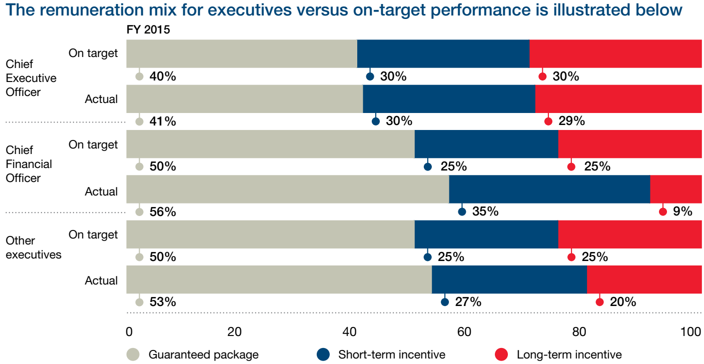
Annual reward and recognition awards



The Group offers more senior employees a combination of guaranteed package (GP), short-term incentives (STI) and long-term incentives (LTI). Short-term incentives are paid to employees at middle management and higher grades who have line of sight to business objectives. Targets are stretched to ensure higher performance before the targeted reward is achieved. Senior managers participate in the Company's long-term incentive scheme, which was revised in 2015.

Scanmed Multimedis, a wholly owned subsidiary in Poland, has a similar remuneration offering to Life Healthcare, i.e. guaranteed package, and short-term and long-term incentive plans. The Group subscribed to an international survey house to obtain benchmark management salaries for similar sized companies in the Polish market. The combined remuneration offering creates strong alignment to the Scanmed company financial performance and serves as a retention mechanism for key personnel. The management board presently comprises four individuals, namely the CEO, CFO, Medical Director and Commercial Director. Executive employment contracts are generally subject to a three-month notice period and a subsequent six-month restraint of trade.

The remuneration mix for executives versus on-target performance is illustrated below



NOTES:

LTIP actual payments are based on 2012 vested allocations, except for the Chief Executive Officer whose date of appointment was only 1 March 2014, thus "on-target" figures are reflected for illustrative purposes.

LTIP actual payment for the Chief Financial Officer was low due to allocations made prior to his promotion to this position.

ANNEXURE B
Remuneration report (continued)

Guaranteed remuneration

The Group conducts appropriate peer group benchmarking of remuneration. The Group participates in a number of salary surveys to substantiate its remuneration data. Our pay line is benchmarked at the market median, but adjusted where market imperfections distort the slope on the pay line. Individual pay rates per job are influenced by market rates for such roles and current pay rates in the Group.

In instances where specific roles are difficult to retain or attract, a premium is applied.

Individual salaries are benchmarked internally and externally to ensure fairness. The salary structure is reviewed during October and adjusted with effect from 1 January each year. The performance level of employees is a key factor in determining employees' respective increases.

Base salary

- Attraction and retention of key employees.
- Internal and external equity (market link).
- Rewarding individual performance.

Benefits

- External market competitiveness.
- Integrated approach towards wellness, driving employee effectiveness and engagement.

Allowances

- Compliance with legislation.
- Key focus on attraction and retention of clinical skills.
- Specialist allowances are paid for specialised staff to recognise skills and incentivise and retain staff[1].
- Other variable allowances are paid for additional services rendered.

Guaranteed package

- Salaries are benchmarked against healthcare market data.

[1] *Allowances*
The Group rewards skills by granting higher specialist allowances to employees who have attained specific additional qualifications to enhance their knowledge, skill and quality of care to the patient/client. A differential between qualified and experienced specialist allowances exists to encourage staff to further their education and thus heighten the professionalism and excellence of the Group.

An average increase of 6.5% in guaranteed package was granted to the executives in the 2015 salary review. A higher percentage increase (22.7%) was granted to the Chief Financial Officer due to a low comparative ratio to market. The Chief Executive Officer was granted a 6% increase.

Employee benefits

The benefits that form part of total cost to company include the following:

Retirement funds	The Company operates two defined contribution retirement funds: • The Life Healthcare Provident Fund (LHC Provident Fund) • The Life Healthcare DC Pension Fund (LHC DC Pension Fund) All new employees become members of the LHC Provident Fund. In addition, the Company operates two defined benefit funds which are closed to new membership since 1996. The Life Healthcare DB Pension Fund provides retirement benefits for approximately 149 active members and 262 pensioners, whilst the Lifecare Group Holdings Pension Fund provides benefits to 17 active members and approximately 130 pensioners. The Company-supported retirement funds offer group life cover and disability benefits to members. Both permanent disability and death are covered by lump sum payments which are underwritten by an insurer. The standard cover for new employees is three times annual salary for each of death and disability cover. Some historical anomalies to this standard cover exist.
Medical aid	It is a condition of employment for permanent employees to belong to a Company-supported medical aid unless membership of a spouse's medical aid can be proven. Membership of a principal member, spouse and two children is subsidised by the Company. The Company participates in the open medical scheme market. The Company offers the full range of Bonitas options in addition to Discovery Health medical scheme options. In addition, medical aid membership is voluntary for employees who earn below a certain salary level. However, the Company will, in instances where employees opt not to join a medical aid, procure a primary health benefit for such employees. This benefit covers, via a bespoke network, doctors' consultations, medication and a certain number of prescribed minimum benefits.
Other benefits	All other benefits are industry benchmarked and are granted on the basis that they aid employee retention and/or provide an efficient work environment for the employee. Such benefits are priced and form part of the annual salary review mandate process.

Remuneration report (continued)

Short-term incentives

Short-term incentives

- Alignment with Group and business unit performance.
- Individual performance which includes transformation and quality.
- Rewards performance against targets.

The Group believes in the value that appropriate performance driven awards can add to its successful operation. We subscribe to the philosophy that substantial benefit can be derived from defining appropriately weighted quantitative and qualitative measures, linked to variable compensation. The Group's variable compensation plan (VCP) is a short-term reward scheme, assessed and paid on a bi-annual basis, to reward and retain senior managers who have line of sight and contribute to the bottom line of the business.

We recognise the importance of measuring progress to ensure that programmes implemented are valuable and progressive and to highlight areas of weakness that need special focus.

Life Healthcare variable compensation plan

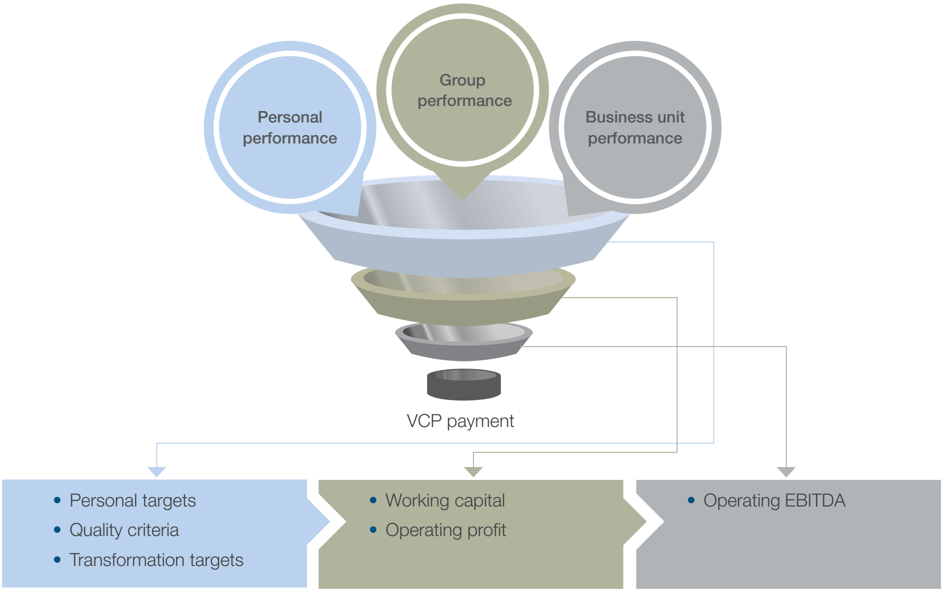
The following improvements have been made to the scheme to enhance the line of sight of operational and enabling managers:

- targeted reward payments based on organisational level were improved to increase the performance element of the remuneration mix. Managers forfeited a portion of their annual salary increase to accommodate this improvement; and
- the percentage weightings ascribed to the measures were adjusted to ensure greater focus on line of sight measures.

