Group Results and Distribution

for the six month period ended 31 March 2016

www.lifehealthcare.co.za

OPERATIONAL REVIEW

ANDRÉ MEYER
CEO

Highlights
Group – Southern Africa

- Solid 6 month performance:
  - Good activity growth
  - Bed growth on target to meet 2016 goals
  - Strong management of cost of sales, salaries and overheads

• PPD growth	2.7%
• Additional beds	91
• Occupancy rate	69.9%
• Stable EBITDA margin	27.7%

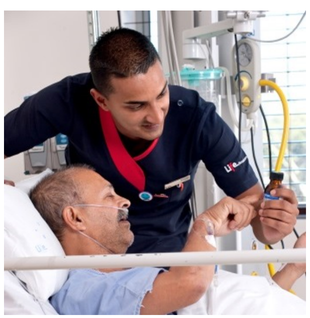
Highlights
Group – International

Poland

- Good revenue and EBITDA growth
- Completed acquisition of Polska Grupa Medyczna (PGM) for R685 million
- PGM consists of:
  - 5 cardiac centres (131 beds)
  - 1 hospital (160 beds)
  - 291 beds

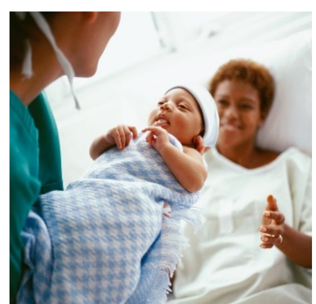
India

- Strong revenue and EBITDA growth
- Completed acquisition of Saket City Hospital (re-named Max Smart Super Speciality Hospital)
- Overall growth of 267 beds in last 6 months
- Total of 2 320 operational beds – 32% up on March 2015



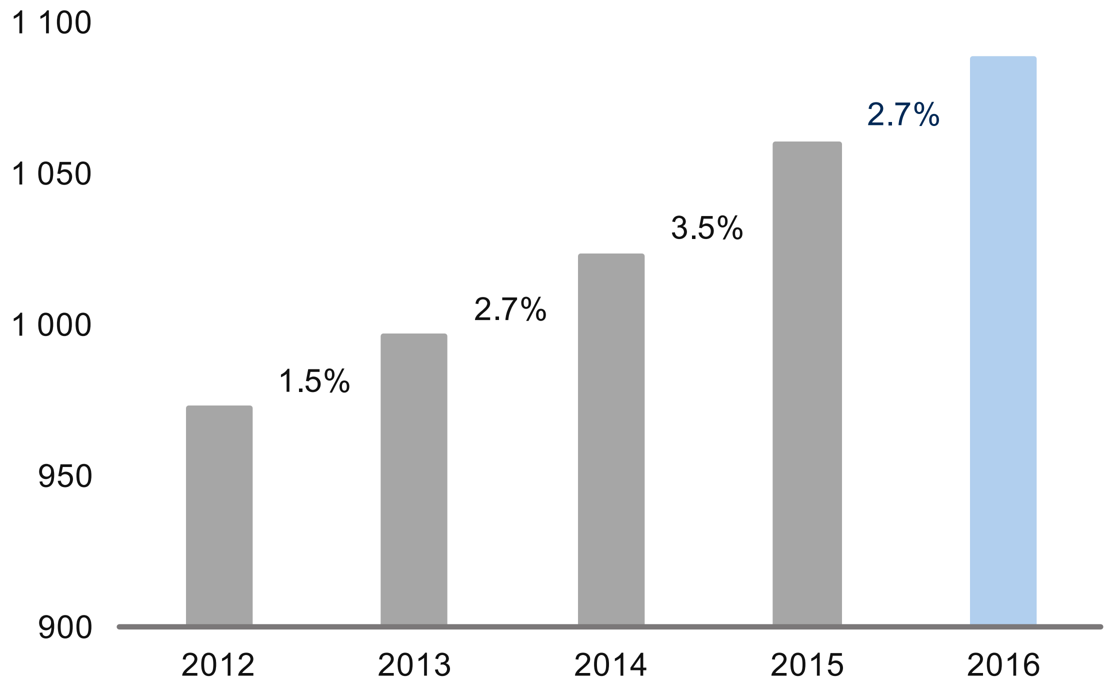
Highlights
Group

- Revenue **+10.9%** to R7 860m
- Normalised EBITDA **+9.0%** to R2 099m
- Headline earnings per share **+15.8%** to 93.0 cents
- Normalised EPS **+8.6%** to 87.1 cents
- Interim dividend **+7.4%** to 73 cps



Southern Africa: Growth
H1 PPD Growth

PPDs (000)



	2012	2013	2014	2015	2016
H1 bed growth	154	80	142	90	**91**
FY bed growth	292	95	249	253	**210 est**

- PPD growth to end April 2016:
  - above 3.5%

Southern Africa: Growth

Acute and Complementary Growth

Category	**H1 2016**	H2 2016	Total 2016
Capacity expansion at existing facilities	**91**	24	115
Mental Health	**-**	95	95
Total beds	**91**	119	210
Renal Dialysis stations	**17**	6	23
Oncology units	**-**	1	1

- Life Bayview
- Life Mercantile
- Life Mt Edgecombe
- Life Peglerae

- Life Flora
- Life Springs Parklands

- Life Vincent Pallotti
- Life Carstenhof

Life Carstenhof: Mental Health

Life Vincent Pallotti: Mental Health

Southern Africa: Growth

Acute and Complementary pipeline

Category	**Total 2016**	Approved beds*	Applications pending
Capacity expansion at existing acute facilities	**115**	464	382
New acute facilities	**-**	300	128
Mental Health / Acute Rehab – new facilities	**95**	125	535
Mental Health / Acute Rehabilitation – capacity expansion	**-**	203	142
Total	**210**	1 092	1 187

- Strong pipeline of beds
- Allows for a bed expansion program which primarily focuses on:
  - Capacity expansion at existing facilities
  - Mental Health growth

- *Approved: received Health department licence approval. In the process of obtaining municipal approvals before commencing building*
- *Applications pending: awaiting approval from the Health departments for bed applications made*

Southern Africa: Growth
Healthcare Services

Life Esidimeni

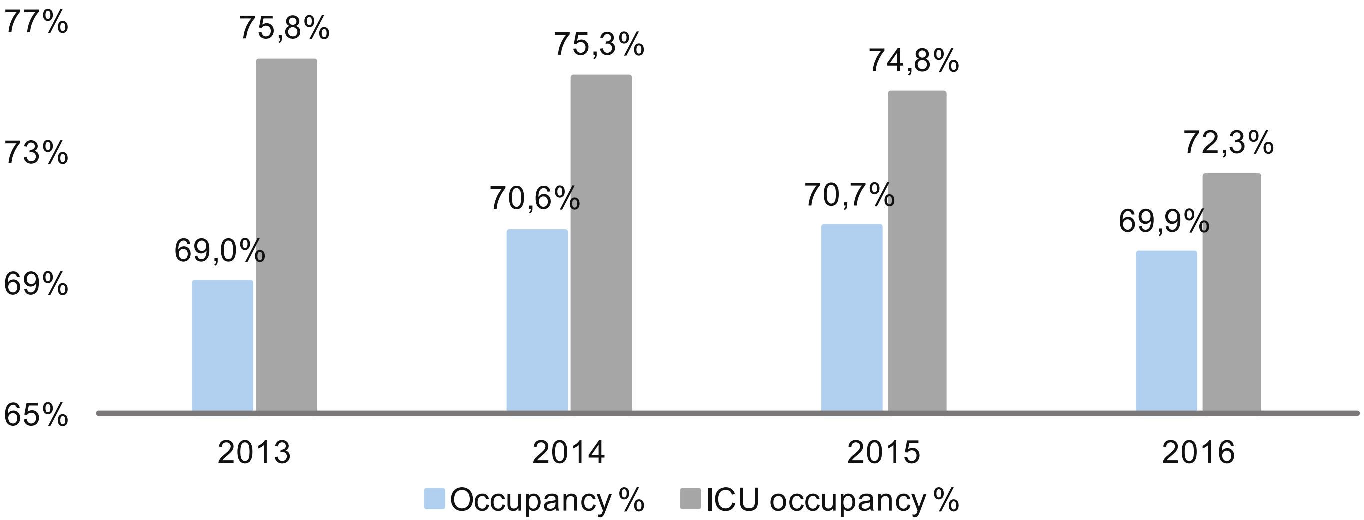
- Gauteng province:
  - reduced beds by 200 from April 2015 – impacted revenue growth which was flat on H1 2015
  - Non-renewal of 1 570 mental health beds delayed to 30 June 2016

