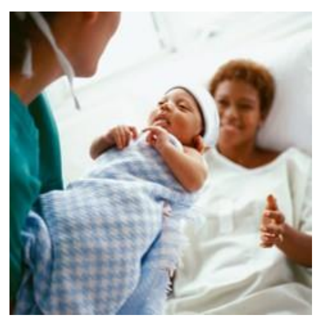
Life Healthcare Group

Pre-close call: September 2015

2015

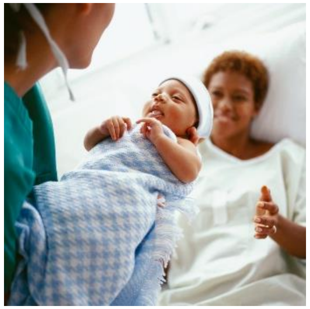


Outlook as per the interim results
SA

SA:

- Addition of 178 beds in H2
- ±450 beds in the next 18 months
- PPD growth of between 3-4%
- Stable margins
- Continued focus on improving clinical quality outcomes
- Continue to participate in the CC healthcare inquiry





Outlook as per interim results

International

India:

- Well positioned to take advantage of the rapidly developing private healthcare sector
- Leveraging off the existing base and growing by:
  - Brownfield expansions
  - Greenfield projects
  - Acquisitions
- Next 3-4 years:
  - Strong visibility to ±3 000 beds
  - EBITDA margin improvement to ±15% on existing business (2 000 beds)

Poland:

- Continued revenue and EBITDA growth
- Focus on completing integration of acquired businesses to drive efficiencies
- Positioning of the business to maximise our growth in new national health contracts in 2016
- Continue M & A activity

SA Introduction

More difficult economic environment in SA

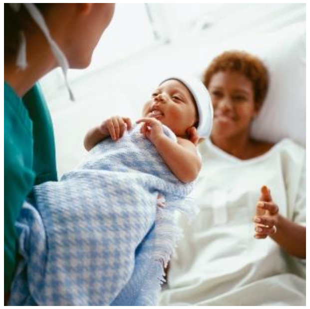
Seen a slowdown in growth of new lives in the private healthcare market:

- 2014 CMS figures show growth of 0.4%
- Expect 2015 growth to be similar

Depreciation of the Rand has a negative impact on imported costs

Despite this environment a solid 6 month performance with activity growth in line with expectations and tight management of costs

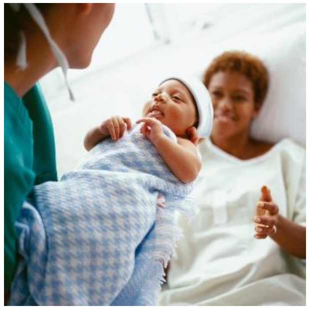




SA: Acute business

- Bed growth in H2:
  - Brownfield: 69 beds
  - Greenfield: 94 beds
    - The Life Hilton hospital beds only opened in September
  - Total H2: 163 beds
- Total 2015: 249 beds
- Expect PPD growth of between 3 - 3.5%. Seen a slight slowdown over the last 2 months
- Occupancy consistent at between 71 – 72%
- Pricing similar to H1

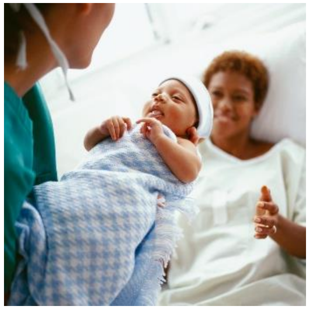




SA – H2 Business Update

SA:

- Continued growth in renal dialysis – 38 additional stations
- Healthcare Services experienced a difficult half:
  - Life Esidimeni revenues will be relatively flat in H2
  - Life Occupational Health:
    - Closely aligned to the economy, particularly large manufacturing and mining
    - Revenue growth in line with H1 but seen a contraction in margins
- CC healthcare inquiry:
  - Still await the revised timetable - Inquiry will continue well into 2016



MHC Growth:

- PCH Acquisition:
  - Acquired 76% of Pushpanjali Crosslay Hospital (PCH) for Rs 287 Cr
  - Acquisition effective in mid-July
  - A 340 bed facility with capacity to grow to 540 beds
  - Situated 4km from the MHC Patpaganj hospital (PPG)
  - Patpaganj (PPG) has high occupancies and originally planned a substantial brownfield expansion – this expansion will be put on hold and MHC will look for integration synergies between the 2 hospitals
- Focus on increasing revenue per day:
  - Targeting improved revenue mix
  - Reduced length of stay to 3 days
  - Resulted in a short term drop in occupancies
- Revenue growth in line with H1 growth

Poland:

- Business has focused on:
  - completing integration of acquired businesses to drive efficiencies
  - Positioning of the business to maximise our growth in new national health contracts in 2016
  - Continued M & A activity:
    - Acquired 49.9% of the Scanmed Carint cardiology business
    - Currently working on a number of acquisition opportunities
  - Revenue growth in line with our expectations

Margins:

- SA:
  - Ebitda Margins have remained stable in H2 despite increased cost pressures from the Rand depreciation
- India:
  - Ebitda margins are behind where we would like them to be
  - Additional costs added due to the PCH acquisition
  - Revenue mix has had an impact
- Poland:
  - Expect an improvement in margins compared to H1 as:
    - we have had a full 6 month benefit in H2 of the acquisitions – KKA and Sport klinika
    - Result of integration efficiencies

Cash flow:

- Cash generated as a % of normalised Ebitda consistent with 2014 %

Finance overview

Balance Sheet:

- At interims our net debt was R5.765bn – net debt to normalised ebitda of 1.52 x
- Our strategy going forward:
  - The funding of growth in India will sit on the MHC balance sheet with no additional debt on the SA balance sheet
  - Overtime we would like to re-structure the Polish debt and move the debt onto the polish balance sheet at reduced interest levels. This transition will happen as the Scanmed business grows and is more able to cover the increased finance costs. Have moved around R90m on to the polish balance sheet at an effective rate of 3.6%
- Our Finance costs in H2 will be higher than H1 as we will have the full 6 months of debt from the polish acquisitions which occurred in h1 and the increased debt to fund additional capex:
  - The run rate for finance costs in H1 was R35m per month
  - This has increased by 15% in H2

Conclusion

Annual Results presentation:

- We will be doing a webcast of our annual results:
  - On Friday 13 November
  - 10am CAT
- We will be doing an annual results road show:
  - Cape Town: 16 November
  - JHB: 17 November
  - London: 18-20 November (including attending the Investec CEO Conference)