

AUDITED SUMMARISED CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2017,

DECLARATION OF SCRIP DISTRIBUTION WITH CASH DIVIDEND ALTERNATIVE AND TRADING STATEMENT.



Life

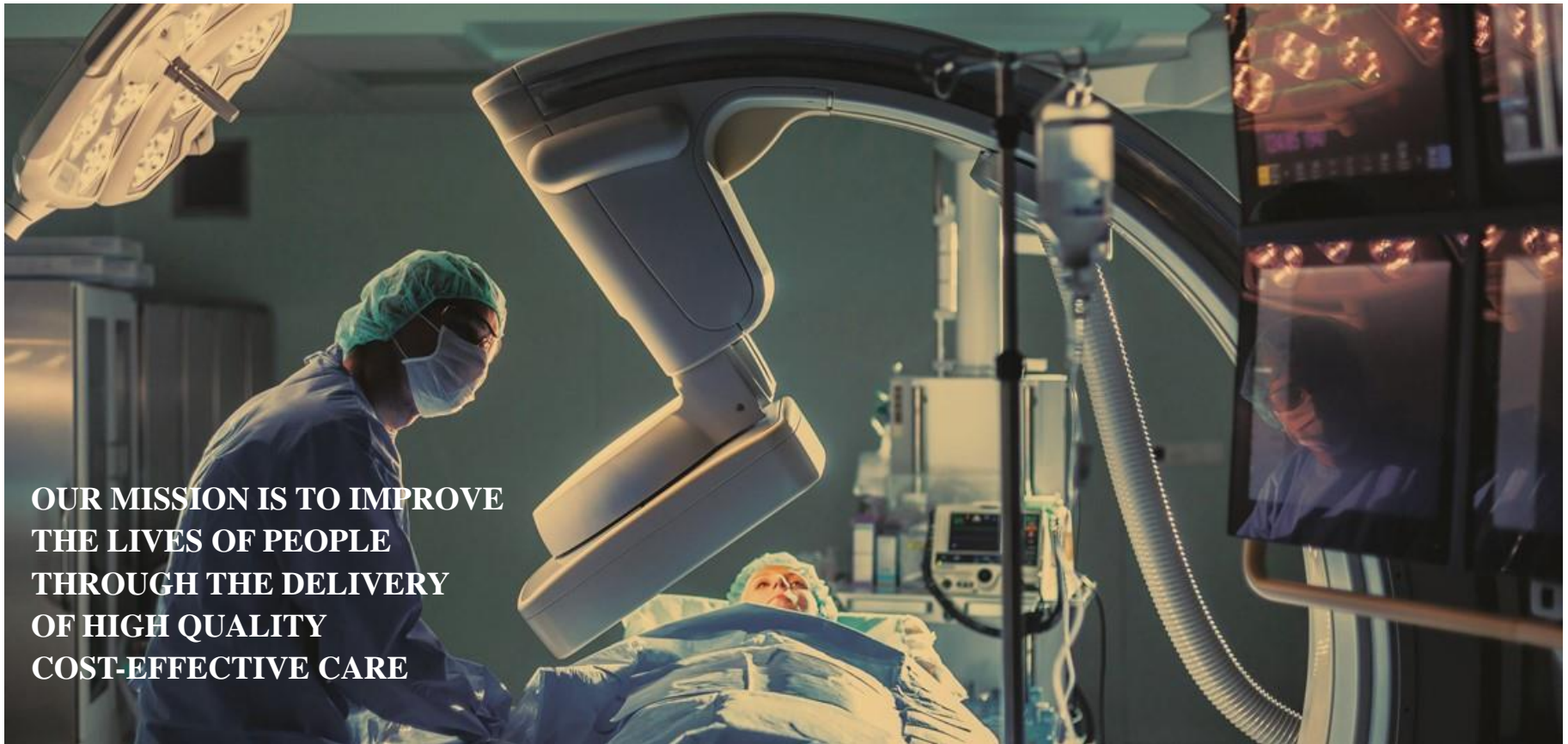
Well-being and quality
of life

Health

Clinical excellence in
world-class facilities

Care

Quality, service, respect
and empathy for those entrusted
to our care



**OUR MISSION IS TO IMPROVE
THE LIVES OF PEOPLE
THROUGH THE DELIVERY
OF HIGH QUALITY
COST-EFFECTIVE CARE**

Life Healthcare Group:

- Good overall performance – revenue up 26.8% and EBITDA up 15.9% against last year
- Acquisition of Alliance Medical Group represents an expansion of our complementary lines of business and further diversifies the Group internationally
- Group results impacted by the one-off transaction and funding costs related to the Alliance Medical transaction

Southern Africa:

- Satisfactory results with an improvement in business performance in H2
- A challenging operating environment, however, changes made to the business should see positive growth in 2018

Alliance Medical Group (Alliance Medical):

- Good overall performance for the 10 months
- Acquisition of approximately 94% of Alliance Medical in November 2016 with an enterprise value of R13.9 billion
- Completed a R9 billion rights issue in April 2017 to fund part of the transaction

Scanmed (S.A.):

- Completed the signing of 4-year contracts with the NFZ covering 85% of the business with better overall pricing. This will add stability to the business going forward
- Changes made to the business to cater for the tariff cuts in cardiology revenue
- Normalised EBITDA excluding over quota under-provision is R87 million

Max Healthcare:

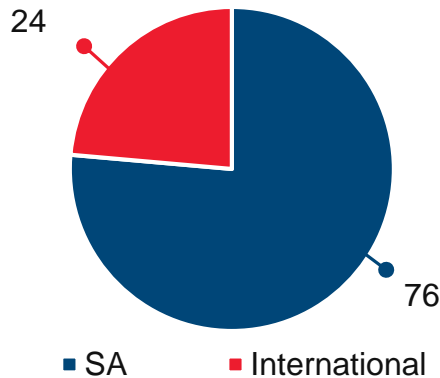
- Acquired an equal share of the IFC stake in Max Healthcare at Rs105 per share (R428 million) increasing the LHC shareholding to 49.7%
- Good performance in an environment with increased regulatory headwinds – revenue growing 8% and EBITDA 7%

REVENUE
+26.8%
to R20.8 billion

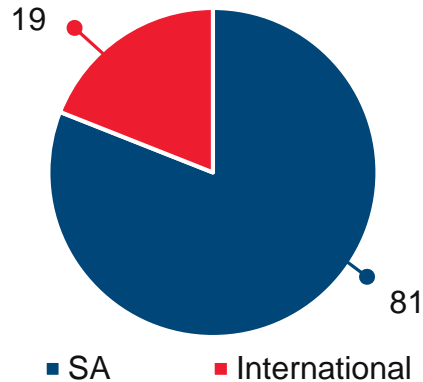
NORMALISED EBITDA
+15.9%
to R5.0 billion

NORMALISED EPS
-44.6%
93.9 cents

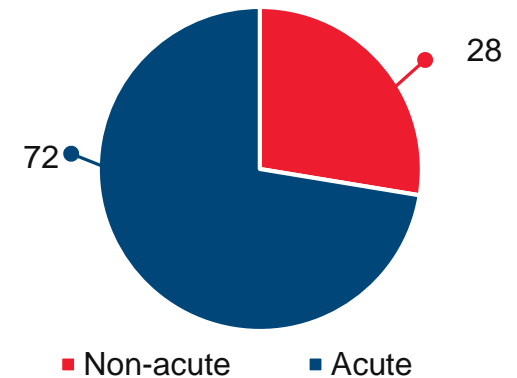
Revenue (%)



EBITDA (%)



Acute vs non-acute revenue (%)



30 September 2016:

- Southern Africa: 93%
- International: 7%

30 September 2016:

- Southern Africa: 97%
- International: 3%

30 September 2016:

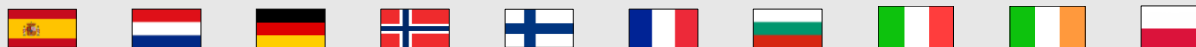
- Acute: 89%
- Non-acute: 11%

Our vision: To be a market leading, international, diversified healthcare provider.