Occupational Health / Wellness Business

- Business closely aligned to the economy
- Good growth in lives covered – up 7.9%
- New growth at lower margins resulting in overall pressure on margins
- Good progress being made on integrating the Careways Wellness business into the Occupational Health business

Southern Africa: Efficiency
Effective use of assets

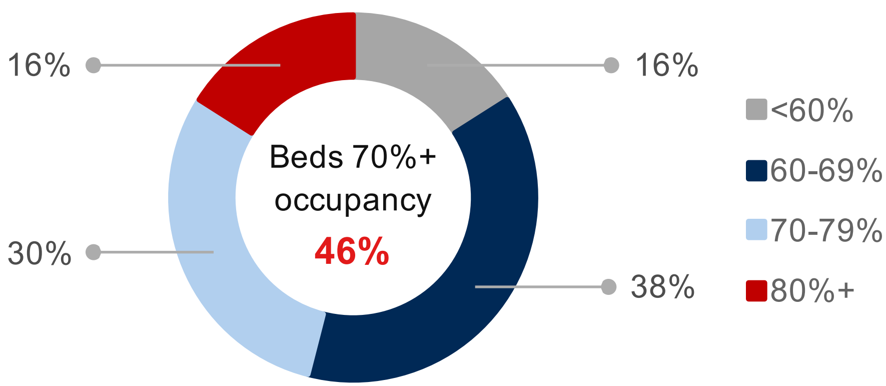
Occupancy %



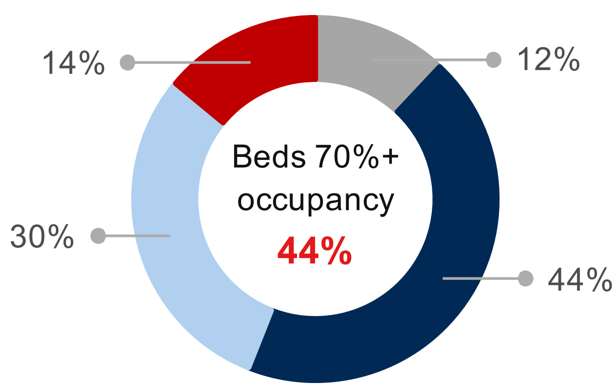
- Occupancy to end April:
  - 70.3%

Bed growth: H2 2013 - H1 2016 → 608 beds
ICU bed growth: H2 2013 - H1 2016 → 227 beds (23% increase)