Components of the Variable Compensation Plan (VCP)

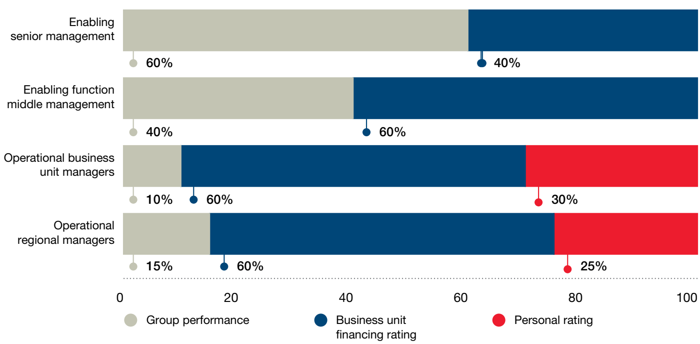
Payments under the VCP are based on personal and financial performance (which is either business unit performance, or a combination of Group and business unit performance).

Both Group and business unit financial scores are quantitative and prescriptive in nature, whilst the personal rating is more qualitative and discretionary and has the CEO's final input for governance purposes.



- **Group performance** is measured against operating profit and working capital targets.
- **Business unit performance** is the financial performance of the operational manager's specific business unit(s) for which he/she is responsible. This target has a higher weighting than the other two criteria because managers have greater line of sight on these results. This measure is apportioned into varying weighted criteria that are measured against agreed targets. The criteria include operating EBITDA and working capital.
- **Personal performance** is a more subjective measurement and includes overall performance of the individual in carrying out his/her job requirements, transformation and quality outputs.

VCP measures



Enabling senior management: Management in a supportive role with financial/group responsibility.

Enabling function middle management: Management fulfil a supportive role to business results.

Operational business unit managers: Management has greater line of sight to their business unit's financial results.

Operational regional managers: Management has regional responsibility with greater influence on Group financial results.

Remuneration report (continued)

On-target and maximum payments

The level of potential reward has been industry benchmarked and directly influences total remuneration. A targeted percentage, ranging from **10%** to **72.5%** of salary (maximum reward **18.5%** to **149.4%** of salary), represents a theoretical on-target reward, should the targeted objectives be met, which escalates as responsibility increases. However, actual reward may exceed this percentage if targets are exceeded. Maximum rewards are as follows:

Company performance	Cash flow capped at **150%** of on-target remuneration for the first six months, adjusted in second half of year
Business unit performance	Capped at **225%** of on-target remuneration
Personal performance criteria	Capped at **120%** of on-target remuneration

This means that the Chief Executive Officer can earn up to **R7.3 million** and the Chief Financial Officer can earn up to **R2.9 million** in short-term bonus (based on current remuneration). This figure assumes maximum outperformance in all measures.

The Company results for the 2015 financial year resulted in the following payments to the executive directors:

Actual reward to executive directors

Chief Executive Officer

The CEO achieved a weighted performance of **101%** against personal and financial targets resulting in payment of **R3.7 million.**

Chief Financial Officer

The CFO achieved a weighted performance of **109%** against personal and financial targets resulting in payment of **R1.6 million.**

The Group emphasises pay for performance and business and/or personal performance below a set threshold will result in non-payment of incentives.

Performance conditions and targets

Targets are reasonably set to stretch performance without being unattainable.

Scanmed Short-Term Incentive Scheme (Poland)

A short-term variable scheme (VCP) is paid to the management board of the Scanmed company and allocations are based on seniority. Payment is made every six months and is based on the following:

	Weighting	
Measures	CFO	Management team
Financial performance	70%	50%
Personal performance	30%	50%

Long-term incentive plan (LTIP)

Long-term incentives	
	• Direct alignment with shareholders' interests by making the award conditional upon the achievement of targets. • Awards are made annually to eligible managers. • Scheme is reviewed annually to ensure its continuous alignment to strategic goals. • Recently extended to senior management of Scanmed.

The purpose of the LTIP is to motivate and reward executives and senior managers who are able to influence the long-term performance and sustainability of the Company. This is done by rewarding participants on the basis of Company performance against key long-term measures.

The aim of the plan is:

- to provide a long-term financial incentive to maximise a collective contribution to the Group's continued growth and prosperity;
- to allow managers to share in the growth of the Group;
- to align managers' interests with those of the Group's shareholders; and
- to assist with the recruitment and motivation of managers of the Group.

Life Healthcare decided to make no further allocations in terms of the 2012 long-term incentive plan. The services of consultants were procured to advise the Group on the design of a revised long-term incentive plan. The final design was peer reviewed by an independent expert and allocations in terms of the new scheme were made effective 1 September 2015.

Allocations made to participants in terms of the previous plan will vest according to the scheme criteria and the last allocations made in terms of the plan (2014 allocations) will vest in January 2017.

ANNEXURE B
Remuneration report (continued)

Historical Life Healthcare LTIPs

The historical LTIPs, with active allocations, in Life Healthcare are as follows:

<table>
<tr><th>2010 to 2011 LTIP</th><th>2012 to 2014 LTIP</th></tr>
<tr><td colspan="2">The long-term incentive scheme is a hybrid plan that combines a
• pure unit appreciation component; and
• a performance share component.
The scheme is cash settled and pays out after three years.</td></tr>
<tr><td colspan="2">Performance levels of participants in this plan influence the quantum of initial allocations. The quantum of reward increases with seniority and is industry benchmarked.</td></tr>
<tr><td colspan="2">The performance units vest on the third anniversary of their award, subject to the achievement of stretching performance measures over the intervening period. Certain financial thresholds need to be met to warrant payment.</td></tr>
<tr><td colspan="2">The determinants of reward (average growth over three years) are:
• EBITDA (average growth)
• RONA
– (2010 to 2013 – 35% threshold – 38% on target – 44% + maximum award)
– (2004 only – 45% threshold – 47% on target – 54% + maximum award)</td></tr>
<tr><td colspan="2">Managers may invest payment from the LTIP in Company shares. This investment results in a co-investment by the Company on the basis that a higher manager commitment attracts a more generous co-investment from the Company.</td></tr>
<tr><td>The election to co-invest is made at the end of the initial three-year holding period and the co-invested shares then remain restricted for a further period of three years.</td><td>The election to co-invest is made at allocation date and the co-invested shares then remain restricted for a further period of two years.</td></tr>
<tr><td colspan="2">The co-investment shares, whether deferred or matched, will be purchased in the market and transferred to participants when vesting and settlement occurs.</td></tr>
<tr><td>The 2011 plan was settled in year 2014, and is subject to a three-year co-investment period.</td><td>The 2014 LTIP plan will be settled in year 2017, plus a two-year co-investment period.</td></tr>
<tr><td colspan="2">The plan was terminated during 2015 and no further allocations will be made. Historical allocations will vest and be paid out as per the agreed criteria.</td></tr>
</table>

2015 LTIP

The long-term incentive plan for 2015 has been revised to align with emerging market practice and to enhance alignment with shareholder interests.

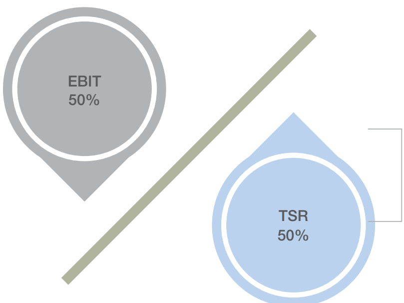
The long-term incentive plan is a **notional performance share plan** for all senior managers and executives. The notional value of the performance shares is linked to the Company's share price. Allocations are made annually.

Allocation levels and maximum vesting
The value of the award is set to realise a targeted percentage of guaranteed package when vesting, assuming targeted performance levels are achieved. The quantum of reward increases with seniority and is market benchmarked. The maximum vesting for the CEO, CFO, executive directors and prescribed officers is as follows:

- CEO: 180% of total cost to company
- CFO: 120% of total cost to company
- Other executive directors/prescribed officers: 104% of total cost to company

Performance retention modifier
The allocation of units can be enhanced via a performance/retention modifier to retain key high-performing individuals, with no allocation for poor performance whilst the allocation for top performance may be enhanced up to 130%.