Our mission: We improve the lives of people through the delivery of high quality cost-effective care.

| | SA | UK | Europe | India |
|------------------------|---|---|---|---|
| Acute hospitals | <ul style="list-style-type: none"> ✓ 50 facilities ✓ 8152 beds | | <ul style="list-style-type: none"> ✓ 12 cardiac units ✓ 624 beds | <ul style="list-style-type: none"> ✓ 12 facilities ✓ 2 375 operational beds |
| Complementary services | <ul style="list-style-type: none"> ✓ 7 Acute rehab facilities (319 beds) ✓ 8 Mental health facilities (512 beds) ✓ 303 Renal dialysis stations ✓ 4 Oncology units | | | <ul style="list-style-type: none"> ✓ Oncology ✓ Renal dialysis ✓ Pathology |
| Diagnostics | | <ul style="list-style-type: none"> ✓ MRI / CT ✓ PET-CT ✓ Radiopharmacy | <ul style="list-style-type: none"> ✓ MRI / CT ✓ PET-CT ✓ Radiopharmacy | |
| Healthcare services | <ul style="list-style-type: none"> ✓ 436 000 Occupational health / wellness lives ✓ 3 080 PPD beds | | | |

European countries



Appointment of Group CEO:

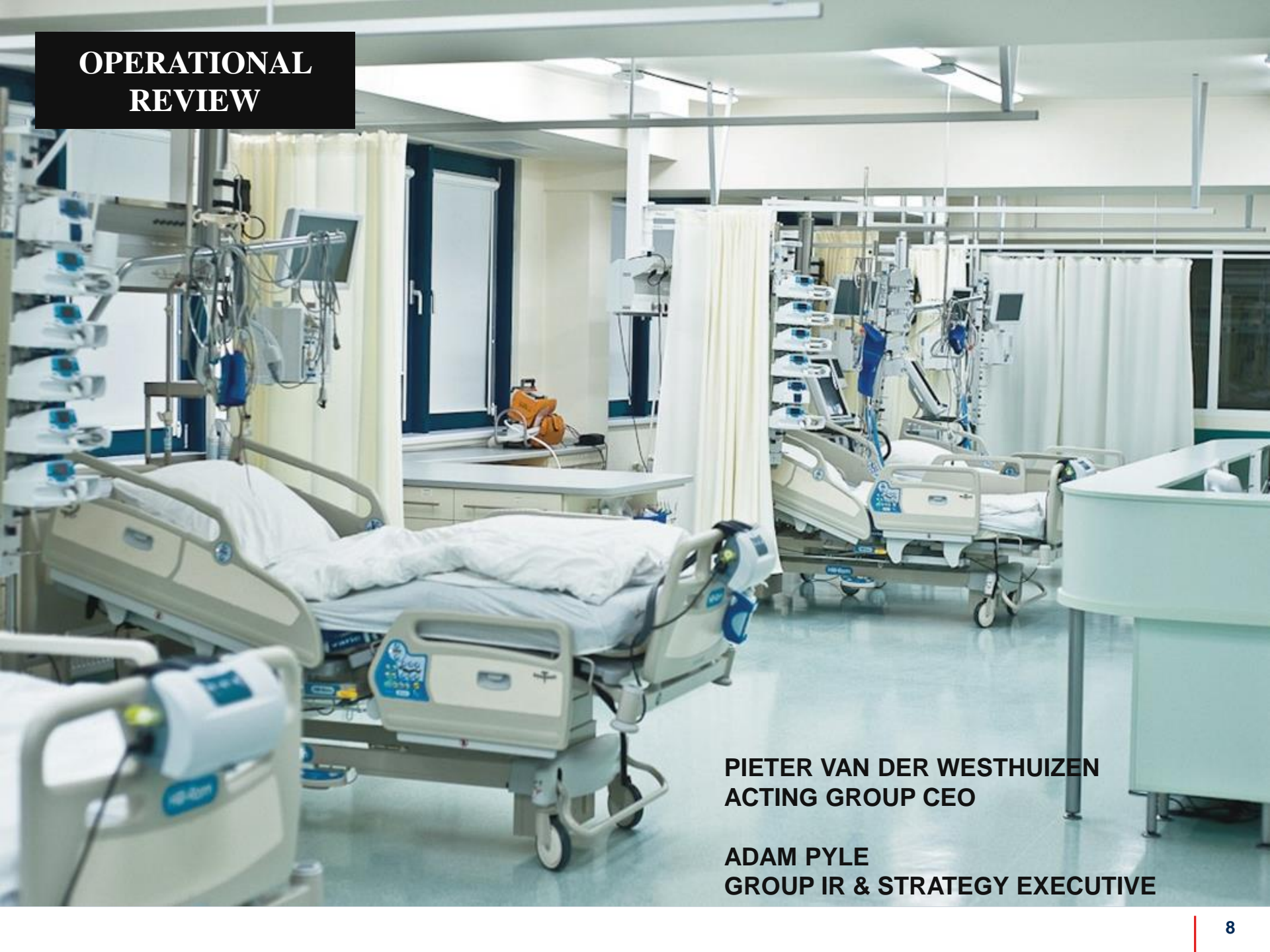
- Appointment of Dr Shrey Viranna as Group Chief Executive Officer
- Effective 1 February 2018
 - a medical doctor by training
 - was a partner at a global management consulting firm where he spent 12 years working across the pharmaceutical, private and public healthcare industries as well as focusing on operational transformation. He had strong international exposure including advising on M&A transactions
 - moved to Discovery in 2013 serving as the CEO for Discovery Vitality and Discovery Card (the latter role was moved to Discovery Bank) and was responsible for supporting profitable growth in these businesses



Cautionary announcement:

- Life Healthcare shareholders are advised that the Company is in discussions regarding a potential transaction which, if successfully concluded, may have a material effect on the price of the Company's shares. Accordingly, Life Healthcare shareholders are advised to exercise caution when dealing in their shares until a further announcement is made.
- 21 November 2017

OPERATIONAL REVIEW



**PIETER VAN DER WESTHUIZEN
ACTING GROUP CEO**

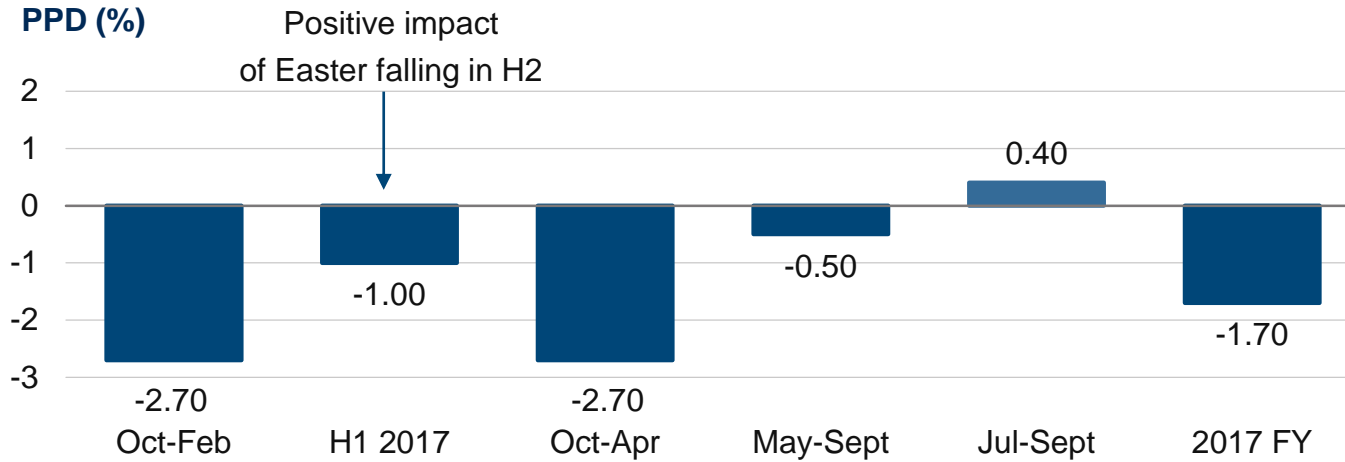
**ADAM PYLE
GROUP IR & STRATEGY EXECUTIVE**

| | 30 Sept 2017 | 30 Sept 2016 | Change % |
|--------------------------|-----------------|-----------------|-------------|
| Revenue | R15 890m | R15 230m | 4.3 |
| Normalised EBITDA | R4 049m | R4 194m | (3.5) |
| Normalised EBITDA margin | 25.5% | 27.5% | |
| PPD growth | -1.7% | +4.0% | |