2013: Bed occupancy split

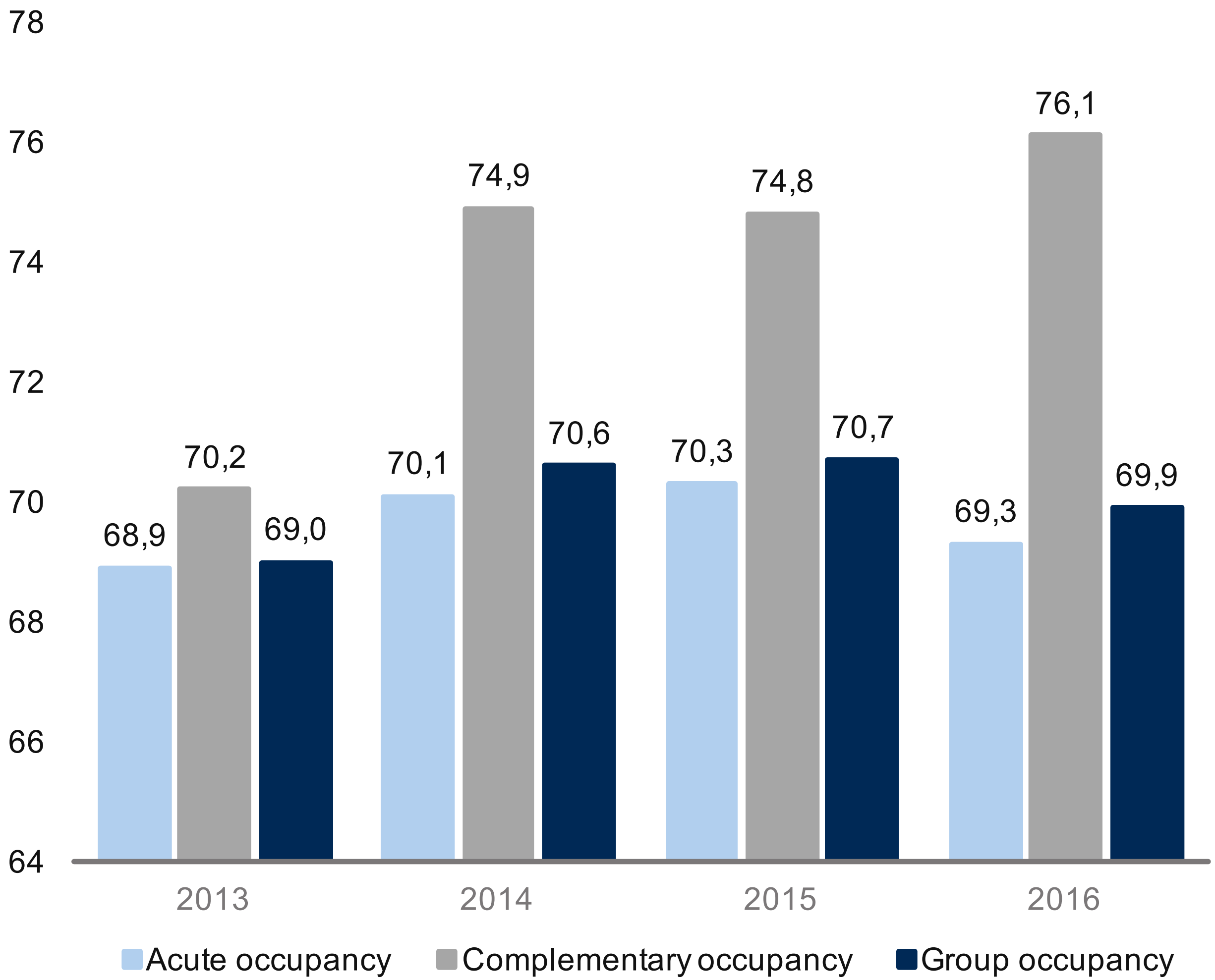


2016: Bed occupancy split



Southern Africa: Efficiency
Effective use of assets

Occupancy split between Acute and Complementary*

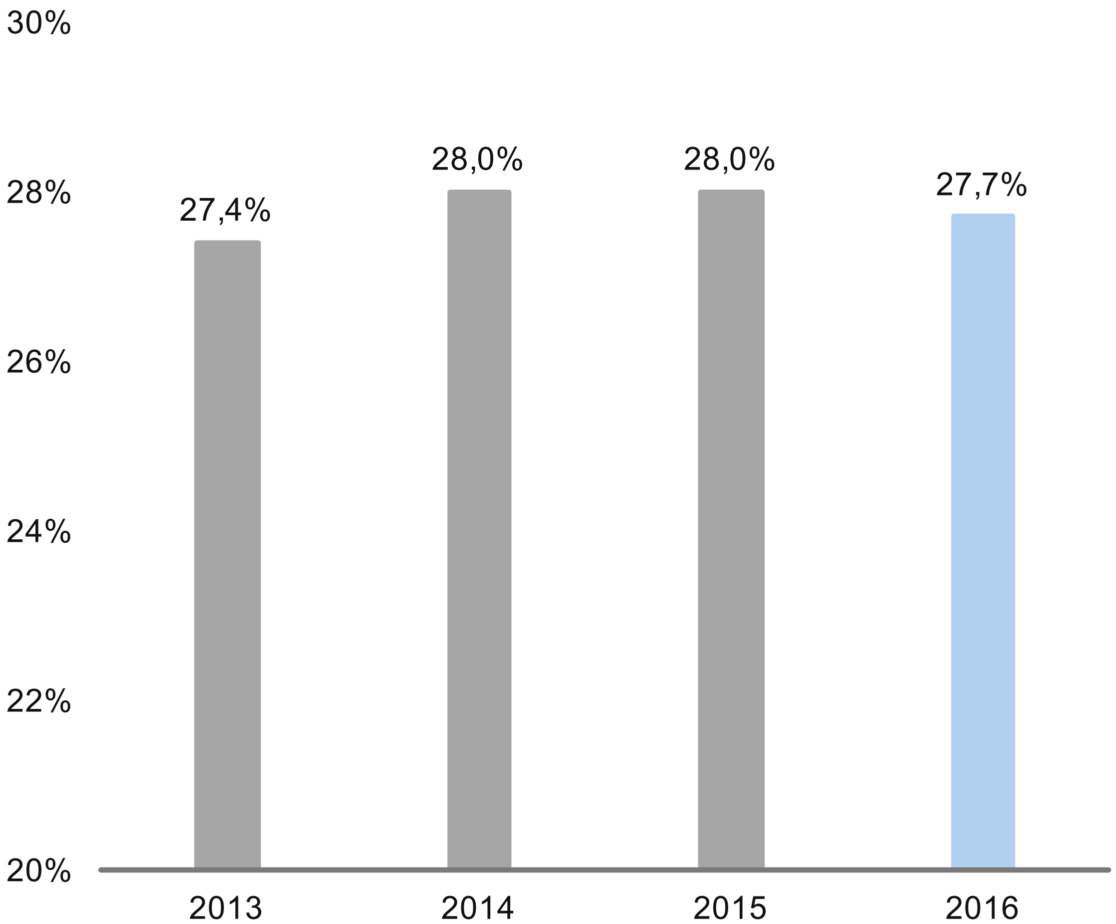


- 2013 was the last year in which Easter fell in March
- Consistent occupancy within the Acute business despite bed growth
- Strong demand for Mental Health continues
- Lower occupancies within the Acute Rehabilitation business

** Complementary business includes Mental Health and Acute Rehabilitation in the occupancy calculation*

Southern Africa: Efficiency
H1 Normalised EBITDA margin

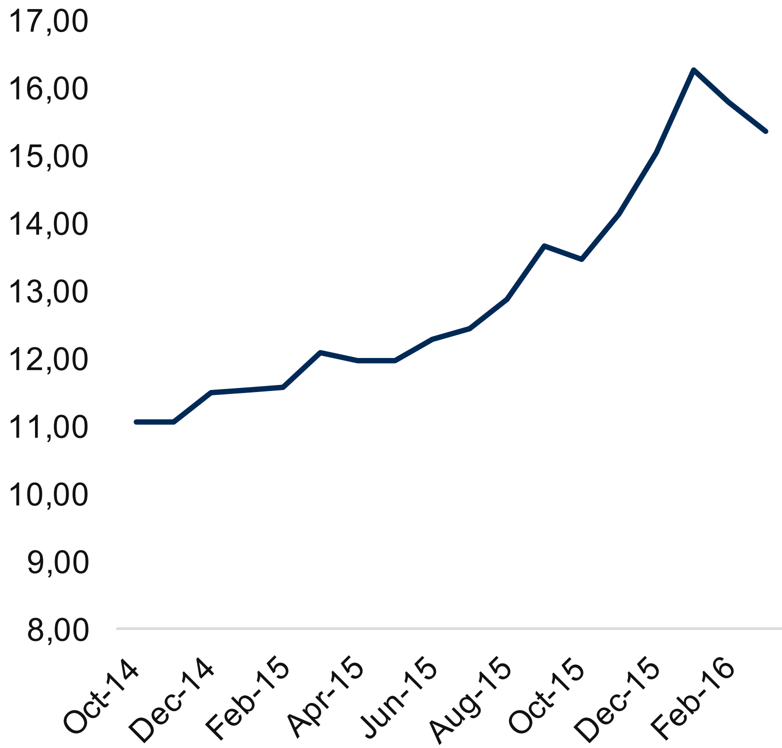
EBITDA Margin %



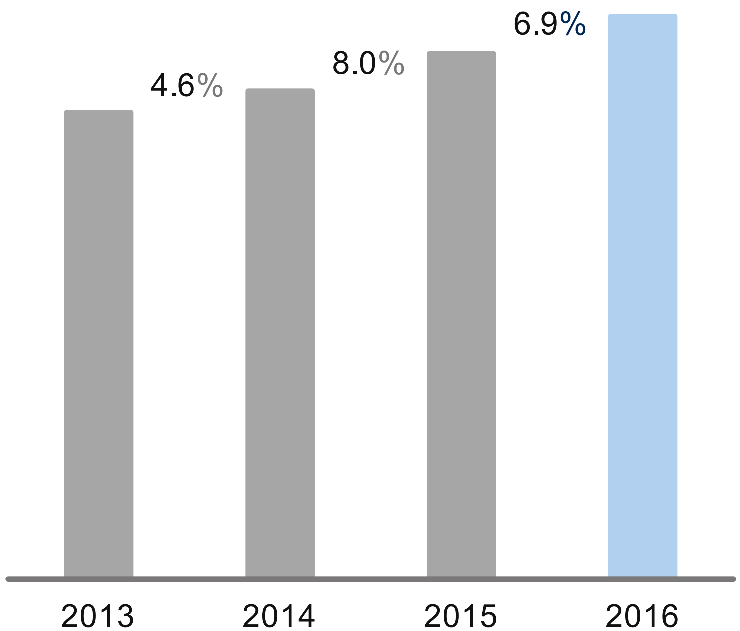
- Good management of costs in a difficult environment
- Pressure from the weakening Rand, salaries and overhead costs
- Continued focus on driving efficiencies to offset increased costs

Southern Africa: Efficiency
Rand and Employee Cost pressures

Rand / $



Employee cost/PPD



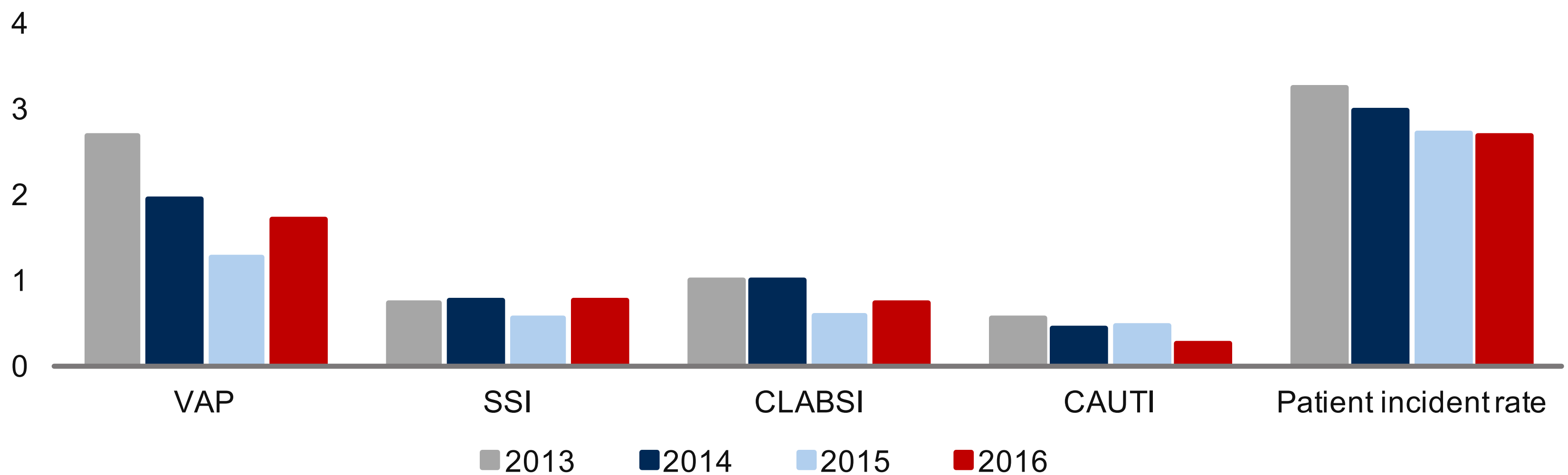
- Impact on surgicals / consumables - 17% of revenue with a 90% forex exposure
- Strong procurement in H1, but expect increased cost pressures in H2

