



**Acquisition of
Alliance Medical Group**

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

Today's Presenters



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CEO Life Healthcare



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CEO Alliance Medical Group



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Transaction Highlights

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

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

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

Note: FX (GBP/ZAR): 17.5342.

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

Life Healthcare's Strategic Objectives

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

Market Overview

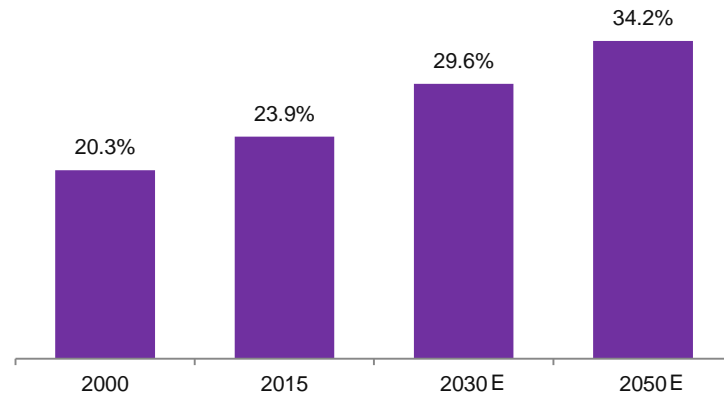
Western European Healthcare Markets

Key Themes

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

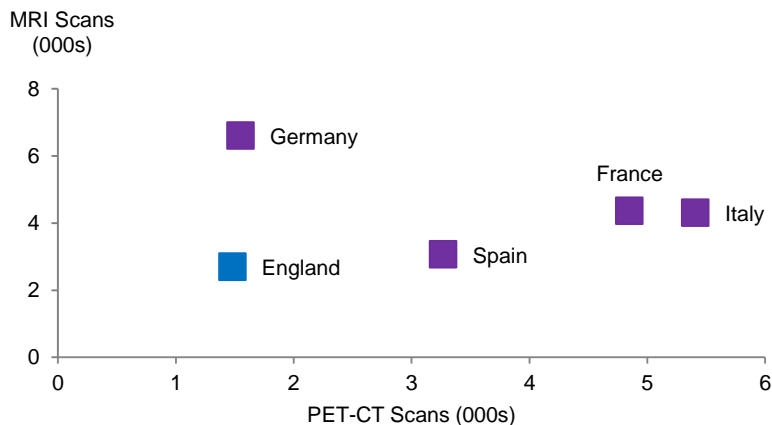
Demographics / growth⁽¹⁾

(% aged over 60+ in Europe)



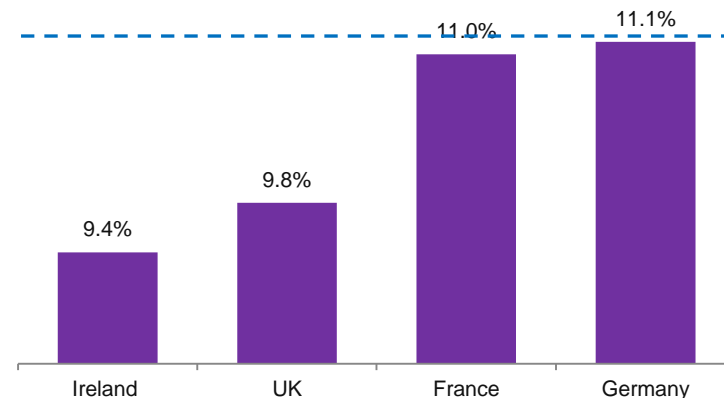
Scan Penetration Levels⁽²⁾

Scans per Million Population (15E)