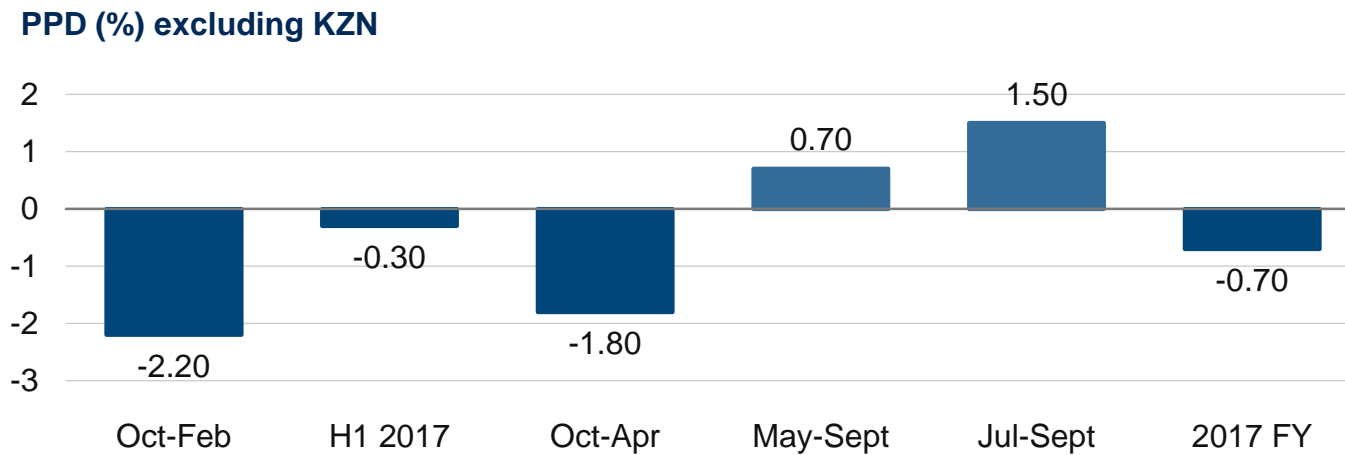
- Revenue per PPD: + 6.3%
 - Tariff increase: + 6.1%
 - Case mix impact: + 0.2%
- Pressure on acute hospital growth with the economy under pressure, no growth in privately insured lives and increased case management by medical aids
- Normalised EBITDA margins negatively impacted by the decrease in acute PPDs and the resultant impact on operational leverage

Operational review

Southern Africa



- Improved PPD performance during H2 finishing with a +0.4% PPD growth in Q4
- Improved outlook for 2018



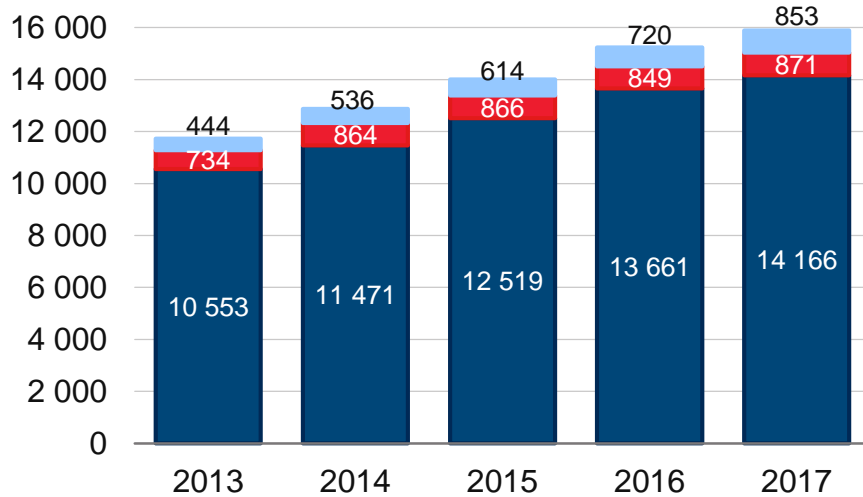
- Group PPDs excluding KZN down -0.7%
- Stronger H2 with PPDs growing 1.5% in Q4

Operational review

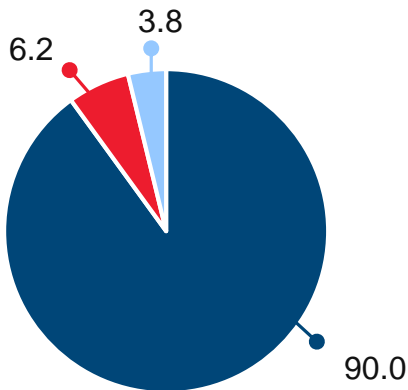
Southern Africa

Revenue* (R'm)

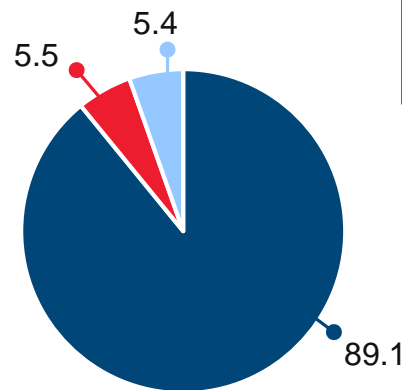
Total CAGR: 7.9%



2013 Revenue* (%)



2017 Revenue* (%)



■ Acute ■ HCS ■ Complementary

* from continuing operations

• Complementary services:

- Strong growth in complementary services revenue (+18.5%)
- Driven by additional mental health beds, 2 new oncology centres and strong demand in acute rehabilitation and renal dialysis
- 4-year CAGR: 17.7%
- Expect continued complementary services growth

• Healthcare services:

- 4-year CAGR: 4.4%

• Acute care:

- Consistent growth over a 5-year period
- 2017 impacted by decline in PPDs
- 4-year CAGR: 7.6%

Operational review

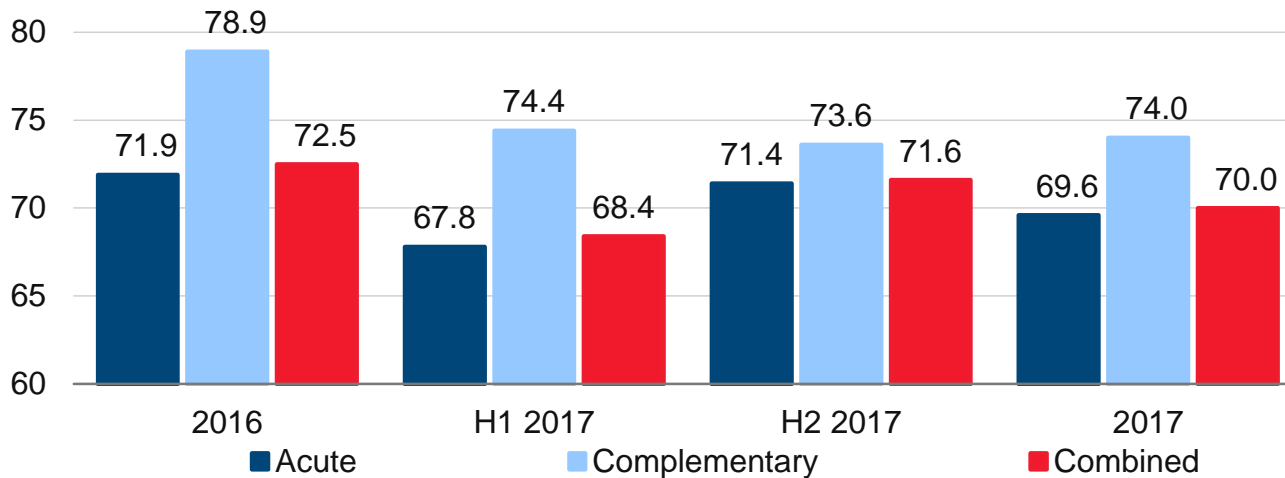
Southern Africa

| | H1 2017 | H2 2017 | Total 2017 |
|---|------------|------------|---------------|
| Capacity growth | | | |
| Capacity expansion at existing facilities | 22 | 29 | 51 |
| Mental health | 60 | 22 | 82 |
| Total beds | 82 | 51 | 133 |
| Renal dialysis stations | 11 | 11 | 22 |
| Oncology units | - | 2 | 2 |

- Life Flora
- Life Queenstown
- Life Kingsbury
- Life Peninsula Eye
- Life St Dominic's
- Life Hilton Private
- Life Fourways