- Employee costs = 29.5% of revenue
- Increases primarily driven by cost of nursing
- CAGR of 6.5% since 2013
- Good management of staff costs in H1

Southern Africa: Quality
Measuring Clinical Outcomes

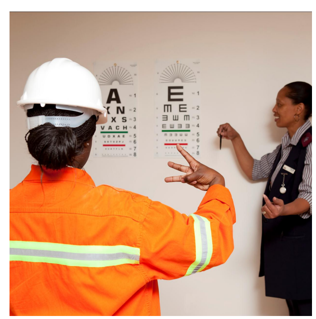
Outcome	**31 Mar 2016**	31 Mar 2015	Standard
Patient incident rate	**2.69**	2.72	Per 1 000 PPDs
HAI (Healthcare Associated Infection)	**0.35**	0.33	Per 1 000 PPDs
VAP (Ventilator Associated Pneumonias)	**1.72**	1.27	Per 1 000 VAP days
SSI (Surgical Site Infections)	**0.78**	0.55	Per 1 000 theatre cases
CLABSI (Central Line Associated Blood Stream Infections)	**0.74**	0.59	Per 1 000 central line days
CAUTI (Catheter-related Urinary Tract Infections)	**0.28**	0.46	Per 1 000 catheter days
FIM/FAM score	**1.1**	1.18	>0.9
MHQ14 efficiency (average gain/PPD)	**2.7**	2.48	>1.6

Per 1 000 PPDs



Southern Africa: Sustainability
Competition Commission (CC) Healthcare Market Inquiry

- Made a detailed submission on the subject matter of the Inquiry
- Submitted a further response to the public submissions focusing on:
  - Market power / medical scheme bargaining power
  - Profitability
  - Pricing & Price regulation
  - Hospital formularies
  - Quality
  - Regulatory environment
- 1st set of public hearings are still underway and are due to be completed in May
- The timetable for the next series of public hearings is still to be released
- Process to date has been analytical, detail oriented and has provided an opportunity to discuss the key challenges facing the industry
- The costs involved in this inquiry (excluding management time) will be approximately R20m by the end of 2016



Southern Africa: Sustainability
Environmental Management System

Environmental certification

- On track to obtain an ISO 14001:2004 environmental certification in 2016

Energy-saving initiatives

- Solar
  - Next project will commence at Life Fourways Hospital:
    - installation of 580 kWp
    - 1 780 solar panels
    - Complete by 30 September 2016
- Heat pumps - Phase 3
  - 13 sites have been identified for conversion in 2016
    - 2 Sites complete
    - 11 remaining sites will be complete by 30/9/2016
  - Estimated saving of 1 495 MWh projected per annum

International: Poland
Scanmed

Strategy to build an integrated countrywide network of healthcare facilities

- Focus on growth through M&A and increased NFZ business
- Good pipeline of potential M&A targets
- Driving efficiency through integration of assets and through improved case mix

Growth:

- NFZ Contracts – 13% increase in contracts with the NFZ
- M&A:
  - Acquired Polska Grupa Medyczna (PGM) for R685m, effective 1 November 2015
    - 5 Cardiac centers - 131 beds
    - 1 hospital - 160 beds
  - Acquired remaining 50.1% of Carint Scanmed effective 1 April 2016
    - 1 Cardiac Center in Krakow
    - 37 beds and 2 angiographic labs

Efficiency:

- EBITDA margins improved to 13.5% (2015:11.8%). Below the EBITDA margins of 16.1% H2 2015
- EBITDA margins were negatively impacted by:
  - slow down in revenue in December. Reduced over-quota work before the new year contracting cycle
  - the impact of the Easter holidays
  - initial integration costs of new businesses

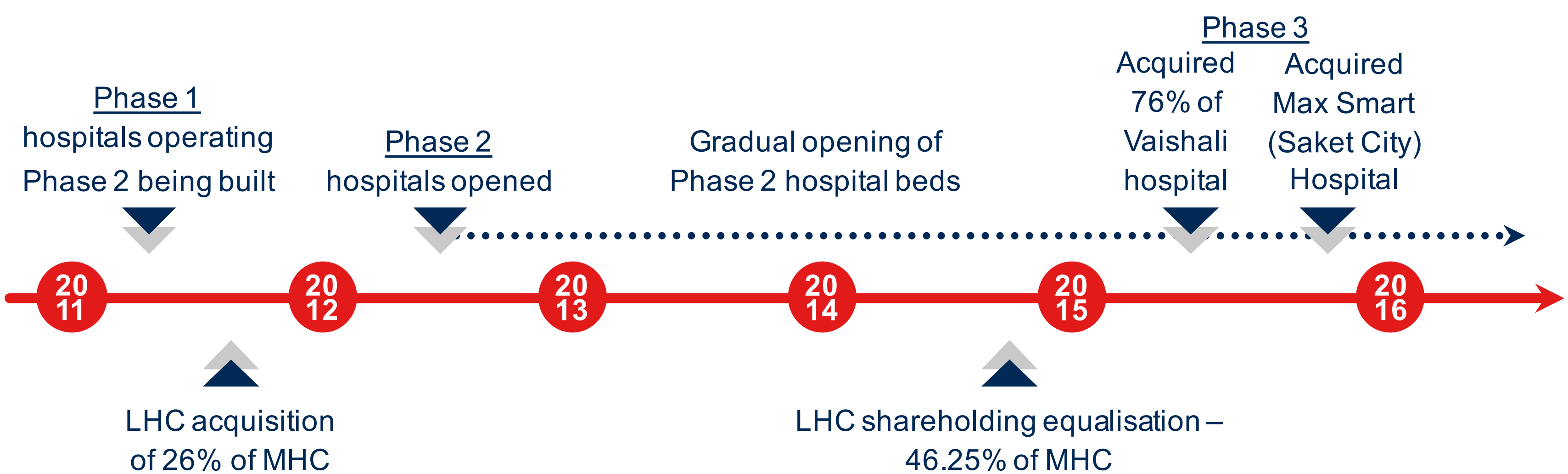
International: Poland
Scanmed

	H1 2016	H2 2015	H1 2015
Beds	**617**	334	294
Cardiac units	**12**	7	6
Medical Centres	**43**	36	29
Primary care lives	**130 000**	130 000	130 000
Revenue	**PLN 150m**	PLN 103m	PLN93m
Normalised EBITDA	**PLN 20.2m**	PLN 16.6m	PLN11m
Normalised EBITDA margin	**13.5%**	16.1%	11.8%

International: India
MHC

2016 H1 focus:

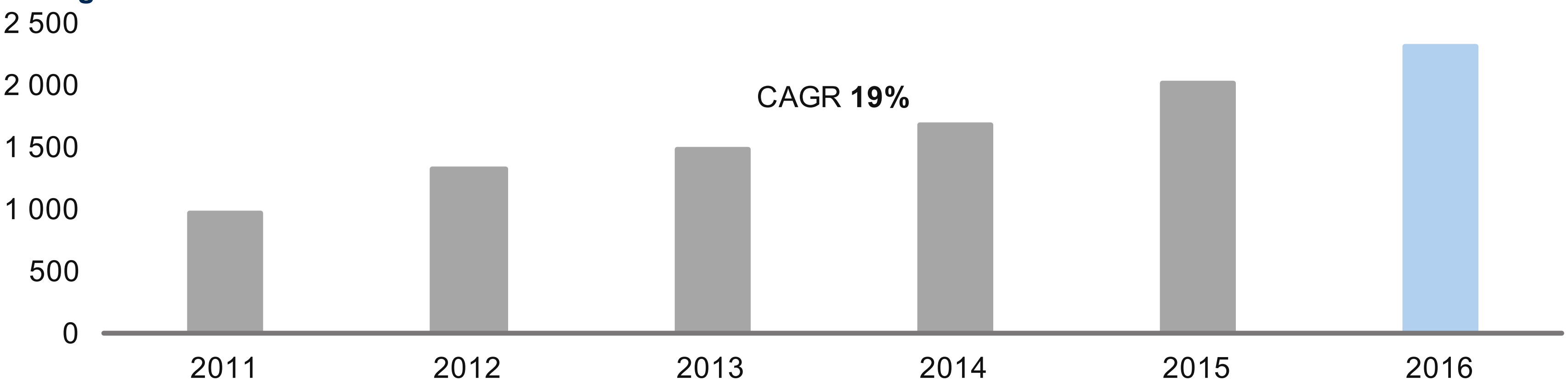
- Bedding down Vaishali Hospital and Max Smart (Saket City) acquisitions
- Continued good revenue growth
- Improving margins