Vesting and settlement
All units vest at the end of the third year and the cash value is determined. The after-tax value is utilised to purchase Life Healthcare Group Holdings Limited shares on the open market, which are delivered to participants. The value of the performance shares will be determined by the listed share price of the Company using a 30-day volume weighted average price (VWAP).



Total shareholder return (TSR)

$$\text{TSR \%} = \frac{\text{Ending share price minus initial share price (plus all dividends received)}}{\text{Initial share price}}$$

Performance measures
For the 2015 allocations, two performance measures apply, namely total shareholder return (TSR) and earnings before interest and taxation (EBIT). These performance measures are also intended to be used for 2016 allocations.

The target TSR is set as relative to a comparator group of 27 listed companies, which are similar in size and investor profile. The comparator group excludes banks, telecommunications and resources but includes direct competitors in the private healthcare market. On vesting the actual TSR will be compared to the TSR of the comparator group. This determines the modifier for the number of performance shares vesting.

The reward hurdles relative to the comparator group are set as follows:

Remuneration report (continued)

The target thresholds are set at date of allocation of units and vesting only occurs, starting at median performance. The multiplier for the performance shares will be on a sliding scale from 0% to 200% for each performance measure, thus complete outperformance in comparison to the comparator group results in 200% award.

Earnings before interest and tax (EBIT)

The internal financial measure of EBIT is the absolute performance measure that will be used to modify the value of the performance shares vesting. This measure will be set relative to inflation (CPI).

The reward hurdles are set as follows:

The target thresholds are set at date of allocation of units and no vesting occurs under CPI + 1%.

Allocations made to the executive prescribed officers for 2015 are as follows:

	Value of performance shares at allocation	Number of TSR performance shares (50%)	Number of EBIT performance shares (50%)	Total number of performance shares
CEO	R4 018 183	54 090	54 090	108 180
CFO	R1 601 859	21 563	21 563	43 126

Allocations date

The initial allocation was made on 1 September 2015 and will vest on 31 August 2018. All subsequent allocations will be made on 1 February and will vest on 31 January, three years after allocation.

LTIP Scanmed

The board approved the allocation of notional shares to the senior management team to ensure retention of key local skills for the continued success of the business by providing vested interest in the company.

- Two grants of notional shares were offered in the first year of allocation to enhance the initial retention value; the first grant will vest after two years (2016) and the second grant after three years (2017).
- The number of shares issued will target a pay-out of an agreed percentage of the guaranteed package based on seniority as benchmarked against the Polish market. This target pay-out is based on certain financial targets being met. If it grows below this level the award will be less and if it grows above this level, the award will be more.
- An annual valuation of the notional shares will be done based on agreed parameters which will inform the pay-out amount as well as the price at which the next year's allocation is made.
- On vesting management can either be paid out in cash (net of tax) or can utilise the proceeds to acquire actual shares in the company. This would be limited to a maximum of 2% of the company. The amount paid out will be the value of the shares at vesting less the issue price of those shares multiplied by the number of shares vesting. The maximum pay-out is limited to 300% of the targeted pay-out which would be achieved with a
30% p.a. increase in notional share price.

The supervisory board of Scanmed (Life Healthcare and independent executives) will review the valuation methodology on an annual basis to assess its efficacy as the company expands.

Employee share plan (ESP)

The Company has implemented an employee share ownership plan via a trust that has been established to facilitate employees' direct equity ownership in the Company.

Commencing in 2012, the Company funded, via a trust, the purchase of shares to the value of R50 million per annum for the benefit of employees. The trust holds the shares and confers "rights" to shares to employees. Permanent employees belonging to the Company's retirement fund and with one year's service at date of grant are eligible for rights. The rights have been equally distributed to all qualifying employees.

The objectives of the plan are to incentivise and retain staff. Certain conditions, to fulfil these objectives, need to be attained by the employees to transfer these rights into actual shares:

- employees need to remain in the employ of the company for seven years to obtain the full quota of their rights; and
- employees need to continue to perform to acceptable standards.

Dividends start to flow to employees from the onset of the plan.

Shares are transferred from the trust to the employee after five years as follows:

- 25% of the allocated rights transfer to the employee in year five;
- 25% of the allocated rights transfer to the employee in year six; and
- 50% of the allocated rights transfer to the employee in year seven.

Employees who resign or are dismissed during the duration of the scheme will lose their rights to any shares and their rights will be distributed equally amongst the remaining employees. Thus, the number of rights will increase by the time of transfer of shares to remaining employees. Good leavers, for example those who are retrenched or retire, will have the proportionate number of shares they hold at the time of termination transferred into their name and paid out to them, less tax and costs. They will no longer participate in the ESP.

The Company will continue to acquire a number of shares on an annual basis to ensure that the opportunity is granted to new employees and the objectives of the plan are continuously achieved. Each allocation will be managed separately and will vest according to the same criteria.

The efficacy of the plan is proving advantageous as staff turnover for the qualifying participants has reduced substantially. A participant from the onset thus has582.55 rights to shares as at 1 July 2015.

Non-executive director remuneration

The fees in respect of non-executive directors are reviewed on an annual basis and independent survey house data is utilised for benchmarking purposes. Fees are paid as a combination of a retainer and a fee per meeting to ensure alignment with the emerging market practice and Company culture.

ANNEXURE C
Audited summarised consolidated results

Summarised consolidated statement of comprehensive income
for the year ended 30 September 2015

R'm	30 September 2015	% Change	30 September 2014
Revenue	**14 647**	12.3	13 046
Other income	**129**		115
Operating expenses	**(11 280)**		(10 011)
Profit on disposal of a business	**–**		2
Contingent consideration released	**21**		–
Transaction costs	**(15)**		(16)
Profit on disposal of investment in associate	**–**		957
Gain on bargain purchase	**–**		1
Impairment of property, plant and equipment	**–**		(1)
Operating profit	**3 502**	(14.4)	4 093
Fair value gain on derivative financial instruments	**29**		49
Finance income	**12**		22
Finance cost	**(445)**		(230)
Share of associates' and joint ventures' net profit after tax	**14**		39
Profit before tax	**3 112**		3 973
Tax expense	**(884)**		(875)
Profit after tax	**2 228**	(28.1)	3 098
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences	**158**		(1)
Items that will not be reclassified to profit or loss			
Retirement benefit asset	**(6)**		19
Post-retirement medical aid	**1**		2
Total comprehensive income for the year	**2 381**	(23.6)	3 118
Profit after tax attributable to:			
Ordinary equity holders of the parent	**1 866**	(32.7)	2 774
Non-controlling interest	**362**		324
	2 228	(28.1)	3 098
Total comprehensive income attributable to:			
Ordinary equity holders of the parent	**2 010**	(28.1)	2 796
Non-controlling interest	**371**		322
	2 381	(23.6)	3 118

Summarised consolidated statement of comprehensive income (continued)

for the year ended 30 September 2015

	30 September 2015	% Change	30 September 2014
Weighted average number of shares in issue (million)	**1 037**		1 037
Earnings per share (cents)	**179.9**	(32.7)	267.5
Headline earnings per share (cents)	**179.9**	1.2	177.8
Diluted earnings per share (cents)	**179.2**	(32.8)	266.7
Diluted headline earnings per share (cents)	**179.2**	1.1	177.3
Headline earnings (R'm)			
Profit attributable to ordinary equity holders	**1 866**		2 774
Headline earnings adjustable items			
Impairment of property, plant and equipment	**–**		1
Profit on disposal of a business	**–**		(2)
Profit on disposal of investment in associate	**–**		(957)
Gain on bargain purchase	**–**		(1)
Tax	**–**		29
Headline earnings	**1 866**	1.2	1 844

ANNEXURE C
Audited summarised consolidated results (continued)