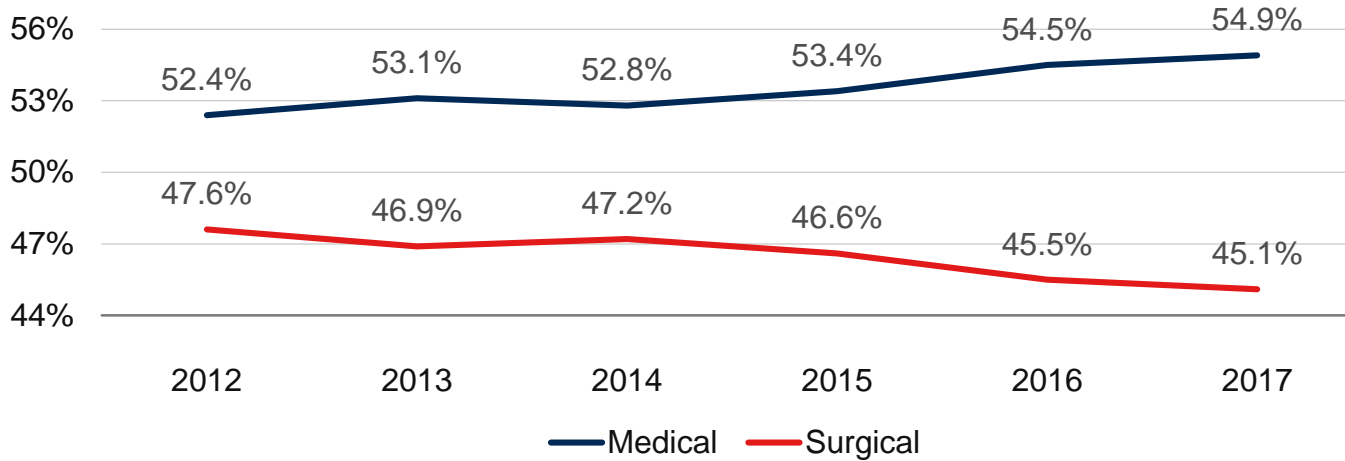
- Life Carstenview
- Life Riverfield

Occupancy (%)



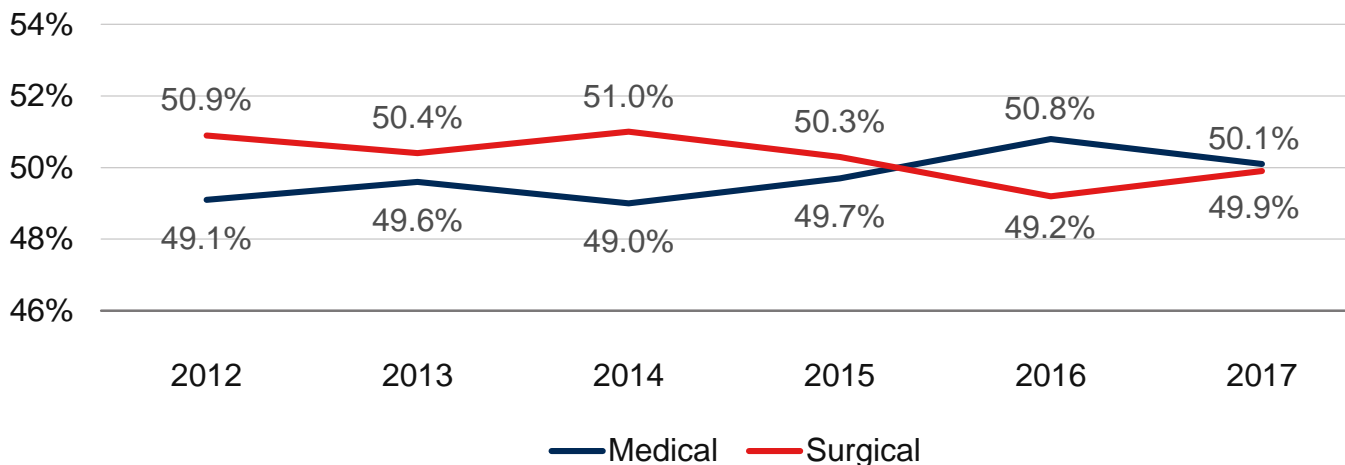
- Overall improvement in H2 occupancy
- Increased mental health capacity by 30% through the addition of 117 new beds since September 2016 to cater for future growth

TOTAL medical / surgical split as a % of PPDs



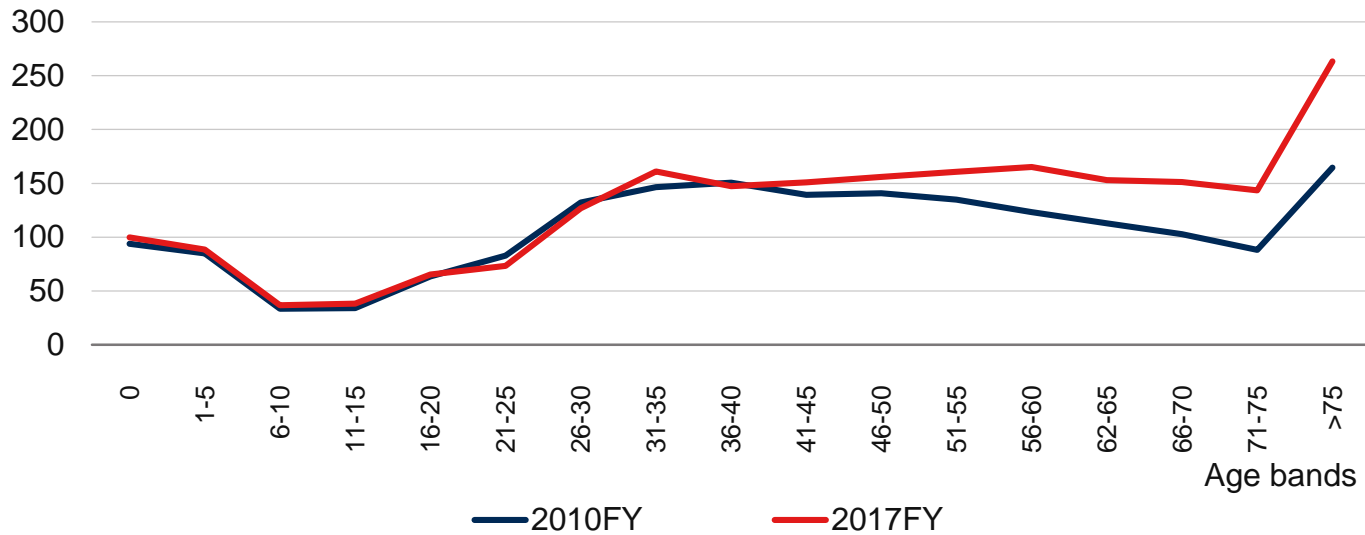
- Continued growth of medical cases on the back of faster complementary growth

ACUTE medical / surgical split as a % of PPDs



- Swing towards surgical cases in the acute business
- Reflected in the positive case mix pricing

PPDs (000)



- The shift in ageing continues to impact our PPDs. In a flat market this trend is expected to continue
- Ageing impacts the LOS – the average LOS for patients over 50 is over 30% higher than patients under 50

| Category | 2017 | 2016 | 2010 |
|---------------------------|-------|-------|------|
| PPD %: patient > 50 years | 47.5% | 45.9% | 40% |
| Rev %: patient > 50 years | 54.0% | 52.7% | 46% |

| Quality outcome | 30 Sept 2017 | 31 Mar 2017 | 30 Sept 2016 | Standard |
|--|--------------|-------------|--------------|-------------------------------------|
| Patient experience – recommend | 70.0% | 69.4% | 68.7% | |
| Patient experience | 83.0% | 83.0% | 80.6% | |
| Patient incident rate | 2.69 | 2.83 | 2.69 | Per 1 000 PPDs |
| HAI (Healthcare associated infection) | 0.42 | 0.49 | 0.35 | Per 1 000 PPDs |
| VAP (Ventilator associated pneumonia) | 1.48 | 1.76 | 1.72 | Per 1 000 ventilator days |
| SSI (Surgical site infection) | 0.96 | 1.09 | 0.78 | Per 1 000 theatre cases |
| CLABSI (Central line associated bloodstream infection) | 0.85 | 1.02 | 0.74 | Per 1 000 central lines |
| CAUTI (Catheter-associated urinary tract infection) | 0.40 | 0.49 | 0.28 | Per 1 000 catheter days on one line |
| FIM™/FAM score | 1.0 | 1.0 | 1.1 | >0.9 |
| MHQ14 efficiency (average gain/PPD) | 2.5 | 2.6 | 2.7 | >2.25 |

- Patient experience:

- Continued improvement in the overall patient experience
- Continued roll-out of the Care programme, focusing on improving the patient experience
- Based on HCAHPS (Hospital Consumer Assessment of Healthcare Providers and Systems)