International: India
MHC Bed Growth

		Bed capacity	**Operational beds 31 Mar 2016**	Operational beds 30 Sep 2015	Operational beds 31 Mar 2015
Phase 1	Total: Phase 1	1 123	**1 095**	1 095	1 101
Phase 2	Total: Phase 2	859	**729**	698	654
Phase 3	Total: Phase 3	640	**496**	260	-
	Total: Combined	2 622	**2 320**	2 053	1 755

Bed growth

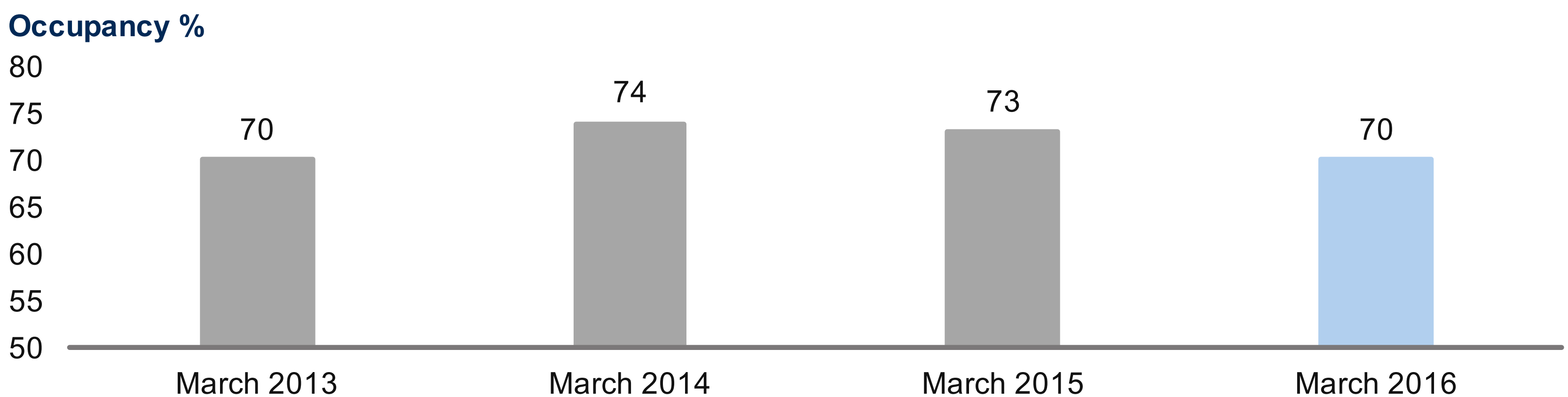


- Phase 1: Saket ; Patpaganj ; Pitampura ; Gurgaon ; Noida ; Panscheel
- Phase 2: Shalimar Bagh ; Mohali ; Bathinda ; Dehradun
- Phase 3: Vaishali ; Smart

International: India

MHC Occupancy

		Operational beds 31 Mar 2016	Occupancy 31 Mar 2016	Operational beds 31 Mar 2015	Occupancy 31 Mar 2015
Phase 1	Total: Phase 1	**1 095**	**74%**	1 101	76%
Phase 2	Total: Phase 2	**729**	**65%**	654	69%
Phase 3	Total: Phase 3	**496**	**65%**	-	-
	Total: Combined	**2 320**	**70%**	1 755	73%



	March 2013	March 2014	March 2015	March 2016
Operational beds 31 March	1 379	1 571	1 755	**2 320**


FINANCIAL REVIEW
PIETER
VAN DER WESTHUIZEN
CFO

Highlights

Paid patient days **+2.7%**

Revenue **+10.9%** to R7 860m

Normalised EBITDA **+9.0%** to R2 099m

Normalised EPS **+8.6%** to 87.1 cents

Dividend **+7.4%** to 73 cents

Increase in **investments** in India and Poland **R989 million**

Funding raised in Poland **PLN240 million** at 3.7%

Financial results
Group

	31 Mar 2016 Rm	31 Mar 2015 Rm	Change %
Revenue	**7 860**	7 089	10.9
Southern Africa	**7 288**	6 734	8.2
Poland	**572**	355	61.1
Normalised EBITDA	**2 099**	1 926	9.0
Southern Africa	**2 022**	1 884	7.3
Poland	**77**	42	83.3
Normalised EBITDA margin	**26.7%**	27.2%	
Southern Africa	**27.7%**	28.0%	
Poland	**13.5%**	11.8%	

1PLN = ZAR3.96 (31 March 2016)
1PLN = ZAR3.80 (31 March 2015)

Financial results
Group

	31 Mar 2016 Rm	31 Mar 2015 Rm	Change %
Revenue	**7 860**	7 089	10.9
Normalised EBITDA	**2 099**	1 926	9.0
Normalised EBITDA margin	**26.7%**	27.2%	
Operating profit:	**1 826**	1 645	11.0
Southern Africa	**1 720**	1 628	5.7
Poland	**37**	18	>100
Transaction costs on international acquisitions	**(11)**	(11)	
Once-off	**14**	10	
Reversal of earn-out	**66**	-	

Financial results
Group

	31 Mar 2016 Rm	31 Mar 2015 Rm	Change %
Revenue	**7 860**	7 089	10.9
Normalised EBITDA	**2 099**	1 926	9.0
Normalised EBITDA margin	**26.7%**	27.2%	
Operating profit	**1 826**	1 645	11.0
Associates and joint ventures:	**(1)**	2	
Max Healthcare	**(7)**	(1)	
Poland	**2**	-	
Other	**4**	3	

Financial results
Group

	31 Mar 2016 Rm	31 Mar 2015 Rm	Change %
Revenue	**7 860**	7 089	10.9
Normalised EBITDA	**2 099**	1 926	9.0
Normalised EBITDA margin	**26.7%**	27.2%	
Operating profit	**1 826**	1 645	11.0
Associates and joint ventures	**(1)**	2	
Attributable profit:	**965**	832	**16.0**
Southern Africa	**1 000**	946	5.7
Poland and India	**14**	(3)	
Transaction costs on international acquisitions	**(11)**	(11)	
Funding costs for international acquisitions	**(119)**	(90)	
Other	**81**	(10)	

Financial results

Southern Africa: segmental revenue

		31 Mar 2016 Rm	31 Mar 2015 Rm	Change %
Revenue		**7 860**	7 089	10.9
Southern Africa	Hospital division	**6 842**	6 317	8.3
	Healthcare services	**446**	417	7.0

Hospital division:

- PPD growth: + 2.7%
- Revenue/ppd: + 5.6%
  - Tariff impact: + 5.9%
  - Case mix: - 0.3%
- Complementary revenue growth: + 12.4%