Summarised consolidated statement of financial position
as at 30 September 2015

R'm	**30 September 2015**	30 September 2014
ASSETS		
Non-current assets	**13 164**	9 700
Property, plant and equipment	**7 101**	5 901
Intangible assets	**2 964**	2 318
Other non-current assets	**3 099**	1 481
Current assets	**2 771**	2 113
Other current assets	**1 959**	1 691
Cash and cash equivalents	**812**	422
TOTAL ASSETS	**15 935**	11 813
EQUITY AND LIABILITIES		
Capital and reserves		
Capital and reserves	**5 168**	4 792
Non-controlling interest	**1 280**	1 108
TOTAL EQUITY	**6 448**	5 900
LIABILITIES		
Non-current liabilities	**5 873**	2 909
Interest-bearing borrowings	**5 263**	2 344
Other non-current liabilities	**610**	565
Current liabilities	**3 614**	3 004
Other current liabilities	**2 133**	1 842
Interest-bearing borrowings	**924**	1 007
Bank overdraft	**557**	155
TOTAL LIABILITIES	**9 487**	5 913
TOTAL EQUITY AND LIABILITIES	**15 935**	11 813

Summarised consolidated statement of changes in equity

for the year ended 30 September 2015

R'm	Total capital and reserves	Non-controlling interest	Total equity
Balance at 1 October 2014	4 792	1 108	5 900
Total comprehensive income for the year	2 010	371	2 381
Profit for the year	1 866	362	2 228
Other comprehensive income	144	9	153
Gains on transactions with non-controlling interests	7	(7)	–
Increase in ownership interest in subsidiaries	(36)	–	(36)
Distributions to shareholders	(1 522)	(192)	(1 714)
Life Healthcare Employee Share Trust charge	28	–	28
Long-Term Incentive Scheme charge	8	–	8
Purchase of treasury shares	(120)	–	(120)
Profit on disposal of treasury shares	1	–	1
Balance at 30 September 2015	**5 168**	**1 280**	**6 448**
Balance at 1 October 2013	4 525	1 081	5 606
Total comprehensive income for the year	2 796	322	3 118
Profit for the year	2 774	324	3 098
Other comprehensive income	22	(2)	20
Gains on transactions with non-controlling interests	8	(8)	–
Non-controlling interest arising on business combination	–	6	6
Increase in ownership interest in subsidiaries	(102)	–	(102)
Distributions to shareholders	(2 449)	(293)	(2 742)
Life Healthcare Employee Share Trust charge	17	–	17
Long-Term Incentive Scheme charge	18	–	18
Purchase of Treasury shares	(21)	–	(21)
Balance at 30 September 2014	**4 792**	**1 108**	**5 900**

ANNEXURE C
Audited summarised consolidated results (continued)

Summarised consolidated statement of cash flows
for the year ended 30 September 2015

R'm	30 September 2015	% Change	30 September 2014
Cash generated from operations	**3 842**	9.3	3 516
Tax paid	**(903)**		(980)
Net cash generated from operating activities	**2 939**	15.9	2 536
Capital expenditure	**(1 181)**	22.8	(962)
Other	**(2 037)**		864
Net cash utilised in investing activities[1]	**(3 218)**		(98)
Interest-bearing borrowings raised	**4 268**		1 661
Interest-bearing borrowings repaid	**(1 860)**		(919)
Distributions to shareholders	**(1 520)**		(2 446)
Other	**(654)**		(562)
Net cash utilised in financing activities	**234**		(2 266)
Net (decrease)/increase in cash and cash equivalents	**(45)**		172
Cash and cash equivalents – beginning of the year	**267**		64
Cash balances acquired through business combinations	**20**		23
Effect of foreign currency movement	**13**		8
Cash and cash equivalents – end of the year	**255**		267

[1] *The cash utilised in investing activities includes the acquisitions in Poland (R633 million), and the additional shares in Max Healthcare Institute Limited, India for R1.3 billion.*

Segmental report

The Hospital segment comprises all the private hospitals in southern Africa, the Healthcare Services segment comprises Life Esidimeni, Life Occupational Health and Careways Wellness. International comprises Poland while the Other segment comprises Corporate.

There are no inter-segment revenue streams.

R'm	Year ended 30 September 2015	Year ended 30 September 2014
Operating segments		
Revenue		
Southern Africa		
Hospitals	**13 133**	12 007
Healthcare Services	**866**	864
International		
Hospitals	**648**	175
Total	**14 647**	13 046
Profit before items detailed below		
Southern Africa		
Hospitals	**3 201**	2 905
Healthcare Services	**157**	135
Other	**191**	213
International		
Hospitals	**54**	3
Operating profit before items detailed below	**3 603**	3 256
Amortisation of intangible assets	**(127)**	(122)
Impairment of property, plant and equipment	**–**	(1)
Profit on disposal of investment in associate	**–**	957
Profit on disposal of a business	**–**	2
Gain on bargain purchase	**–**	1
Retirement benefit asset	**20**	15
Post-retirement medical aid	**–**	1
Transaction costs	**(15)**	(16)
Contingent consideration released	**21**	–
Operating profit	**3 502**	4 093
Fair value gain on derivative financial instruments	**29**	49
Finance income	**12**	22
Finance costs	**(445)**	(230)
Share of associates' and joint ventures' net profit after tax	**14**	39
Profit before tax	**3 112**	3 973

ANNEXURE C
Audited summarised consolidated results (continued)

R'm	Year ended 30 September 2015	Year ended 30 September 2014
Operating profit before items detailed includes the segment's share of shared services and rental costs. These costs are all at market related rates.		
Total assets before items below		
Southern Africa	**10 710**	9 160
International	**4 419**	1 905
Total assets before items detailed below	**15 129**	11 065
Deferred tax assets	**341**	253
Current income tax asset	**36**	49
Retirement benefit asset	**389**	372
Post-retirement medical aid	**17**	18
Derivative financial instruments	**23**	56
Total assets per the balance sheet	**15 935**	11 813
Net debt		
Southern Africa	**5 625**	2 620
International	**307**	464
	5 932	3 084

Liabilities are reviewed on a net debt basis, which comprises all interest-bearing borrowings and overdraft balances (net cash on hand).

Acquisitions and disposals of investments

Changes in ownership interest in subsidiaries as a result of non-controlling interest transactions
The Group had marginal increases and decreases in its shareholdings in some of its subsidiary companies due to transactions with minority shareholders.

Increase in shareholding in Max Healthcare Institute Limited
The Group acquired additional shares in Max Healthcare Institute Limited (Max Healthcare) in November 2014 and now owns 46.25%. The transaction resulted in Life Healthcare equalising its shareholding with Max India (Max equalisation). The remaining 7.5% is held by the International Finance Corporation (IFC). The additional amount invested was R1.3 billion. This was funded through the issue of preference shares in South Africa.

Business combinations

The Group acquired 100% of Genesis Clinic Saxonwold Proprietary Limited (Genesis) and the business of Careways Proprietary Limited (Careways) in March 2015 and May 2015 respectively for a total of R78 million. These companies had no significant contingent liabilities at the acquisition date.

The following presents the net impact on the consolidated information of the Group as if the business combination took place on 1 October 2014:

	R'm
Revenue	81
Net profit	4

In June 2015, Scanmed Multimedis S.A. (Scanmed) acquired 49.93% in Carint, incorporated in Poland, for R66 million. The company had no significant contingent liabilities at the acquisition date.

In October 2014, Scanmed acquired 100% of Sport Klinika, incorporated in Poland. The company had no significant contingent liabilities at the acquisition date.

The following presents the impact on the consolidated information of the Group for the period:

	R'm
Revenue	77
Net profit	10
Details of the net assets acquired and goodwill are as follows:	
Total purchase consideration	(211)
Cash portion	(211)
Non-cash portion	–
Fair value of net assets acquired	75
Goodwill arising on acquisition	(136)

The fair value of the assets and liabilities arising from the acquisition were as follows:

	Acquiree fair value R'm
Inventories	**1**
Trade and other receivables	**6**
Trade and other payables	**(7)**
Cash and cash equivalents	**18**
Current tax liability	**(1)**
Borrowings	**(46)**
Property, plant and equipment	**86**
Intangible assets	**25**
Deferred tax	**(7)**
	75

ANNEXURE C
Audited summarised consolidated results (continued)

In November 2014, Scanmed acquired 100% of Kliniki Kardiologii Allenort, incorporated in Poland. The company had no significant contingent liabilities at the acquisition date.