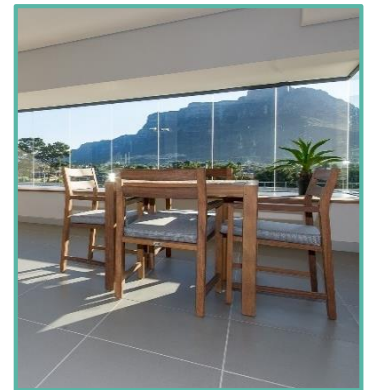
- Clinical outcomes:

- Continued focus on compliance with clinical protocols and hospital reporting and improvement seen in H2

| | 30 Sept 2017 | 30 Sept 2016 | Change % | H2 2017 | H2 2016 | Change % |
|----------------------------|-----------------|-----------------|-------------|------------|------------|-------------|
| Healthcare services | | | | | | |
| Revenue | 871 | 849 | 2.6 | 472 | 403 | 17.1 |
| EBITDA | 121 | 120 | 0.8 | 62 | 45 | 37.8 |
| EBITDA margin | 13.9% | 14.1% | | 13.1% | 11.2% | |

- Healthcare services:
 - Strong H2 performance with revenue up 17.1% and EBITDA increasing by 37.8%
- Life Esidimeni:
 - 460 patients of the 700 Gauteng mental health patients returned in H2. The remaining 240 patients will be admitted in Q1 2018
- Life Employee Health Solutions:
 - Revenue growth based on increased lives within a context of lower margins

- Healthcare professionals:
 - Net recruitment of 84 doctors during 2017
 - 1 500 nurses in training
 - 311 nurse graduates including:
 - › 232 registered nurses
 - › 49 specialised nurses
- Regulatory environment:
 - HMI:
 - › Latest timetable notice has provisional report publication by 30 November 2017 prior to the publication of a number of sub-reports
 - › Extensive engagement with the HMI
 - NHI:
 - › NHI White paper gazetted on 28 June 2017
 - › Life Healthcare submitted commentary on the proposed structures and their terms of reference



| For 12 months* | 30 Sept 2017 | 30 Sept 2016 | Change % |
|-------------------|-----------------|-----------------|-------------|
| Revenue (£'m) | 261 | 233 | 12.0 |
| EBITDA (£'m) | 69 | 62 | 11.3 |
| EBITDA margin (%) | 26.4 | 26.6 | |
| EBITA (£'m) | 42 | 40 | 5.0 |
| EBITA margin (%) | 16.1 | 17.2 | |

- Good growth on a 12-month basis:
 - Revenue: 12.0%
 - EBITDA: 11.3%
- Strong molecular imaging growth driven by increasing PET-CT volumes in the UK and the Life Radiopharma Group (previously Eckert and Ziegler) acquisition in Europe
- Diagnostic imaging experiencing good underlying growth across UK, Italy and Ireland
- Over the last 8 months have started to experience pressure on margins in the UK mobile business
- Opening of first Community Diagnostic Centre (CDC) in Q2 2018

* Per management accounts.

- UK:
 - Diagnostic imaging (DI: MRI / CT):
 - › 37 MRI / CT sites; 45 mobile units
 - › Good performance in static sites despite BMI repatriating their work following change of control
 - › Mobile utilisation remains high, but pricing pressure being experienced with additional third-party capacity being added to the market
 - Molecular imaging (MI: PET-CT):
 - › 31 PET-CT sites
 - › Good performance with the PET-CT growth in line with contract expectations
 - › Roll-out of the final PET-CT sites will be complete in FY2018



- Italy:
 - 13 clinics; 22 static sites
 - Good growth in clinics revenue, benefiting from the Albaro clinic acquisition
 - Diversified customer base, both geographically and by customer channel, with a growing private / public revenue split within the clinic division
 - Statics business performing to expectations
- Ireland:
 - 19 sites with 26 MRIs and 5 CTs
 - Operates Ireland's only private PET-CT alongside MRI services in partnership with Cork University Hospital
 - Good underlying activity growth
- Northern Europe:
 - Acquisition of Life Radiopharma Group (previously Eckert and Ziegler) cyclotron division for R189 million (€13 million) in Germany in May 2017. Extends Alliance Medical's molecular imaging presence in northern Europe
 - The region showed growth on back of this acquisition with a continued focus on the PET-CT roll-out

| | 30 Sept 2017 | 30 Sept 2016 | Change % |
|--------------------------|-----------------|-----------------|-------------|
| Beds | 624 | 624 | |
| Cardiac units | 12 | 12 | |
| Medical facilities | 40 | 40 | |
| Revenue | R1 095m | R1 174m | (6.7) |
| Normalised EBITDA | R44m | R120m | (63.3) |
| Normalised EBITDA margin | 4.0% | 10.2% | |

- NFZ contracts:
 - Signed 4-year contracts with the NFZ covering 85% of the business – effective 1 October 2017
 - Balance of contracting expected to be completed in H1 2018
 - Contracting done at improved pricing and will bring increased stability to the business
- EBITDA impacted by the reduction in margin in the cardiology business – first 6 months with the full cardiology pricing impact. Changes being made to the business to cater for the tariff cuts in cardiology
- Adjustment of R43 million relating to prior year over-quota under provision (EBITDA margin excluding this is 7.9%)

| | 30 Sept 2017 | 30 Sept 2016 | Change % |
|------------------------------|-----------------|-----------------|-------------|
| Beds | 2 375 | 2 384 | |
| Revenue (Rs Crore) | 2 528 | 2 340 | 8.0 |
| Normalised EBITDA (Rs Crore) | 274 | 256 | 7.0 |
| Normalised EBITDA margin | 10.8% | 10.9% | |

- Revenue driven by growth in the phase 2 and 3 hospitals
- EBITDA margins stable
- Impact of regulatory headwinds covering stent and orthopaedic price controls and extended maternity leave
- To mitigate the impact of regulations Rs93 Cr of cost savings have been identified of which Rs34 Cr were realised in the last 6 months
- Shareholding:
 - Life Healthcare and Max India acquired an equal share of the IFC stake in Max Healthcare at Rs105 per share (R428 million). Increased shareholding enables Life Healthcare to protect its existing shareholder rights

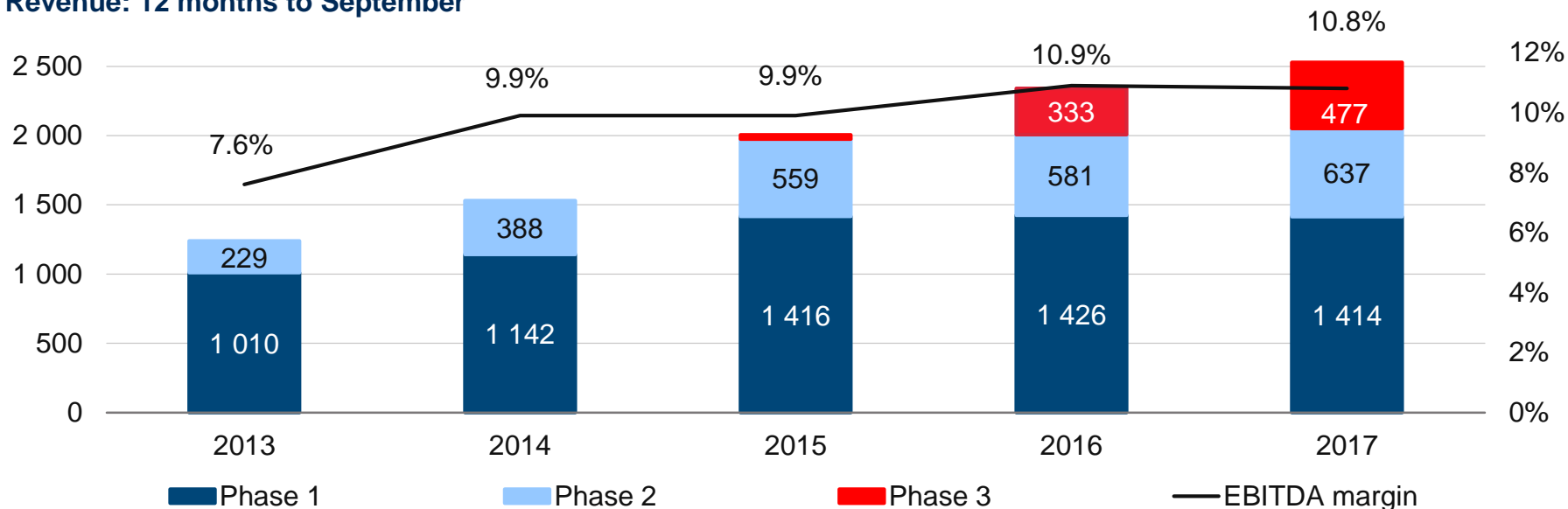
Operational review

India: Max Healthcare



| | 2017 Revenue Rs Cr | 2016 Revenue Rs Cr | Change % | 2017 EBITDA Rs Cr | 2016 EBITDA Rs Cr | Change % |
|--|--------------------------|--------------------------|-------------|-------------------------|-------------------------|-------------|
| Phase 1 hospitals | 1 414 | 1 426 | (0.8) | 175 | 192 | (8.9) |
| Phase 2 hospitals | 637 | 581 | 9.6 | 49 | 40 | 22.5 |
| Phase 3 hospitals (Vaishali and Smart) | 477 | 333 | 43.2 | 50 | 24 | >100 |
| Total net revenue | 2 528 | 2 340 | 8.0 | 274 | 256 | 7.0 |