Total Healthcare Expenditure⁽³⁾




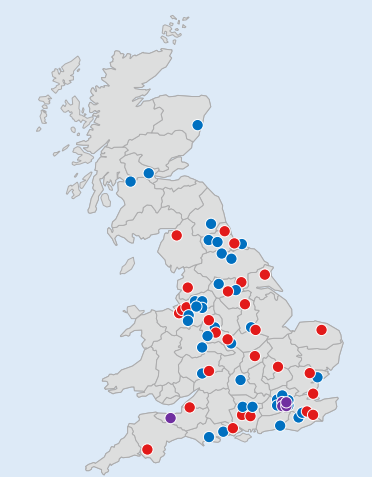
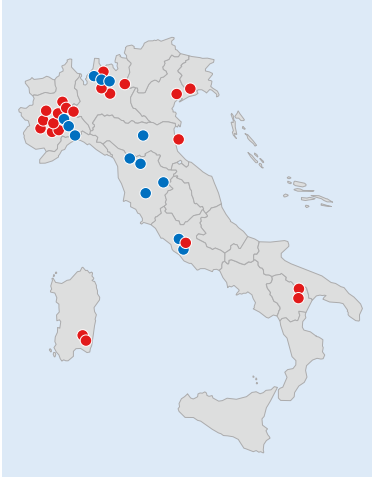
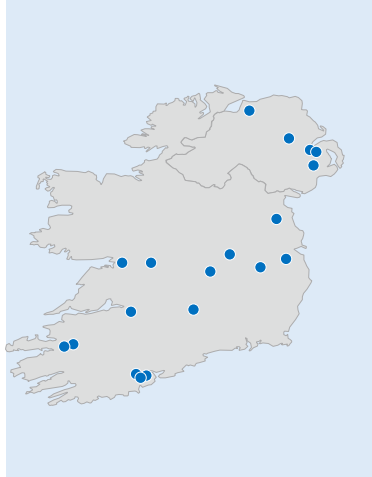

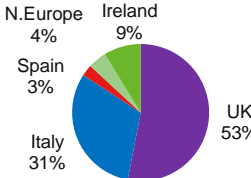
(% of GDP 2015)



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

Alliance Medical Group

AMG Overview

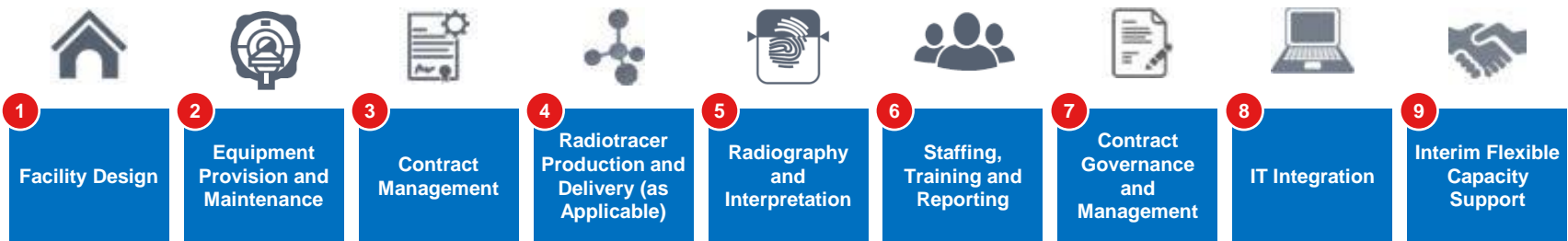
	~ R3.8bn Revenue ⁽¹⁾		~ R1.1bn EBITDA ⁽¹⁾	
	#1 UK ⁽¹⁾ 	#1 Italy ⁽¹⁾ 	#1 Ireland ⁽¹⁾ 	Other Geographies
1 Territorial Coverage	 <ul style="list-style-type: none"> DI static sites: 37 PET-CT 1 contract sites: 31⁽²⁾ Mobiles: 45 	 <ul style="list-style-type: none"> Owned clinics: 13 Static sites: 22 	 <ul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

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

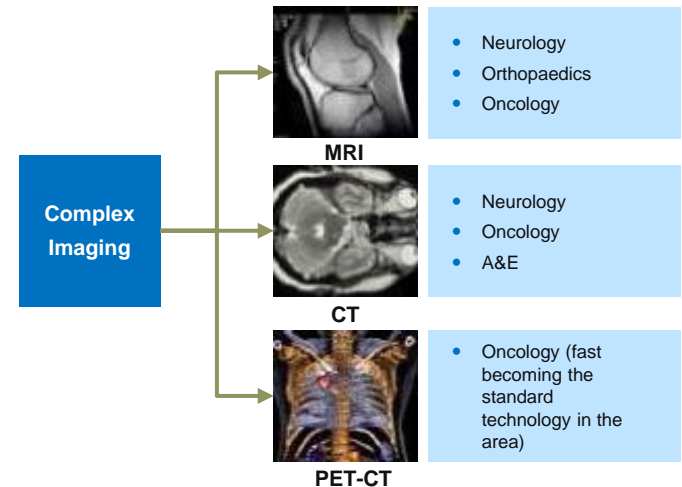
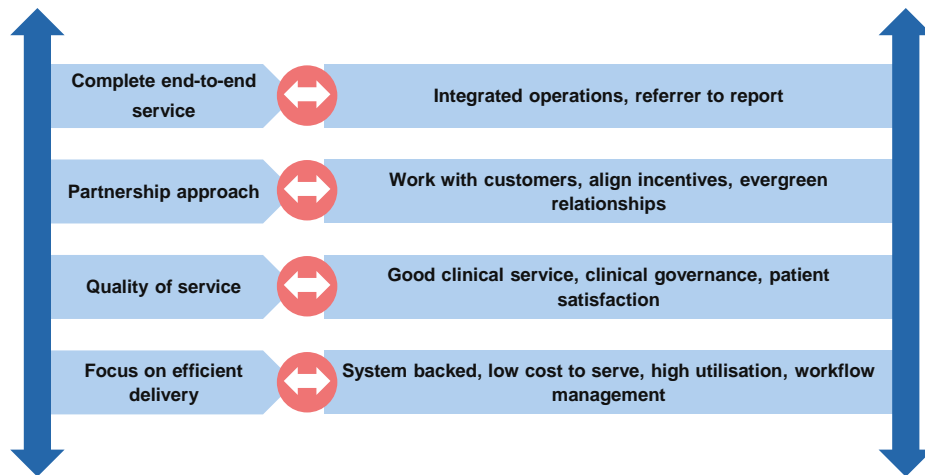
Fully Integrated Diagnostics Platform