The following presents the impact on the consolidated information of the Group as if the business combination took place on 1 October 2014:

	R'm
Revenue	163
Net profit	16
Details of the net assets acquired and goodwill are as follows:	
Total purchase consideration	(443)
Cash portion	(338)
Contingent consideration	(105)
Fair value of net assets acquired	101
Goodwill arising on acquisition	(342)

The contingent consideration is dependent on the business gaining additional contracts in the next nine months. The contingent consideration is calculated by applying the same EBITDA multiple used on the acquisition date.

The fair value of the assets and liabilities arising from the acquisition were as follows:

	Acquiree fair value R'm
Inventories	**2**
Trade and other receivables	**66**
Trade and other payables	**(30)**
Cash and cash equivalents	**1**
Borrowings	**(87)**
Property, plant and equipment	**115**
Intangible assets	**53**
Deferred tax	**(19)**
	101

Basis of presentation and accounting policies

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act 71 of 2008, applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by *IAS 34 Interim Financial Reporting*.

The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements, except for the adoption of the new and revised standards.

These financial results have been prepared under the supervision of PP van der Westhuizen CA(SA), the Chief Financial Officer of the Group.

Report of the independent auditor

This summarised report is extracted from audited information, but is not itself audited. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the Company's registered office.

The directors take full responsibility for the preparation of the preliminary report and that the financial information has been correctly extracted from the underlying consolidated financial statements.

Commentary

Overview

The Group performed well, with revenue up 12.3% and EBITDA up 12.1%. Earnings were, however, impacted by the dilutive effect of the interest cost on the funding of the international acquisitions through debt raised in South Africa.

The southern African operations experienced good activity growth with an overall paid patient day (PPD) growth of 3.0% and an improved EBITDA margin of 28.3% (2014: 27.9%). The Group continued to deliver on its international expansion plans, investing R1.3 billion in increasing its shareholding in Max Healthcare to 46.25% and investing a further R886 million acquiring three businesses and providing funding in Poland via its subsidiary Scanmed. Revenue and EBITDA continued to show good growth in both the Polish and Indian operations.

The funding for the international investments was done via raising debt in South Africa. Primarily due to the continued ramp up of the facilities within Max Healthcare, the interest cost on the debt raised in South Africa is currently significantly higher than the earnings from this investment, resulting in an earnings dilution. Earnings per share on a normalised basis, which excludes non-trading related items and the effect of disposed/closed businesses, increased by 5.2%. Headline earnings per share (HEPS) increased by 1.2%.

Operational review

Southern Africa

During the current year, the Group focused on the following in southern Africa:

- Growing the acute business through adding additional beds at selected facilities where there is a demand for services:
  - During the year an additional 253 beds (2014: 249) were added to the business. These additional beds comprise the acquisition of the 14-bed Genesis Maternity Clinic in Saxonwold, Johannesburg, the brownfield expansions of 145 beds across the country and the 94-bed Life Hilton Private Hospital greenfield development in Hilton, KwaZulu-Natal.
  - Activities, as measured by PPDs increased by 3.2% in the acute business driven largely by the increase in capacity due to additional beds and an increase in the length of stay resulting from higher acuity surgical cases and a faster growing medical case mix.
  - Occupancies continue to remain high in the intensive and high care units (75.3%) (2014: 77%) and the overall weighted occupancy for the period was 71.9% (2014: 71.9%).
- Recruiting and retaining more specialists to our facilities:
  - The Group recruited a net 106 specialists across the country.
- Training nurses and recruiting specialist nurses in India:
  - The Group has 131 nurses from India currently working in South Africa with a further 225 nurses joining in the next 18 months. The Group is currently training 1 165 nurses and 704 nurses graduated in 2015.

- Improving the efficiency of the business:
  - The margin in southern Africa improved from 27.9% in 2014 to 28.3%. This improvement is attributable to the case mix effect of increased medical cases compared to surgical cases, growth in the complementary services businesses, the impact of efficiency programmes as well as the effect of the continued improvement in operational leverage where 69% of hospital beds have a greater than 70% occupancy.
- Expanding the complementary services business:
  - The Group experienced a 4.5% growth in mental health PPDs but a decline in PPDs of 4.4% in the acute rehabilitation business.
  - The decline in the acute rehabilitation business was largely due to doctor movements and as a result of greater competition from sub-acute units.
- Improving quality outcomes:
  - The Group continued to improve the quality metrics as evidenced by an improvement in clinical outcomes, hospital-associated infection rates and patient experience in our facilities.

Poland

The focus in Poland for the year included:

- Executing on the strategy of establishing a comprehensive countrywide network of facilities:
  - In this regard, Scanmed acquired 100% of Sport Klinika, a 46-bed orthopaedic centre, 100% of six inpatient cardiology centres (Kliniki Kardiologii Allenort) and 49.93% of the Scanmed Carint cardiology business. The Scanmed Group now consists of 334 beds, seven inpatient cardiology centres and 28 medical centres. The Group's total investment in the business is now R1.4 billion (2014: R510 million), with an EBITDA contribution of R91 million (2014: R16 million) and earnings (excluding transaction costs) of R14 million (2014: Loss of R12 million).
- Integrating the acquired businesses and improving EBITDA margins:
  - The EBITDA margin in Scanmed expanded from 9.1% in 2014 to 14% in 2015. This expansion is a combination of the efficiency programmes as well as the impact of businesses acquired where the margins are higher than the base.

India

Max Healthcare continues to grow its hospitals in line with the business plan. The business uses its own cash flows and local debt to fund these growth plans. The total investment from South Africa into Max Healthcare is R2.2 billion with the associated earnings of R5 million reflecting the growth phase of this business.

The focus in India for the year included:

- The shareholding equalisation with Max India:
  - In November 2014 the Group concluded the transaction for R1.3 billion and now owns 46.25%.
- Growing the Indian operations through select acquisitions and brownfield and greenfield developments:
  - Max Healthcare added nearly 400 operational beds through the acquisition of Pushpanjali Hospital (renamed Max Vaishali Hospital) with 340 beds, of which 260 beds are operational, and through the expansion of more operational beds in the Phase II hospitals. Max Healthcare has 2 053 operational beds as at 30 September 2015.
- Growing revenue and improving the EBITDA margin:
  - Max Healthcare grew both net revenue and EBITDA for the 12-month period by 31%.
  - The EBITDA margin remained stable at 9.9%.

Financial performance

Group revenue increased by 12.3% to R14 647 million (2014: R13 046 million) consisting mainly of an 8.8% increase in southern African revenue to R13 999 million (2014: R12 871 million) and R648 million (2014: R175 million), revenue contribution from Scanmed. The southern African Hospital division revenue increased by 9.4% to R13 133 million (2014: R12 007 million) driven by a 3% increase in PPDs and a higher revenue per PPD of 6.4%, made up of a 5.9% tariff increase and a 0.5% positive case mix impact. Healthcare Services revenue remained flat in the current year.

Normalised EBITDA[1] increased by 12.1% to R4 048 million (2014: R3 611 million). Normalised EBITDA on a continuing basis increased by 12.5% to R4 048 million (2014: R3 597 million).

R'm	30 September 2015	% Change	30 September 2014
Normalised EBITDA			
Operating profit	**3 502**		4 093
Profit on disposal of investment in associate	**–**		(957)
Contingent consideration released	**(21)**		–
Gain on bargain purchase	**–**		(1)
Impairment of property, plant and equipment	**–**		1
Profit on disposal of business	**–**		(2)
Depreciation on property, plant and equipment	**445**		355
Transaction costs	**15**		16
Amortisation of intangible assets	**127**		122
Retirement benefit asset	**(20)**		(15)
Post-employment medical aid	**–**		(1)
Normalised EBITDA	**4 048**	12.1	3 611
Discontinued operations*	**–**		(14)
Normalised EBITDA – continued operations	**4 048**	12.5	3 597
Southern Africa	**3 957**	10.5	3 581
Poland	**91**		16

* *Discontinued operations are businesses that for comparative purposes are disclosed separately due to only being included for part of a period. The businesses were disposed/closed during the prior period and include Matikwana Hospital where the contract with the Government came to an end in March 2014.*

Cash flow

The Group produced strong cash flows from operations of 95% of EBITDA (2014: 97%), however, the overall net cash outflow position of the Group is negative, given the significance of the investing activities during the period, primarily associated with the investment opportunities of the Group. This net outflow was funded through raising of debt in South Africa.