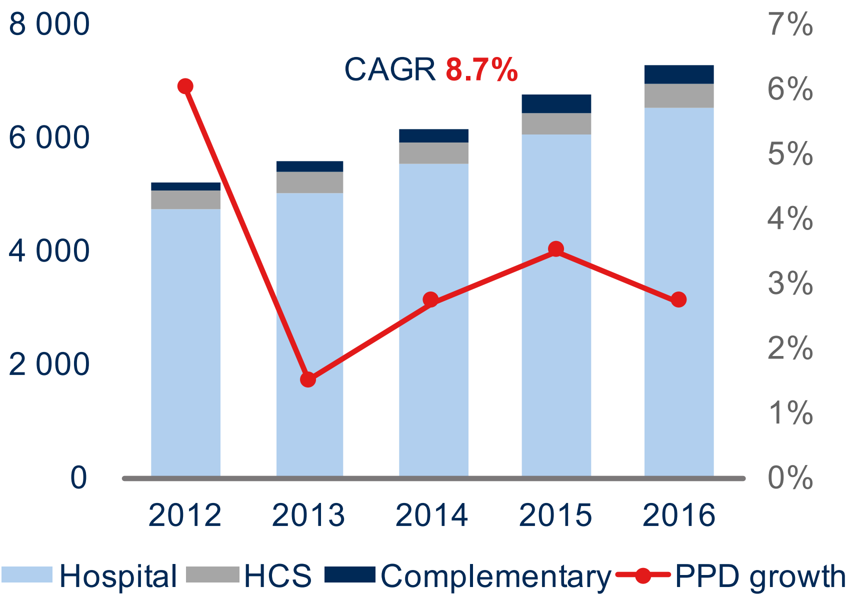
Financial results

Group segmental review

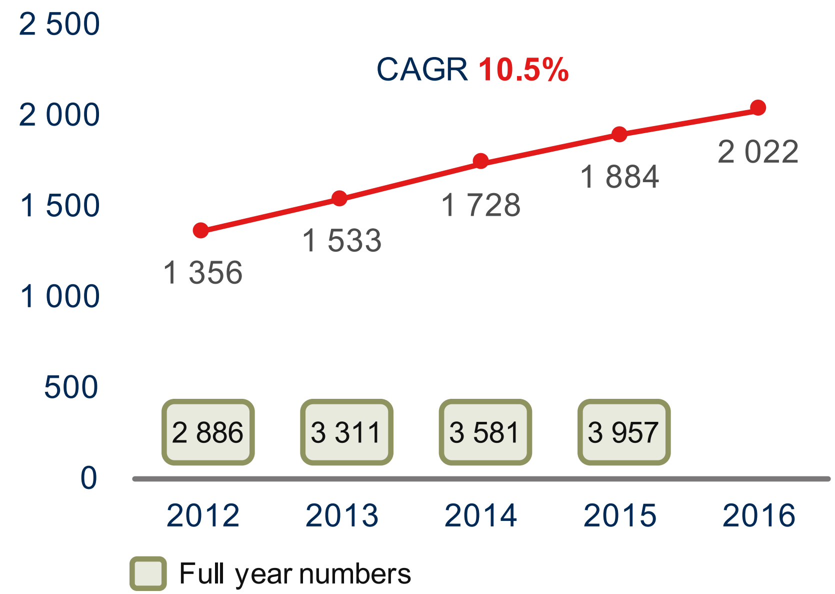
		31 Mar 2016 Rm	31 Mar 2015 Rm	Change %
Revenue		**7 860**	7 089	10.9
Southern Africa	Hospital division	**6 842**	6 317	8.3
	Healthcare services	**446**	417	7.0
Poland	Hospitals	**572**	355	61.1
Operating profit before amortisation, profit/loss on disposals, impairment of intangible assets, transaction costs and surpluses on retirement benefits		**1 829**	1 703	7.4
Southern Africa	Hospital division	**1 635**	1 542	6.0
	Healthcare services	**70**	76	(7.9)
	Other	**77**	67	14.9
Poland	Hospitals	**47**	18	161.1

Five year review
Southern Africa

Revenue* (Rm)



Normalised EBITDA (Rm)

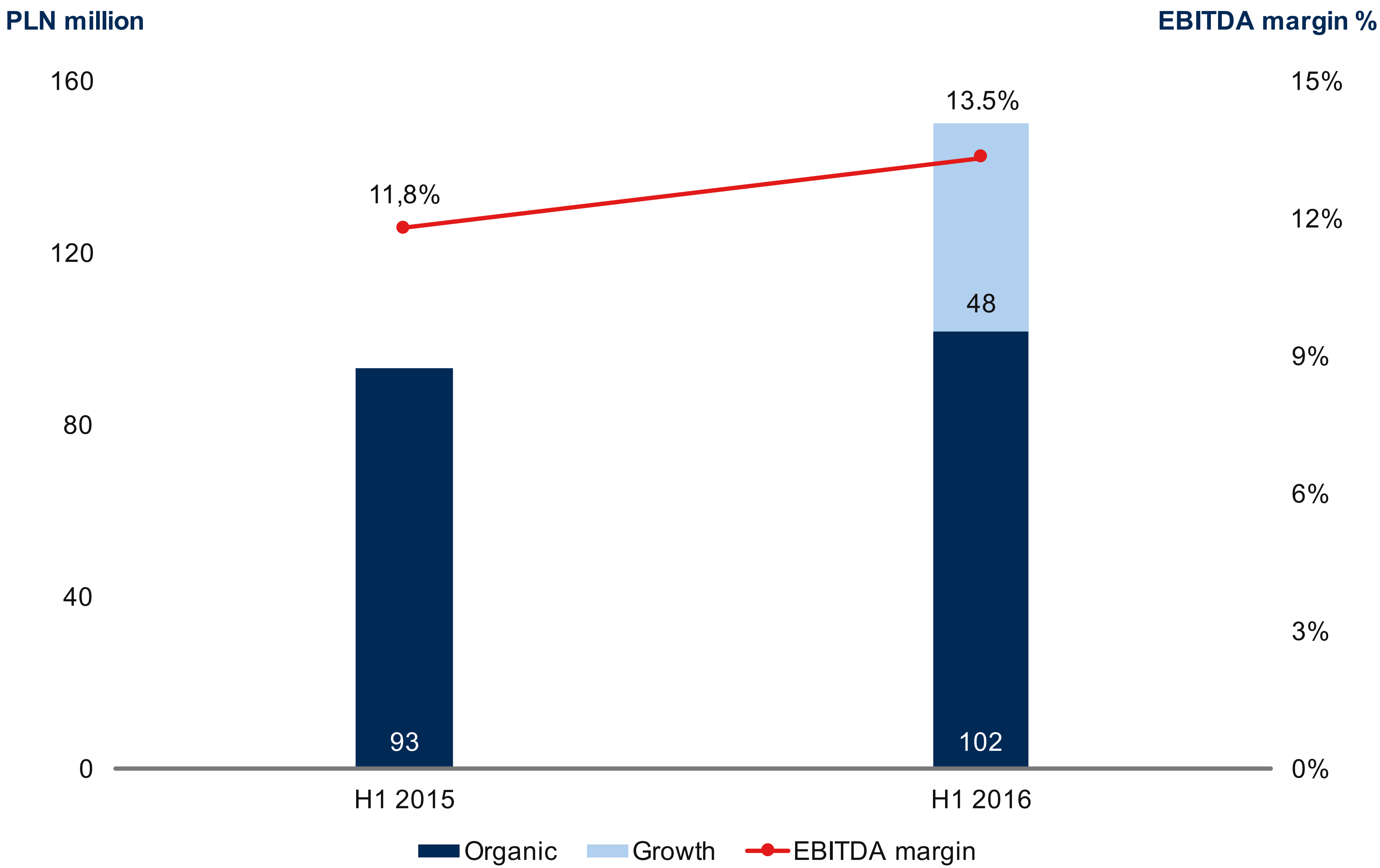


- Consistent growth in hospital revenue:
  - Addition of 178 beds in H2 2015
  - Addition of 91 beds, including 14 ICU beds in H1 2016
- Continued rapid growth of complementary services
- Continued improvement in efficiencies assisted growth in normalised EBITDA
- Stable margins in a difficult environment
- Benefited from mix change and good cost of sales management