Revenue: 12 months to September



Financial year-end: March
1 Rs. Crore = R2.0 million

FINANCIAL REVIEW



**PIETER VAN DER WESTHUIZEN
ACTING GROUP CEO**

REVENUE
+26.8%
to R20.8 billion

NORMALISED EBITDA
+15.9%
to R5.0 billion

NORMALISED EPS
-44.6%
93.9 cents

ACQUISITION OF
ALLIANCE MEDICAL

ENTERPRISE VALUE
R13.9 billion

FINAL DIVIDEND
45 cents
(R652 million)

| | 30 Sept 2017 R'm | 30 Sept 2016 R'm | Change % |
|---------------------------------|---------------------|---------------------|-------------|
| Revenue | 20 797 | 16 404 | 26.8 |
| Southern Africa | 15 890 | 15 230 | 4.3 |
| Alliance Medical ¹ | 3 812 | - | |
| Poland | 1 095 | 1 174 | (6.7) |
| Normalised EBITDA | 5 001 | 4 314 | 15.9 |
| Southern Africa | 4 049 | 4 194 | (3.5) |
| Alliance Medical ¹ | 908 | - | |
| Poland | 44 | 120 | (63.3) |
| Normalised EBITDA margin | 24.0 | 26.3 | |
| Southern Africa | 25.5 | 27.5 | |
| Alliance Medical ¹ | 23.8 | - | |
| Poland | 4.0 | 10.2 | |

¹ Alliance Medical results from date of acquisition – 21 November 2016

| | 30 Sept 2017 R'm | 30 Sept 2016 R'm | Change % |
|--|---------------------|---------------------|-------------|
| Revenue | 20 797 | 16 404 | 26.8 |
| Normalised EBITDA | 5 001 | 4 314 | 15.9 |
| Normalised EBITDA margin | 24.0 | 26.3 | |
| Operating profit: | 3 620 | 3 660 | (1.1) |
| Southern Africa | 3 391 | 3 602 | (5.9) |
| Alliance Medical | 234 | - | |
| Poland | (34) | 35 | |
| Retirement benefit asset and post employment medical aid income | 29 | 23 | |
| EBITA: | 4 030 | 3 784 | 6.5 |
| Southern Africa | 3 526 | 3 726 | (5.4) |
| Alliance Medical | 518 | - | |
| Poland | (14) | 58 | (>100) |

| | 30 Sept 2017 R'm | 30 Sept 2016 R'm | Change % |
|---------------------------------------|---------------------|---------------------|-------------|
| Revenue | 20 797 | 16 404 | 26.8 |
| Normalised EBITDA | 5 001 | 4 314 | 15.9 |
| Normalised EBITDA margin | 24.0 | 26.3 | |
| Operating profit | 3 620 | 3 660 | (1.1) |
| Associates and joint ventures: | (15) | 8 | (>100) |
| Max Healthcare | (27) | (4) | |
| Poland | - | 3 | |
| Alliance Medical | 6 | - | |
| Other | 6 | 9 | |

| | 30 Sept 2017 R'm | 30 Sept 2016 R'm | Change % |
|-----------------------------------|---------------------|---------------------|---------------|
| Revenue | 20 797 | 16 404 | 26.8 |
| Normalised EBITDA | 5 001 | 4 314 | 15.9 |
| Normalised EBITDA margin | 24.0 | 26.3 | |
| Operating profit | 3 620 | 3 660 | (1.1) |
| Associates and joint ventures | (15) | 8 | |
| Attributable profit: | 814 | 1 616 | (49.6) |
| Southern Africa | 1 961 | 2 166 | (9.5) |
| Alliance Medical | 126 | - | |
| Poland and India | (79) | (10) | |
| Transaction costs on acquisitions | (267) | (12) | |
| Funding costs for acquisitions | (778) | (261) | |
| Impairment Poland | (167) | (370) | |
| Other | 18 | 103 | |

Financial results

Group: Segmental review



| | | 30 Sept 2017 R'm | 30 Sept 2016 R'm | Change % |
|------------------|--------------------------------------|---------------------|---------------------|-------------|
| Revenue | | 20 797 | 16 404 | 26.8 |
| Southern Africa | Hospitals and complementary services | 15 019 | 14 381 | 4.4 |
| | Healthcare services | 871 | 849 | 2.6 |
| Poland | Healthcare services | 1 095 | 1 174 | (6.7) |
| Alliance Medical | Diagnostic services | 3 812 | - | |
| EBITDA | | 5 001 | 4 314 | 15.9 |
| Southern Africa | Hospitals and complementary services | 3 420 | 3 603 | (5.1) |
| | Healthcare services | 121 | 120 | 0.8 |
| Poland | Healthcare services | 44 | 120 | (63.3) |
| Alliance Medical | Diagnostic services | 908 | - | |
| Corporate | | 508 | 471 | 7.9 |

| | Southern Africa | | Alliance Medical | | Poland | |
|--|-----------------|-------|------------------|------|----------|------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Free cash flow | 650 | 1 625 | 632 | - | 1 | 30 |
| Free cash flow excluding non-recurring acquisition interest | 1 077 | 1625 | 632 | - | 1 | 30 |

Transaction overview

- Life Healthcare acquired approximately 94% of Alliance Medical effective 21 November 2016
- Enterprise value of R13.9 billion
- Purchase consideration initially funded through ZAR and GBP debt bridge facilities
- Bridge funding partially repaid through the successful completion of the rights offer
 - An offer of 367 346 939 new Life Healthcare ordinary shares at a subscription price of R24.50 per Rights Offer Share (R9 billion)
- Adjustments to the management equity are accounted through profit or loss