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

Overview of End-to-End Service Provision



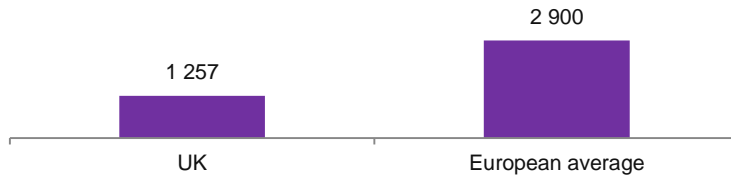
AMG Approach



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

PET-CT Scans

PET-CT scans per million population (2014)



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

PET-CT Contract

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

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

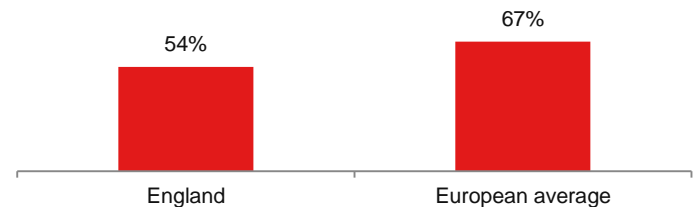
...with a reduction in cost per scan
(18%)

5-year Survival is Markedly Lower

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

Molecular Imaging Collaborative Network

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



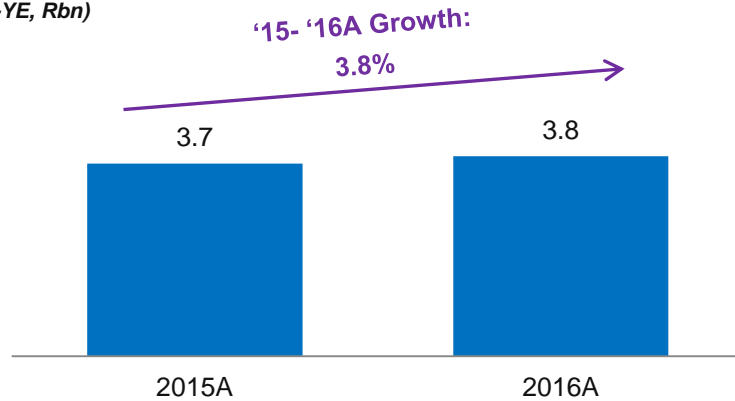
5-year survival in England vs. Europe

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

AMG Historical Financials

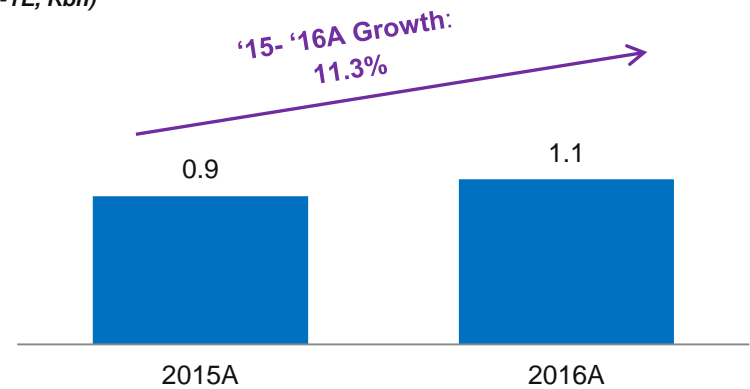
Revenue

(Mar-YE, Rbn)



EBITDA

(Mar-YE, Rbn)



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

A Market Leading Player with Strong Growth Potential



Source: AMG Management.