** Hospital revenue includes other revenue*

Financial results

Poland revenue and margin



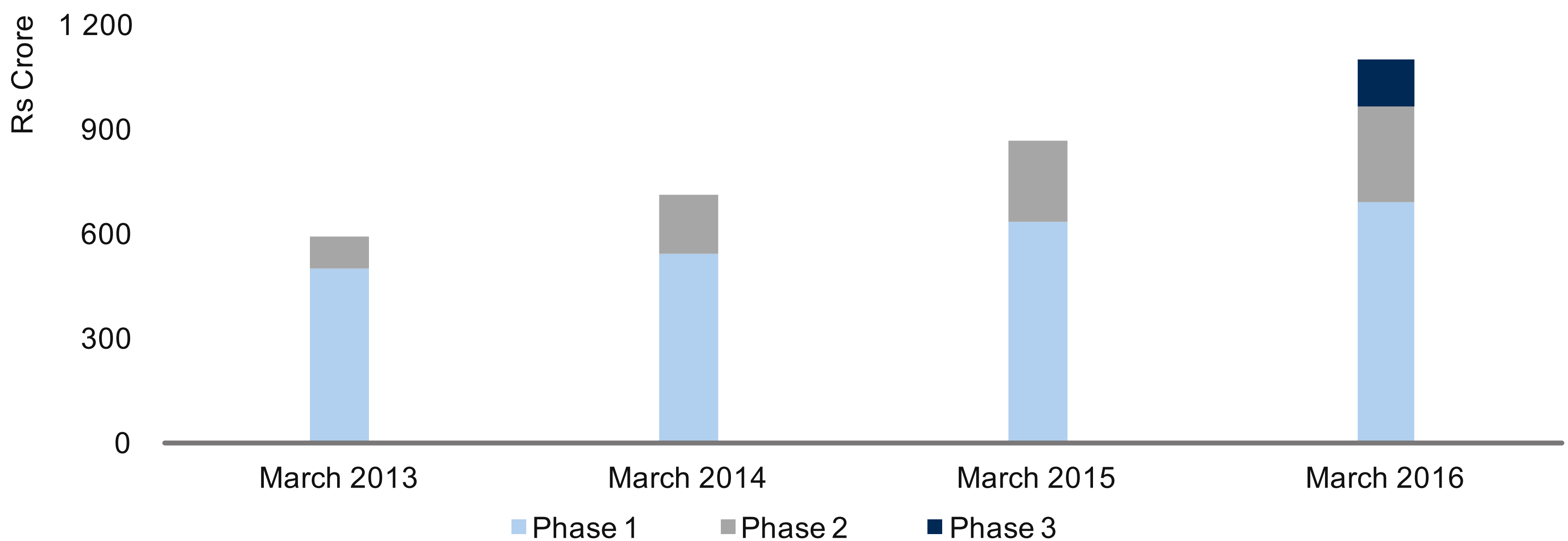
1PLN = ZAR3.96

Financial results

India: Max Healthcare – revenue growth: 6 months to March

Net revenue	MHC 2016 Rs Crore	MHC 2015 Rs Crore	Change %
Net revenue – Phase 1 hospitals	**689**	635	8.5
Net revenue – Phase 2 hospitals	**274**	230	19.3
Net revenue – Phase 3 hospitals (Vaishali & Smart)	**142**	-	100.0
Total net revenue	**1 105**	865	27.7

Revenue: 6 months to March



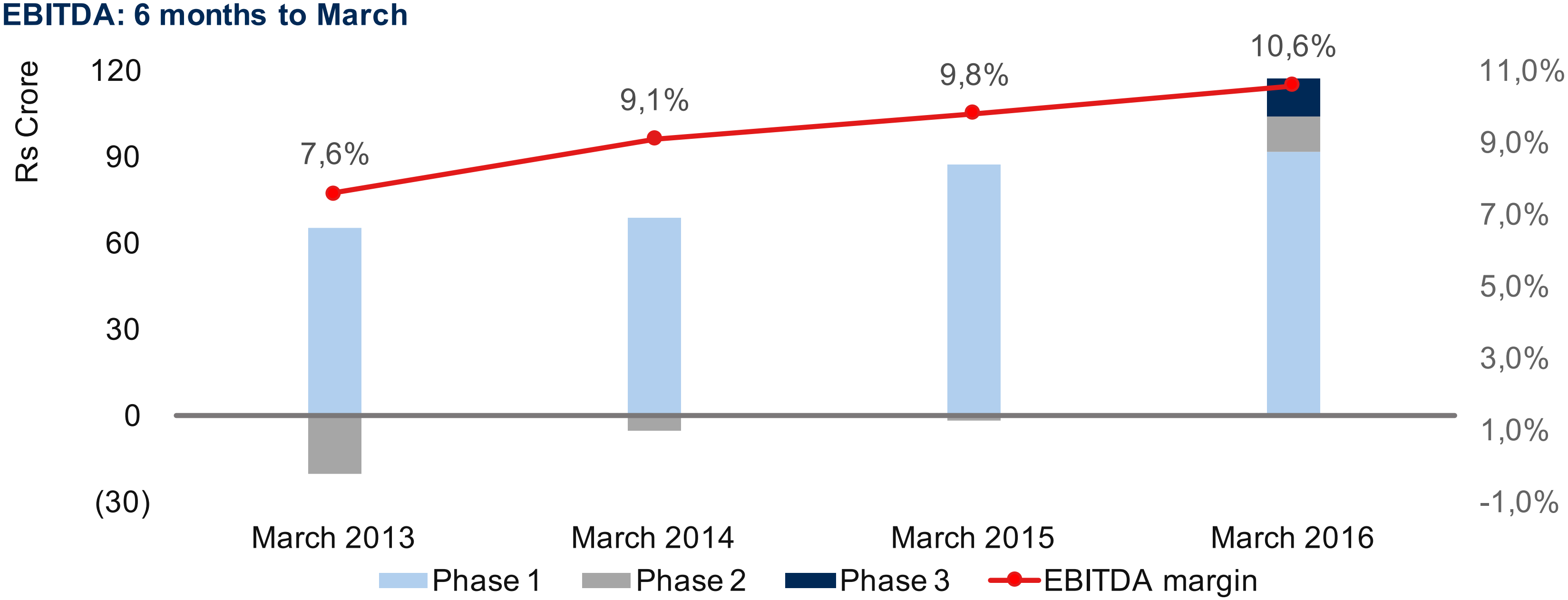
Financial year-end: March
1 Rs. Crore = R2.2 million

Financial results

India: Max Healthcare – EBITDA growth: 6 months to March

EBITDA	MHC 2016 Rs Crore	MHC 2015 Rs Crore	Change %
EBITDA – Phase 1 hospitals	**92**	87	
EBITDA – Phase 2 hospitals	**12**	(2)	
EBITDA – Phase 3 hospitals	**13**	-	
Total EBITDA	**117**	85	37.6

