

LIFE HEALTHCARE GROUP HOLDINGS LIMITED
Incorporated in the Republic of South Africa
Registration number: 2003/002733/06
ISIN: ZAE000145892
Share Code: LHC
("Life Healthcare" or "the Company")

PROPOSED ACQUISITION OF 26% OF THE SHARE CAPITAL OF MAX HEALTHCARE INSTITUTE LIMITED

1. INTRODUCTION

Shareholders are advised that the Company has entered into a non binding term sheet with Max Healthcare Institute Limited ("MHC") for the acquisition of 26% of the post-issue share capital of MHC ("the proposed acquisition"). MHC, the leading private hospital provider in the Delhi-NCR region, is a subsidiary of Max India, one of India's leading multi business corporates.

2. THE PROPOSED ACQUISITION

2.1 Rationale

The proposed acquisition of 26% of MHC is in line with the Company's strategy to expand into fast growing emerging markets.

2.2 Terms of the proposed acquisition

The proposed acquisition is subject to the following conditions precedent:

- definitive agreements being entered into between the two parties;
- a due diligence exercise to be performed by the Company;
- obtaining exchange control approval from the South African Reserve Bank and any other regulatory approval that may be required; and
- approval by the boards of the Company and MHC.

2.3 The consideration

The proposed acquisition price is Rs 516.5 crore (approximately R850 million) which will be settled in cash. Life Healthcare will, subject to the consent of its lenders, provide pro-rata guarantees for its proportionate share of the debts of MHC currently guaranteed by Max India.

The proposed acquisition is, at this stage, not deemed to be material enough for the Company to publish a cautionary announcement in terms of the JSE Listings Requirements and further details relating to the proposed acquisition will be released on SENS once available.

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11 October 2011

Sponsor
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