Transaction Rationale

Benefits of Combination

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

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

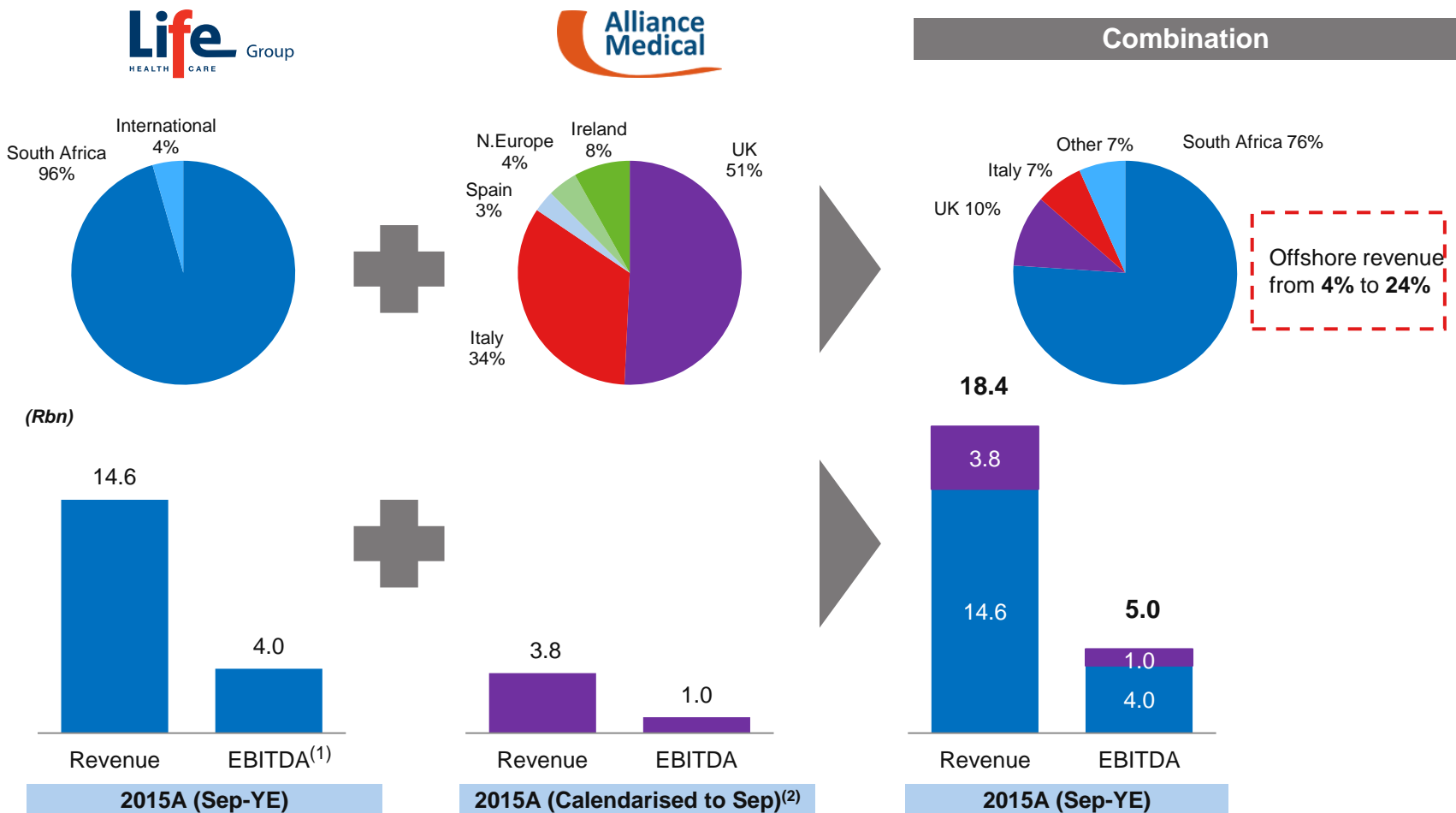
- ✓ **Leveraging AMG's networked imaging services proposition**
 - Understanding of clinical pathways / processes to deliver high quality service
 - Proprietary technology to deliver networked services
 - An efficient operator in Europe

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

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

Meaningfully Internationalises Life Healthcare

Illustrative Combination Impact



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

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

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

Process

Key Process Milestones

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

Share Information

Share Key Facts

Number of shares⁽¹⁾ 1,057,800,021

WKN / ISIN A1CZC2 / ZAE000145892

Ticker Symbol LHC

Bloomberg Symbol LHC SJ

Reuters Symbol LHCJ.J

1. As of 10 November 2016.

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Life Healthcare Group Holdings Limited

Phone: 011 219 9000

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