Competition Commission Market Inquiry

Life Healthcare has made a detailed submission on the subject matter of the Inquiry and submitted a further response to the public submissions as requested by the Panel. This is a large and complex inquiry and the Commission has now published a revised timetable with public hearings occurring from February 2016 to May 2016, a provisional report to be published during August 2016 and the final report being published in December 2016.

[1] *Life Healthcare defines normalised EBITDA as operating profit plus depreciation, amortisation of intangible assets, impairment of property, plant and equipment as well as excluding profit/loss and fair value adjustments on disposal of businesses, fair value adjustments, transaction costs and surpluses/deficits on retirement benefits.*

ANNEXURE C
Audited summarised consolidated results (continued)

Financial position

The Group still has a strong financial position. Net debt to normalised EBITDA as at 30 September 2015 was 1.49 times (2014: 0.84 times). The increase in debt is primarily due to the R1.3 billion investment into Max Healthcare in November 2014 and the R886 million spent on acquisitions and funding in Poland. The bank covenant for net debt to EBITDA is 2.75 times.

The Group is exploring alternative funding opportunities to finance the international acquisitions and this includes the introduction of a Scrip Distribution programme.

The Scrip Distribution, with the election to receive the Cash Dividend, allows the Group to utilise the cash saved through the programme to support continued growth, affords shareholders the opportunity to increase their shareholding in the Group, and provides flexibility for those shareholders who would prefer to receive a Cash Dividend.

HEPS and normalised earnings per share

HEPS increased by 1.2% to 179.9 cps (2014: 177.8 cps). Earnings per share on a normalised basis, which excludes non-trading related items listed below and the effect of disposed/closed businesses, increased by 5.2% to 177.4 cps (2014: 168.6 cps).

R'm	2015	%	2014
Normalised earnings			
Profit attributable to ordinary equity holders	**1 866**		2 774
Decrease in profits due to the impact of businesses disposed/closed^ (net of tax):	**–**		(54)
Adjusted profit attributable to ordinary equity holders from continued operations	**1 866**		2 720
Profit on disposal of a business	**–**		(1)
Contingent consideration released	**(21)**		–
Profit on disposal of investment in associate	**–**		(929)
Impairment of property, plant and equipment	**–**		1
Retirement funds	**(15)**		(11)
Retirement funds (included in employee benefits expense)	**(4)**		(7)
Transaction costs	**15**		16
Fair value gain on foreign exchange hedge contract	**(1)**		(40)
Gain on bargain purchase	**–**		(1)
Normalised earnings from continued operations	**1 840**	5.3	1 748
Normalised EPS (cents) from continued operations	**177.4**	5.2	168.6
Southern Africa Operations (cents)	**194.1**		176.8
International Operations (cents)	**1.8**		(2.2)
Funding costs (international acquisitions) (cents)	**(18.5)**		(6.0)

^ *Includes Matikwana Hospital and Joint Medical Holdings Limited.*

Capital expenditure

During the current financial year, Life Healthcare invested R3 218 million (2014: R1 480 million) mainly comprising capital projects of R1 181 million (2014: R962 million), R1.3 billion for the equalisation of Max Healthcare and R633 million in expanding the business of Scanmed. This investment in the Group's facilities ensures that the demand for services is met and the Group remains abreast of modern technology and standards.

Changes to board of directors

FA du Plessis retired from the board; audit; and the social, ethics and transformation committees with effect from 28 January 2015 at the annual general meeting. GC Solomon and JK Netshitenzhe were respectively appointed to the audit committee and the social, ethics and transformation committee with effect from 29 January 2015. MEK Nkeli was appointed to the board of directors as a non-executive director with effect from 1 October 2015.

Scrip Distribution and Cash Dividend alternative

1. Introduction

The board has declared a final distribution for the year ended 30 September 2015, by way of the issue of fully paid Life Healthcare Group Holdings Limited ordinary shares of 0.0001 cent each (the Scrip Distribution) payable to ordinary shareholders (Shareholders) recorded in the register of the Company at the close of business on the Record Date, being Friday, 11 December 2015.

Shareholders will be entitled, in respect of all or part of their shareholding, to elect to receive a gross cash dividend of 86 cents per ordinary share in lieu of the Scrip Distribution, which will be paid only to those Shareholders who elect to receive the cash dividend, in respect of all or part of their shareholding, on or before 12:00 on Friday, 11 December 2015 (the Cash Dividend). The Cash Dividend has been declared from income reserves. A dividend withholding tax of 15% will be applicable to all shareholders not exempt, therefrom after deduction of which the net Cash Dividend is 73.1 cents per share.

The new ordinary shares will, pursuant to the Scrip Distribution, be settled by way of capitalisation of the Company’s distributable retained profits.

The Company’s total number of issued ordinary shares is 1 042 209 750 as at 12 November 2015. The Company's Income Tax reference number is 9387/307/15/1.

2. Terms of the Scrip Distribution

The Scrip Distribution will be done at a 2.5% discount to the 15-day volume weighted average price (VWAP). The number of Scrip Distribution shares to which each of the Shareholders will become entitled pursuant to the Scrip Distribution (to the extent that such Shareholders have not elected to receive the Cash Dividend) will be determined by reference to such Shareholder’s ordinary shareholding in Life Healthcare Group Holdings Limited (at the close of business on the Record Date, being Friday, 11 December 2015) in relation to the ratio that 86 cents multiplied by 1.025 bears to the VWAP of an ordinary Life Healthcare Group Holdings Limited share traded on the JSE during the 15-day trading period ending on Thursday, 26 November 2015. Where the application of this ratio gives rise to a fraction of an ordinary share, the number of shares will be rounded up to the nearest whole number if the fraction is 0.5 or more and rounded down to the nearest whole number if the fraction is less than 0.5.

ANNEXURE C
Audited summarised consolidated results (continued)

Details of the ratio will be announced on the Stock Exchange News Service (SENS) of the JSE in accordance with the timetable below.

3. Circular and salient dates

A circular providing shareholders with full information on the Scrip Distribution and the Cash Dividend alternative, including a Form of Election to elect to receive the Cash Dividend alternative will be posted to Shareholders on or about Thursday, 19 November 2015. The salient dates of events thereafter are as follows:

Event	Date
Announcement released on SENS in respect of the ratio applicable to the Scrip Distribution, based on the 15-day volume weighted average price ending on Thursday, 26 November, by 11:00 on	Friday, 27 November 2015
Announcement published in the press of the ratio applicable to the Scrip Distribution, based on the 15-day volume weighted average price ending on Thursday, 26 November 2015 on	Monday, 30 November 2015
Last day to trade in order to be eligible for the Scrip Distribution and the Cash Dividend alternative	Friday, 4 December 2015
Ordinary shares trade "ex" the Scrip Distribution and the Cash Dividend alternative on	Monday, 7 December 2015
Listing and trading of maximum possible number of ordinary shares on the JSE in terms of the Scrip distribution from the commencement of business on	Monday, 7 December 2015
Last day to elect to receive the Cash Dividend alternative instead of the Scrip Distribution, Forms of Election to reach the Transfer Secretaries by 12:00 on	Friday, 11 December 2015
Record Date in respect of the Scrip Distribution and the Cash Dividend alternative	Friday, 11 December 2015
Scrip Distribution shares issued to shareholders on the South African register and Scrip Distribution, certificates posted and Cash Dividend payments made, CSDP/broker accounts credited/updated, as applicable, on	Monday, 14 December 2015
Announcement relating to the results of the Scrip Distribution and the Cash Dividend alternative released on SENS on	Monday, 14 December 2015
Announcement relating to the results of the Scrip Distribution and the Cash Dividend alternative published in the press on	Tuesday, 15 December 2015
JSE listing of ordinary shares in respect of the Scrip Distribution adjusted to reflect the actual number of ordinary shares issued in terms of the Scrip Distribution at the commencement of business on or about	Thursday, 17 December 2015

All times provided are South African local times. The above dates and times are subject to change. Any change will be announced on SENS.