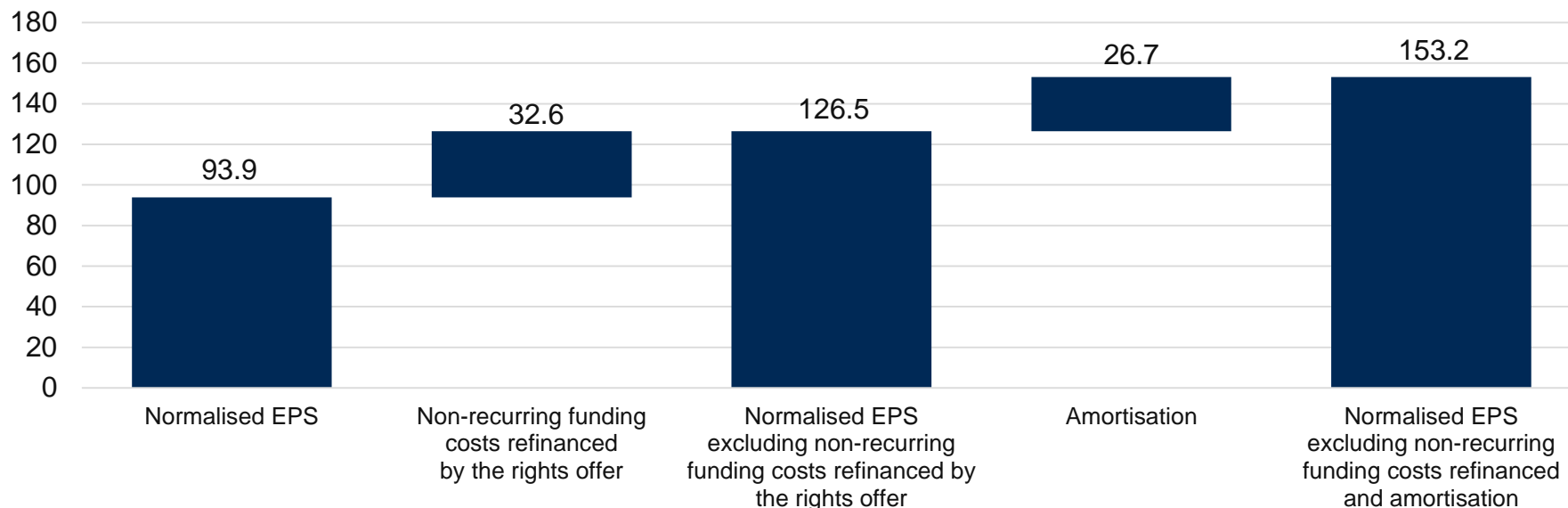


| | 30 Sept 2017 cents | 30 Sept 2016 cents | Change % |
|--|-----------------------|-----------------------|-------------|
| EPS (as previously reported) | 62.2 | 154.9 | |
| Rights offer bonus element * | - | (10.8) | |
| EPS | 62.2 | 144.1 | (56.8) |
| Impairment of investment | 12.8 | 33.0 | |
| Loss/(profit) on remeasuring previously held interest in associate | (0.4) | 2.1 | |
| Loss/(profit) on disposal of PPE | 2.8 | (0.1) | |
| HEPS | 77.4 | 179.1 | (56.8) |
| Contingent consideration released | (3.3) | (9.7) | |
| Transaction costs | 20.4 | 1.1 | |
| Other | (0.6) | (1.1) | |
| Normalised EPS | 93.9 | 169.4 | (44.6) |

* Prior year has been adjusted to take into account the bonus element due to the rights offer, in accordance with IFRS.

| | 30 Sept 2017 cents | 30 Sept 2016 cents | Change % |
|--|-----------------------|-----------------------|-------------|
| Normalised EPS | 93.9 | 169.4 | 44.6 |
| Southern Africa | 149.7 | 193.4 | (22.6) |
| Poland and India | (6.0) | (0.9) | (>100) |
| Alliance Medical | 9.6 | - | |
| Funding costs for international acquisitions | (59.4) | (23.1) | |

30 September 2017 (cents)



| | 2017 | 2016 |
|---|-------|-------|
| Normalised EPS | 93.9 | 169.4 |
| Normalised EPS excluding non-recurring funding costs refinanced by the rights offer | 126.5 | 169.4 |
| Normalised EPS excluding amortisation | 120.6 | 179.0 |
| Normalised EPS excluding non-recurring funding costs and amortisation | 153.2 | 179.0 |

Consolidated condensed statement of financial position



| | 30 Sept 2017 R'm | 30 Sept 2016 R'm |
|--|---------------------|---------------------|
| Non-current assets | 31 459 | 14 395 |
| PPE | 11 131 | 7 752 |
| Goodwill | 12 170 | 2 288 |
| Intangibles | 4 111 | 908 |
| Investment in Max Healthcare | 2 960 | 2 547 |
| Other | 1 087 | 900 |
| Current assets (excluding cash) | 4 004 | 2 498 |
| Cash | 1 176 | 604 |
| Total assets | 36 639 | 17 497 |
| Total shareholders' equity | 15 551 | 6 798 |
| Non-current liabilities | 9 991 | 6 111 |
| Interest-bearing borrowings | 7 786 | 5 469 |
| Other non-current liabilities | 2 205 | 642 |
| Current liabilities (excluding interest-bearing borrowings) | 4 796 | 3 276 |
| Interest-bearing borrowings | 6 301 | 1 312 |
| Total equity and liabilities | 36 639 | 17 497 |
| Net debt | 13 361 | 7 207 |
| Net debt to normalised EBITDA (covenant 3.5 x) | 2.55 | 1.67 |

Debt

| Funding | 30 Sept 2017 R'm | Weighted avg. cost of debt | 30 Sep 2016 R'm | Weighted avg. cost of debt |
|----------------------------|---------------------|-------------------------------|--------------------|-------------------------------|
| | | (post-tax) | | (post-tax) |
| Acquisition funding | | | | |
| ZAR | 4 851 | 7.32 | 2 951 | 6.67 |
| PLN | 801 | 3.77 | 773 | 3.76 |
| GBP | 992 | 2.26 | - | - |
| Capex funding – ZAR | 2 498 | 6.67 | 1 925 | 6.06 |
| Poland | 148 | 3.05 | 181 | 3.05 |
| Alliance Medical | 3 157 | 1.96 | - | - |
| Capitalised finance leases | | | | |
| ZAR | 670 | 9.22 | 692 | 9.22 |
| PLN | 253 | 4.45 | 259 | 4.43 |
| GBP | 717 | 3.65 | - | - |
| Working capital – ZAR | 450 | 6.12 | 1 030 | 6.26 |
| | 14 537 | 5.28 | 7 811 | 6.50 |
| | | (pre-tax) | | (pre-tax) |
| 3M JIBAR rate | | 6.99 | | 7.36 |
| Prime overdraft rate | | 10.25 | | 10.50 |
| 1M LIBOR | | 1.24 | | - |
| 3M WIBOR | | 1.73 | | 1.71 |

| Distributions | Cents/ share | R'm |
|----------------------|-------------------------|------------|
| Interim 2016 | 73 | 765 |
| Final 2016 | 92 | 973 |
| Total 2016 | 165 | 1 738 |
| Interim 2017 | 35 | 504 |
| Final 2017 | 45 | 652 |
| Total 2017 | 80 | 1 157 |

- Declared a final dividend of 45 cps
- Scrip distribution alternative
- Shareholders entitled to receive all or part of their distribution in cash or in shares
- Scrip distribution done at a 2.5% discount to the 15-day VWAP

In considering the dividend, the board has considered the impact of the rights offer, the one-off acquisition costs and the higher debt levels.

The Group's dividend policy is to pay a progressive dividend that takes into account the underlying earnings and available funding of the Group both in southern Africa and internationally, while retaining sufficient capital to fund ongoing operations and growth projects as well as manage gearing to acceptable levels.

OUTLOOK



**PIETER VAN DER WESTHUIZEN
ACTING GROUP CEO**

| Capacity growth | 2018 | 2019 |
|---|-------------|-------------|
| Acute facility: Capacity expansion at existing facilities | 120 | - |
| Complementary: Acute rehabilitation | - | 45 |
| Complementary: Mental health | - | 100 |
| Total | 120 | 145 |
| Renal dialysis stations | 13 | - |

- Capex spend of R1 280 million in 2018, of which R600 million relates to maintenance capex
- Acute care:
 - Expect continued pressure on PPDs but returning to positive growth
 - Addition of 120 brownfield beds
- Complementary services:
 - Continued growth with 145 beds becoming operational in FY2019
- Healthcare services:
 - Acquired the occupational health and wellness business from EOH in October 2017
 - Return of 240 Gauteng mental health patients
- Expect completion of the Healthcare Market Inquiry in 2018

Alliance Medical:

- Capital commitments of GBP93 million, of which GBP22 million relates to maintenance capex
- UK:
 - Diagnostic imaging (MRI / CT):
 - › Opening of the first Community Diagnostic Centre (CDC) in Q2
 - › Continued pricing pressure on the mobile business
 - Molecular imaging (PET-CT):
 - › Completion of roll-out of the PET-CT programme and continued growth in underlying PET-CT volume
- Italy:
 - Continued focus on executing selected clinic acquisitions
- Northern Europe / Ireland:
 - Expect continued growth

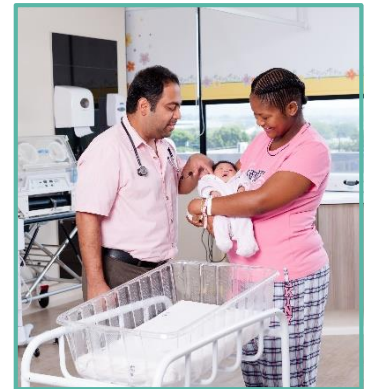


Poland (Scanmed S.A.):

- Capex commitments of PLN15 million
- Complete the contracting with the NFZ governing the remaining 15% of the business
- Continued focus on driving efficiencies and grow private business

India (Max Healthcare):

- Optimising the current network through:
 - Improved occupancies
 - Improvements in specialty/channel mix
- Growing the pathology and oncology feeder centre lines of business
- Continued focus on managing costs – achieve balance of cost savings initiatives