EBITDA: 6 months to March



Financial year-end: March
1 Rs. Crore = R2.2 million

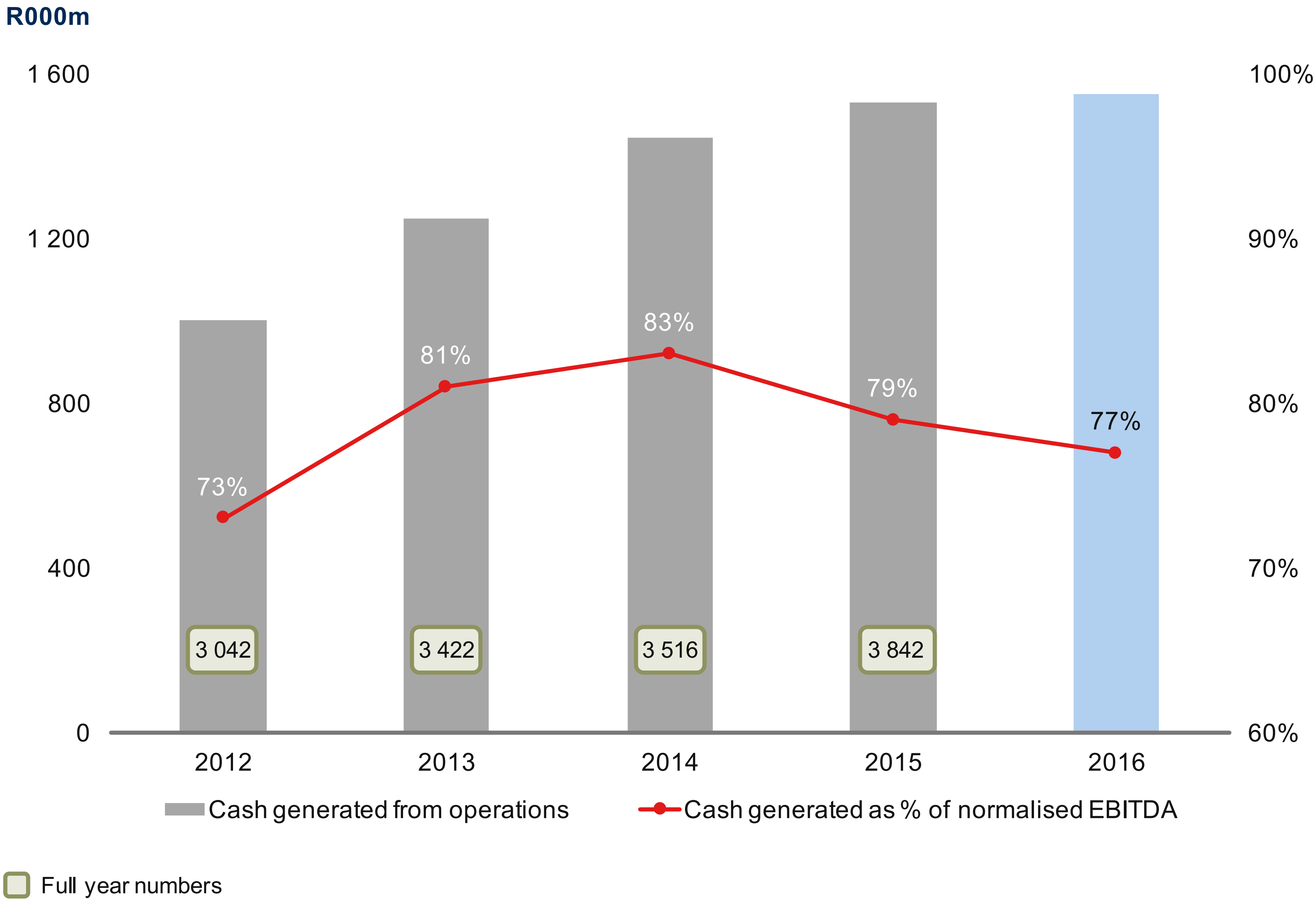
Financial results
Group

	31 Mar 2016 cents	31 Mar 2015 cents	Change %
EPS	**93.0**	80.2	16.0
Loss on disposal of property, plant and equipment and disposal of businesses	**-**	0.1	
HEPS	**93.0**	80.3	15.8
Reversal of earn-out	**(6.4)**	-	
Other	**0.5**	(0.1)	
Normalised EPS	**87.1**	80.2	8.6

Financial results
Group

	31 Mar 2016 Rm	31 Mar 2015 Rm	Change %
Normalised EPS	**87.1**	80.2	8.6
Southern Africa	**97.3**	89.2	9.1
Poland & Max Healthcare	**1.3**	(0.3)	
Funding costs for international acquisitions	**(11.5)**	(8.7)	32.2

Cash generated vs normalised EBITDA – Southern Africa



Consolidated condensed statement of financial position

	31 Mar 2016 Rm	30 Sep 2015 Rm
Non-current assets	**14 571**	13 164
PPE	**7 350**	7 101
Goodwill	**2 684**	2 089
Intangibles	**989**	875
Investment in Max Healthcare	**2 543**	2 230
Other	**1 005**	869
Current assets (excl cash)	**2 441**	1 959
Cash	**613**	812
Total assets	**17 625**	15 935
Total shareholders' equity	**6 799**	6 448
Non-current liabilities	**6 708**	5 873
Interest-bearing borrowings	**5 962**	5 263
Other non-current liabilities	**746**	610
Current liabilities	**4 118**	3 614
Total equity and liabilities	**17 625**	15 935
Net debt	**7 305**	5 932
Net debt to normalised EBITDA (covenant 2.75x)	**1.73**	1.49

Condensed statement of financial position – Southern Africa & Poland

	Southern Africa	Poland	Total	
	31 Mar 2016 Rm		31 March 2016	30 Sep 2015
Non-current assets	**11 701**	**2 870**	14 571	13 164
PPE	**6 366**	**984**	7 350	7 101
Intangibles	**1 910**	**1 763**	3 673	2 964
Other	**3 425**	**123**	3 548	3 099
Current assets (excl cash)	**2 097**	**344**	2 441	1 959
Cash	**300**	**313**	613	812
Total assets	**14 098**	**3 527**	17 625	15 935
Total shareholders' equity	**5 219**	**1 580**	6 799	6 448
Non-current liabilities	**5 293**	**1 415**	6 708	5 873
Interest-bearing borrowings	**4 657**	**1 305**	5 962	5 263
Other non-current liabilities	**636**	**110**	746	610
Current liabilities	**3 586**	**532**	4 118	3 614
Total equity and liabilities	**14 098**	**3 527**	17 625	15 935

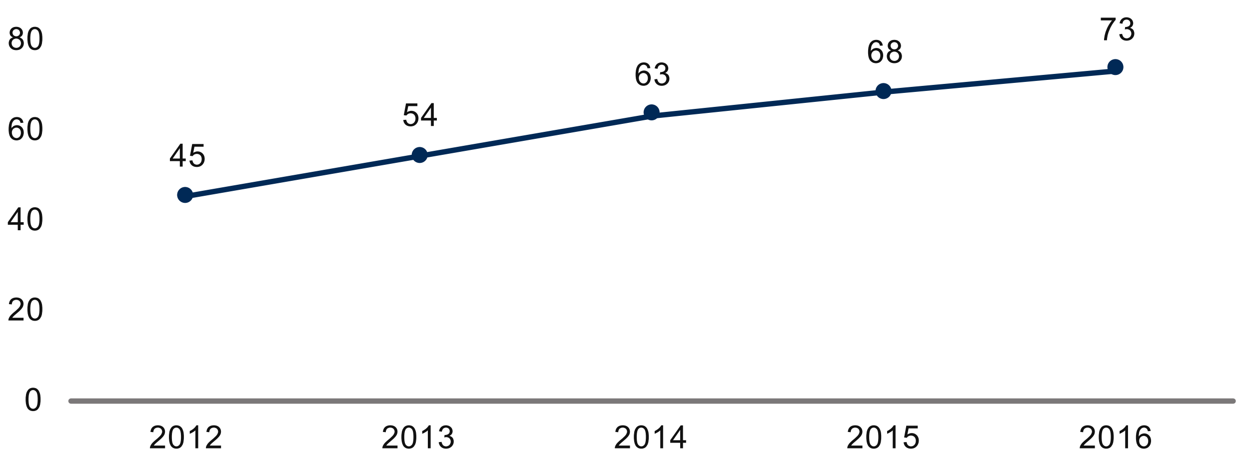
Net debt

Funding	**31 Mar 2016 Rm**	Weighted average cost of debt	30 Sep 2015 Rm	Weighted average cost of debt
		(post-tax)		**(post-tax)**
Acquisition funding				
ZAR	**3 490**	7.00	3 271	6.46
PLN	**841**	3.76	-	-
Capex funding	**1 697**	5.66	1 864	5.47
Poland	**220**	3.77	346	4.67
IFRS debt	**1 000**	7.78	706	9.22
Working capital	**679**	4.90	557	5.23
	7 927	6.21	6 744	5.76
		(pre-tax)		**(pre-tax)**
3M JIBAR rate		6.68		6.19
Prime overdraft rate		10.50		9.50

Dividend

Distributions	Cents/share	Rm
Interim 2015	**68**	709
Final 2015	**86**	896
Total 2015	**154**	1 605
Interim 2016	**73**	765

Dividend (cps)



- Declared an interim dividend of 73 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

OUTLOOK

ANDRÉ MEYER
CEO

H2 Outlook
Southern Africa

SA:

- Bed growth:
  - Addition of 119 beds in H2
- PPD growth:
  - Between 2.5% - 3.5%
- EBITDA margins:
  - Margins may come under pressure due to Rand weakness
  - Between 27.5% - 28.5%
- Continued focus on improving clinical quality outcomes

H2 Outlook
International

Poland:

- Continued revenue and EBITDA growth
- Focus on completing integration of acquired businesses to drive efficiencies
  - Secondment of LHC staff
- Continue M & A activity

India:

- Continued focus on bedding down Vaishali Hospital and Max Smart Hospital acquisitions
- Continued good revenue growth
- Improving margins


THANK YOU