Share certificates may not be dematerialised or rematerialised between Monday, 7 December 2015 and Friday, 11 December 2015, both days inclusive.

Outlook

In southern Africa the Group will continue to focus on its growth objectives. The Group aims to add 210 beds in the 2016 financial year, being 108 acute hospital brownfield expansion beds and 102 mental health beds. The complementary services business will also grow further through the addition of 50 renal stations and the addition of an oncology unit, while a further unit is under construction and will become operational in the 2017 financial year. The pressure on costs will remain in light of the weakening exchange rate, wage expectations and other overhead costs. The Group will continue to focus on efficiency programmes to lessen the impact.

In Poland, the Group will continue to execute on its strategy of establishing a comprehensive network of facilities and will explore further acquisition opportunities, as well as the integration of the acquired businesses. The Group will also continue to focus on improving margin through the driving of further efficiencies.

The Max Healthcare business will continue to focus on driving revenue through increasing the number of operational beds and focus on improving operational efficiencies.

The Group is currently in the process of acquiring a business in Poland via Scanmed and Max Healthcare is in the process of acquiring a hospital in Delhi. Both of these transactions are dependent on regulatory approval and the successful completion of due diligence processes. The expected conclusion of these transactions is before the end of December 2015.

The quality management programme of the Group is a comprehensive, consistently applied and measured programme which benchmarks clinical interventions against international best practice with the aim of enhancing patient outcomes. In addition Life Healthcare recognises the shortage of healthcare skills and will continue to invest heavily in the training of doctors, nurses and pharmacists. The Competition Commission Market Inquiry into the healthcare sector will play an important role in 2016 as the Commission looks to complete the Inquiry by December 2016.

Thanks

The contribution of the doctors, nurses and employees of Life Healthcare have greatly enhanced the quality of our performance. We thank them for their contributions.

Approved by the board of directors on 12 November 2015 and signed on its behalf:

Mustaq Brey
Chairman

André Meyer
Chief Executive Officer

ANNEXURE D
Board of directors

1. **MA (Mustaq) Brey (61)**

   Chairman (non-executive director)

   South African – BCompt (Hons), CA(SA)

   Mustaq is a founder and chief executive officer of Brimstone Investment Corporation Limited. He serves on the boards of Oceana Fishing Group Limited and Lion of Africa Insurance Company Limited. He serves on the audit committee of the Mandela Rhodes Foundation and is an independent director and chairman of finance committee of Western Province Cricket Association. He was appointed to the Life Healthcare board of directors in 2005 and appointed as Chairman in February 2013.

2. **A (André) Meyer (49)**

   Chief Executive Officer

   South African

   André has over 29 years' experience at executive level in the financial and healthcare sectors. He joined Alexander Forbes Financial Services Limited as a financial consultant and later headed up the firm's negotiated benefits division, before being appointed as the divisional director and subsequently, managing director of the healthcare consultants division. A year later, the health management solutions division was added to his portfolio. André also represented Alexander Forbes on the board of FIHRST Management Services, South Africa, a joint venture with Standard Bank Limited. On 1 April 2003, André was appointed the chief executive officer of Medscheme Limited and later also served on the board of AfroCentric Health Limited as an executive, following its acquisition of Medscheme. André became Chief Executive Officer of Life Healthcare on 1 April 2014.

3. **PP (Pieter) van der Westhuizen (44)**

   Chief Financial Officer

   South African – BCom (Acc), CA(SA)

   Pieter completed his training contract and qualified as a chartered accountant in 1996 at PricewaterhouseCoopers Inc. He joined President Medical Investments Limited (Presmed) in 1999, which became part of Afrox Healthcare Limited. Pieter performed various roles in the finance department of Afrox Healthcare and played a significant role in Afrox Healthcare's delisting in 2005 and its subsequent relisting as Life Healthcare in 2010. He was appointed as Chief Financial Officer in 2013.

4. **Adv F (Fran) du Plessis (60)**

   Retired 28 January 2015, independent non-executive director

   South African – BCom, LLB, CA(SA), BCom (Hons) (Taxation)

   Fran is an advocate of the High Court of South Africa. Fran has previously held non-executive directorships at Naspers Limited, Standard Bank Group Limited, ArcelorMittal South Africa Limited, Sanlam Limited and SA and Industrial Development Corporation of South Africa Limited. She is an ad hoc lecturer in the department of accounting at the University of Stellenbosch, where she lectures the Masters' degree in Taxation. She was appointed to the Life Healthcare board of directors in 2010. She retired from the Board in January 2015.

5. **PJ (Peter) Golesworthy (57)**

   Lead independent non-executive director

   British – BA (Hons) (first class), Accountancy Studies, CA

   Peter qualified as a chartered accountant with the Institute of Chartered Accountants of Scotland. He serves as a director of a number of private companies and as a member of various investment committees of certain Old Mutual businesses. He was previously the finance director of Old Mutual (South Africa). He was appointed to the Life Healthcare board of directors in 2010.

6. **Prof ME (Marian) Jacobs (67)**

   Independent non-executive director

   South African – MBChB (UCT), Diploma in Community Medicine (UCT), Fellowship of the College of South Africa (with paediatrics)

   Marian retired as dean of the Faculty of Health Sciences at the University of Cape Town in 2012 and currently holds the position of Emeritus Professor, Paediatrics and Child Health, University of Cape Town. She chairs the advisory committee of the Academy for Leadership and Management in Healthcare at the National Department of Health and serves several global health organisations, including the World Health Organisation. Previous positions held include Professor and Head of Department of Paediatrics and Child Health, and founding director of the Children's Institute in the Faculty of Health Sciences at the University of Cape Town. Marian was appointed to the Life Healthcare board of directors in 2014.

7. LM (Louisa) Mojela (59)

Independent non-executive director

South African – BCom (National University of Lesotho (NUL))

Louisa is group chief executive officer and chairman of WIPHOLD – of which she is a founder member. She holds non-executive directorships in Distell Group Limited, Ixia Coal, Sun International Limited and USB-ED Limited. She previously held positions at the Lesotho National Development Corporation, Development Bank of Southern Africa and Standard Corporate and Merchant Bank. She was appointed to the Life Healthcare board of directors in 2010.

8. JK (Joel) Netshitenzhe (58)

Independent non-executive director

South African – MSc (University of London, School of Oriental and African Studies (SOAS)), Postgraduate Diploma in Economic Principles, Diploma in Political Science

Joel is the executive director and board vice-chairperson of the Mapungubwe Institute for Strategic Reflection (MISTRA), an independent research institute. He is a member of the ANC national executive committee and was a member of the first National Planning Commission (2010 – 2015). Joel serves as a non-executive director on the boards of Nedbank Group, the Council for Scientific and Industrial Research (CSIR) and CEEF Africa (a section 21 company dealing with tertiary education opportunities). He is also a programme pioneer of the Nelson Mandela Champion Within Programme. He has held a number of senior and executive management positions in the ANC government including that of head of Policy Co-ordination and Advisory Services (PCAS) in The Presidency. He was appointed to the Life Healthcare board of directors in 2010.

9. Dr MP (Malefetsane) Ngatane (61)

Independent non-executive director

South African – BSc, MBChB, FCOG

Malefetsane is a specialist obstetrician and gynaecologist. He has served as a consultant obstetrician and gynaecologist, and superintendent of the Chris Hani Baragwanath Hospital. He also served as the head of obstetrics and gynaecology at Natalspruit Hospital. He is currently in private practice. Malefetsane is the President of the Commonwealth Boxing Council (CBC), based in London, and serves on the boards of Boxing South Africa (BSA) and the World Boxing Council based in Mexico. He is also the vice-president of the African Boxing Union based in Tunisia and previously served as treasurer for the International Planned Parenthood Federation in Nairobi. He was appointed to the Life Healthcare board of directors in 2007.

10. GC (Garth) Solomon (48)

Independent non-executive director

South African – BCom, BCompt (Hons), CA(SA)

Garth completed his articles with Deloitte & Touche; thereafter he served in various commercial and corporate finance roles with the South African Revenue Service, Group Five Properties and African Harvest Limited before joining Old Mutual Private Equity in 2003. He was appointed head of private equity in 2012, and was a member of the Old Mutual Private Equity team until 2013. In this capacity he was involved in numerous investments and served on the boards and sub-committees of a number of large private businesses including Air Liquid, Metro Cash & Carry, the Tourvest Group and Liberty Star Consumer Holdings. Garth is currently the co-owner and a director of Evolve Capital, an investment trust that invests in small and medium-sized businesses. Garth was appointed to the Life Healthcare board of directors in 2005.