THANK YOU



APPENDICES



**PIETER VAN DER WESTHUIZEN
ACTING GROUP CEO**

Territorial coverage

UK

- DI static sites: 37
- PET-CT national contract sites: 31
- Mobiles: 45

- MRI
- CT
- PET-CT
- Radiopharmacy

Italy

- Owned clinics: 13
- Static sites: 22

- MRI
- CT
- PET-CT
- Radiopharmacy

Ireland

- Operating sites: 19

- MRI
- CT
- PET-CT

Other geographies

- Spain
- Netherlands
- Germany
- Finland
- Bulgaria
- France
- Norway

- MRI
- CT
- PET-CT

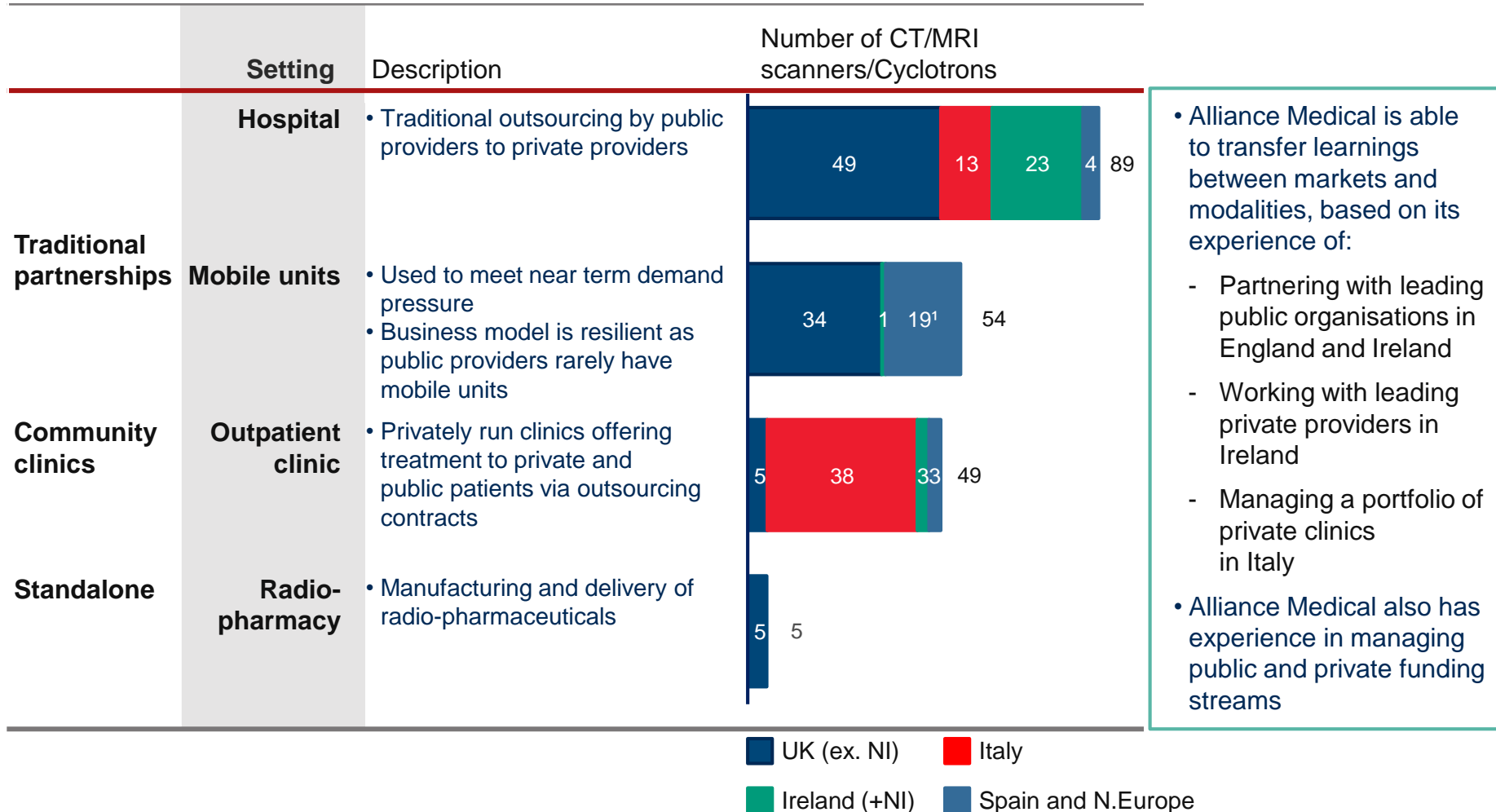
Service offering

Business review

Alliance Medical: Diagnostic imaging business models



In diagnostic imaging (DI), Alliance Medical has leveraged its international experience to develop a range of business models which provide operational flexibility and are aligned with local market dynamics



Source: Third-party consultant engaged by Alliance Medical for purposes of assessing the market
 1. Mobile units in Northern Europe

PET-CT scans

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

PET-CT scans per million population (2014)



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
- 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%)

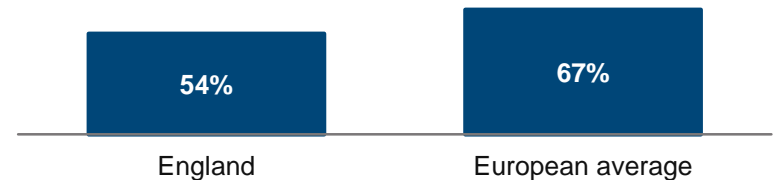
Five-year survival is markedly lower

- UK is targeting the European 5 year cancer survivorship rate of 67% by 2020
- Demand for PET-CT is expected to grow quickly as awareness of its functionality improves
- If scan volumes continue to increase in line with historical growth it will take c.12 years for the 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 via the PET-CT national contract
 - Coverage to 60% of England
 - More static scanners to improve local access
 - Reduced turnaround times
 - Standardised evidence-based pathways of care
 - Up to seven days per week access to scanners
 - Capacity for collaborative research
 - Increased value for money to the NHS
 - Vertically integrated radiopharmacy

Five-year cancer survival rate in England vs. Europe

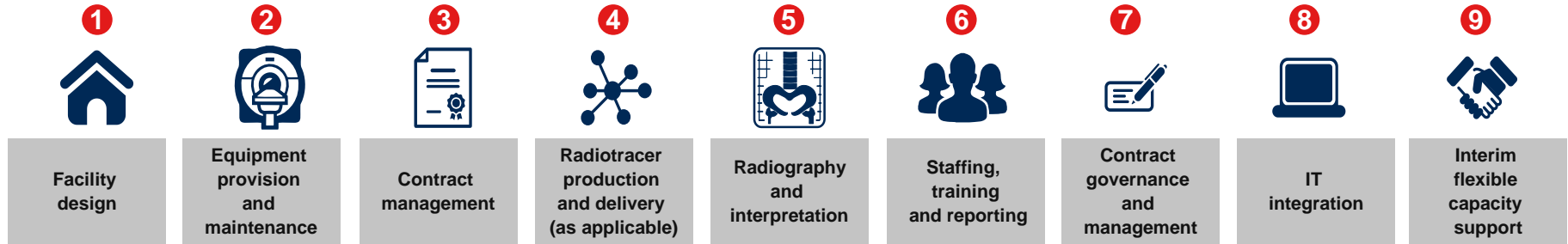


Business review

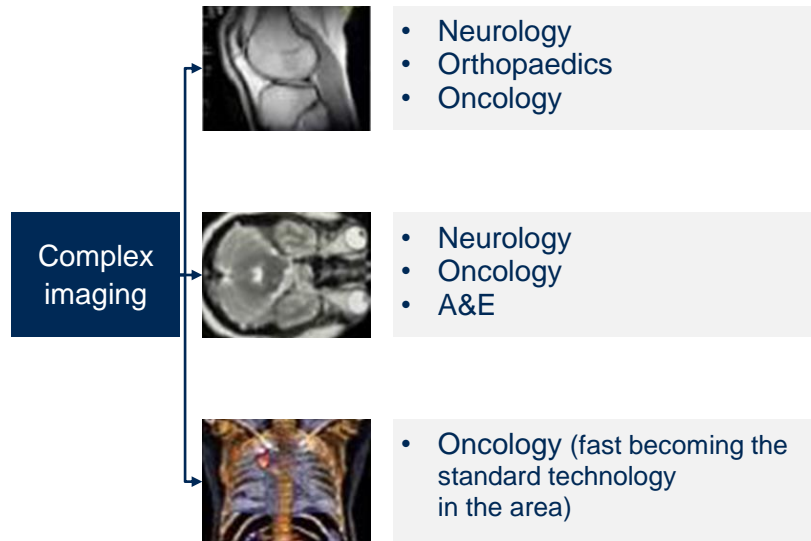
Alliance Medical: Fully integrated diagnostics platform

Proven track record or partnering with national health services e.g. NHS England

Overview of end-to-end service provision



Alliance Medical approach



Source: Alliance Medical Management