11. RT (Royden) Vice (68)

Independent non-executive director

South African – BCom, CA(SA)

Royden is the chairman of the board of Waco International Holdings Proprietary Limited since retiring in July 2011 after 10 years as the company's chief executive officer. The Waco group of companies has subsidiaries in the UK, USA, Australia, New Zealand, Chile and southern Africa. Prior to this, Royden was chief executive officer of Industrial and Special Products of the UK-based BOC Group, responsible for operations in over 50 countries and revenue of US$4 billion. He was also chairman of African Oxygen Limited (Afrox) from 1994 to 2001 and Afrox Healthcare, which successfully listed in 1999. He serves as a non-executive director on the boards of Hudaco Industries Limited where he is the chairman, and Murray and Roberts Holdings. Royden is a governor of Rhodes University. He has extensive global leadership experience, having lived on three continents – America (New York), Africa (Johannesburg) and Europe (London). Royden was appointed to the Life Healthcare board of directors in 2014.

ANNEXURE E
Shareholder distribution
for the year ended 30 September 2015

1. Analysis of registered shareholders and company schemes

Registered shareholder spread

In accordance with the JSE Listings Requirements, the following table confirms the spread of registered shareholders as detailed in the Annual Report and Accounts dated 25 September 2015 was:

Registered shareholder spread

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	5 965	51	2 329 839	0.22
1 001 – 10 000 shares	3 965	33.84	13 015 541	1.25
10 001 – 100 000 shares	1 297	11.07	43 714 679	4.19
100 001 – 1 000 000 shares	377	3.22	118 270 344	11.35
1 000 001 shares and above	112	0.96	864 879 347	82.99
Total	**11 716**	**100.00**	**1 042 209 750**	**100.00**

Public and non-public shareholdings

Within the shareholder base, we are able to confirm the split between public shareholdings and directors/ Company-related schemes as being:

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	9	0.08	58 301 335	5.60
Directors	5	0.04	908 255	0.09
Brimstone Investment Corporation Limited	3	0.03	52 305 786	5.02
Life Healthcare Employees Share Trust	1	0.01	5 096 294	0.49
Public shareholders	11 707	99.92	983 899 415	94.40
Total	**11 716**	**100.00**	**1 042 209 750**	**100.00**

2. Substantial investment management and beneficial interests

Substantial investment management and beneficial interests above 3%

Through regular analysis of STRATE registered holdings, and pursuant to the provisions of section 56 of the Companies Act, the following shareholders held directly and indirectly equal to or in excess of 3% of the issued share capital as at 25 September 2015:

Investment management shareholdings

Investment manager	Total shareholding	%
Government Employees Pension Fund (PIC)	139 684 345	13.40
J.P. Morgan Asset Management	67 960 234	6.52
Industrial Development Corporation (IDC)	52 056 137	4.99
Brimstone Investment Corporation Limited	46 000 000	4.41
BlackRock Inc	44 899 900	4.31
GIC Asset Management Proprietary Limited	31 839 969	3.06
International Finance Corporation	31 800 000	3.05
The Vanguard Group Inc	31 565 492	3.03
Total	**445 806 077**	**42.77**

Beneficial shareholdings

Beneficial shareholdings	Total shareholding	%
Government Employees Pension Fund (PIC)	144 239 049	13.84
Industrial Development Corporation (IDC)	52 056 137	4.99
Brimstone Investment Corporation Limited	46 000 000	4.41
GIC Asset Management Proprietary Limited	32 235 769	3.09
International Finance Corporation	31 800 000	3.05
Total	**306 330 955**	**29.38**

Previously disclosed holdings

Investment managers now holding below 3%

Investment manager	Total shareholding	%	Previous %
Manning & Napier Advisors Inc	48 496 555	–	4.65
Total	**48 496 555**	**–**	**4.65**

Beneficial owners now holding below 3%

Beneficial owners	Total shareholding	%	Previous %
–	–	–	–
Total	**–**	**–**	**–**

3. Geographic split of shareholders

Geographic split of investment managers and Company-related holdings

Region	Total shareholding	% of issued capital
South Africa	460 395 656	44.17
United States of America and Canada	248 446 026	23.84
United Kingdom	187 797 869	18.02
Rest of Europe	44 157 847	4.24
Rest of World[1]	101 412 354	9.73
Total	**1 042 209 752**	**100.00**

Geographic split of beneficial shareholders

Region	Total shareholding	% of issued capital
South Africa	475 085 666	45.58
United States of America and Canada	238 760 753	22.91
United Kingdom	72 564 610	6.96
Rest of Europe	152 640 193	14.65
Rest of World[1]	103 158 528	9.90
Total	**1 042 209 750**	**100.00**

[1] *Represents all shareholdings except those in the above regions.*

ANNEXURE E
Shareholder distribution (continued)

4. Shareholder categories

An analysis of beneficial shareholdings, supported by the section 56 enquiry process, confirmed the following beneficial shareholder types:

Category	Total shareholding	% of issued capital
Unit trusts/mutual funds	331 700 737	31.83
Pension funds	235 557 588	22.60
Other managed funds	121 760 417	11.68
Sovereign wealth	80 561 169	7.73
Private investor	75 776 911	7.27
Government of SA	52 056 137	4.99
Black economic empowerment	47 328 337	4.54
Custodians	34 865 316	3.35
Investment trust	16 458 383	1.58
Insurance companies	15 899 587	1.53
Employees	6 697 758	0.64
Exchange-traded fund	5 012 663	0.48
Corporate holding	2 787 720	0.27
Charity	1 374 846	0.13
Hedge fund	1 365 420	0.13
Local authority	451 953	0.04
Foreign government	296 000	0.03
University	275 424	0.03
Remainder	11 983 384	1.15
Total	**1 042 209 750**	**100.00**

ANNEXURE F

Share capital

for the year ended 30 September 2015

	2015 R'm	2014 R'm
SHARE CAPITAL		
Authorised		
Ordinary shares		
4 149 980 000 (2014: 4 149 980 000) ordinary shares of R0.000001 each (Total value = R4 149 (2014: R4 149))	1	1
Issued and fully paid		
Ordinary shares		
Balance at 30 September	1	1
Fully paid share capital		
1 042 209 750 (2014: 1 042 209 750) ordinary shares of R0.000001 each (Total value = R1 042 (2014: R1 042))	1	1
Treasury shares	**(262)**	(170)
6 707 800 (2014: 5 056 473)	**(262)**	(170)
Reconciliation of the value of treasury shares		
Balance at 1 October	**(170)**	(149)
Shares sold in respect of the long-term incentive scheme	**9**	2
Purchase of shares in respect of the Life Healthcare Employee Share Trust	**(100)**	–
Purchase of shares in respect of the long-term incentive scheme	**(20)**	(23)
Vesting of shares in respect of the long-term incentive scheme	**19**	–
Closing balance	**(262)**	(170)
Reconciliation of number of shares ('000)		
Opening balance	**1 037 153**	1 037 549
Life Healthcare Employee Share Trust		
Granted[2]	**(2 427)**	–
Exercised[2]	**121**	114
Long-term incentive scheme		
Granted[2]	**(511)**	(592)
Exercised[2]	**256**	82
Vested[2]	**909**	–
Closing balance	**1 035 501**	1 037 153

1 *Amounts rounded to less than R million.*

2 *All shares traded at market values.*

	2015 R'm	2014 R'm
SHARE PREMIUM		
Balance at 1 October	**3 373**	3 373
	3 373	3 373

Administration

Secretary
Fazila Patel

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Registration
2003/002733/06

Place of Incorporation
Illovo

JSE code
LHC

ISIN
ZAE000145892

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Auditors
PricewaterhouseCoopers Inc.

Transactional bankers
First National Bank

Sponsors
Rand Merchant Bank (A division of FirstRand Bank Limited)

Transfer secretaries
Computershare Investor Services Proprietary Limited

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