AUDITED SUMMARISED CONSOLIDATED RESULTS

FOR THE YEAR ENDED 30 SEPTEMBER **2016**

AND DECLARATION OF SCRIP DIVIDEND AND CASH DIVIDEND ALTERNATIVE

Paid patient days (PPDs):

+4%

Revenue:

+12%

to R16 404 million

Normalised EBITDA:

+6.6%

to R4 314 million

Final dividend of 92 cents per share:

+7.1%

Headline earnings per share increased to:

+7.0%

Summarised consolidated statement of profit and loss and other comprehensive income

for the year ended 30 September 2016

R'm	30 September 2016	% Change	30 September 2015
Revenue	**16 404**	12.0	14 647
Operating expenses	**(12 744)**		(11 151)
Operating profit	**3 660**	4.7	3 496
Contingent consideration released	**109**		21
Transaction costs	**(12)**		(15)
Impairment of investment	**(370)**		–
Loss recognised on remeasuring previously held interest in associate to fair value	**(23)**		–
Fair value (loss)/gain on derivative financial instruments	**(2)**		29
Other	**(6)**		–
Finance income	**12**		12
Finance cost	**(512)**		(445)
Share of associates' and joint ventures' net profit after tax	**8**		14
Profit before tax	**2 864**		3 112
Tax expense	**(894)**		(884)
Profit after tax	**1 970**	(11.6)	2 228
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss			
Movement in foreign currency translation reserve	**(30)**		158
Items that will not be reclassified to profit or loss			
Retirement benefit asset and post-employment medical aid	**8**		(5)
Total comprehensive income for the year	**1 948**	(18.2)	2 381
Profit after tax attributable to:			
Ordinary equity holders of the parent	**1 616**	(13.4)	1 866
Non-controlling interest	**354**		362
	1 970	(11.6)	2 228
Total comprehensive income attributable to:			
Ordinary equity holders of the parent	**1 596**	(20.6)	2 010
Non-controlling interest	**352**		371
	1 948	(18.2)	2 381
Weighted average number of shares in issue (million)	**1 043**		1 037
Earnings per share (cents)	**154.9**	(13.9)	179.9
Headline earnings per share (cents)	**192.5**	7.0	179.9
Diluted earnings per share (cents)	**154.4**	(13.8)	179.2
Diluted headline earnings per share (cents)	**191.9**	7.1	179.2
Headline earnings (R'm)			
Profit attributable to ordinary equity holders	**1 616**		1 866
Headline earnings adjustable items			
Impairment of investment	**370**		–
Loss on remeasuring previously held interest in associate to fair value	**23**		–
Other	**(1)**		–
Headline earnings	**2 008**	7.6	1 866

Summarised consolidated statement of financial position

as at 30 September 2016

R'm	30 September 2016	30 September 2015
ASSETS		
Non-current assets	**14 395**	13 152
Property, plant and equipment	**7 752**	7 101
Intangible assets	**3 196**	2 964
Other non-current assets	**3 447**	3 087
Current assets	**3 102**	2 771
Cash and cash equivalents	**604**	812
Other current assets	**2 498**	1 959
TOTAL ASSETS	**17 497**	15 923
EQUITY AND LIABILITIES		
Capital and reserves		
Capital and reserves	**5 486**	5 168
Non-controlling interest	**1 312**	1 280
TOTAL EQUITY	**6 798**	6 448
LIABILITIES		
Non-current liabilities	**6 111**	5 852
Interest-bearing borrowings	**5 469**	5 263
Other non-current liabilities	**642**	589
Current liabilities	**4 588**	3 623
Bank overdraft	**1 030**	557
Interest-bearing borrowings	**1 312**	924
Other current liabilities	**2 246**	2 142
TOTAL LIABILITIES	**10 699**	9 475
TOTAL EQUITY AND LIABILITIES	**17 497**	15 923

Summarised consolidated statement of changes in equity

for the year ended 30 September 2016

R'm	Total capital and reserves	Non-controlling Interest	Total equity
Balance at 1 October 2015	5 168	1 280	6 448
Total comprehensive income for the period	1 596	352	1 948
Profit for the period	1 616	354	1 970
Other comprehensive income	(20)	(2)	(22)
Issue of new shares as a result of Scrip Distribution	575	–	575
Gains on transactions with non-controlling interests	1	(1)	–
Increase in ownership interest in subsidiaries	(197)	(39)	(236)
Non-controlling interest arising on business combination	–	9	9
Distributions to shareholders	(1 662)	(289)	(1 951)
Purchase of treasury shares for staff benefit schemes	(61)	–	(61)
Life Healthcare Employee Share Trust charge	35	–	35
Long Term Incentive Scheme charge	31	–	31
Balance at 30 September 2016	**5 486**	**1 312**	**6 798**
Balance at 1 October 2014	4 792	1 108	5 900
Total comprehensive income for the period	2 010	371	2 381
Profit for the period	1 866	362	2 228
Other comprehensive income	144	9	153
Transactions with non-controlling interests	7	(7)	–
Increase in ownership interest in subsidiaries	(36)	–	(36)
Distributions to shareholders	(1 522)	(192)	(1 714)
Purchase of treasury shares for staff benefit schemes	(120)	–	(120)
Profit on disposal of treasury shares	1	–	1
Life Healthcare Employee Share Trust charge	28	–	28
Long Term Incentive Scheme charge	8	–	8
Balance at 30 September 2015	**5 168**	**1 280**	**6 448**

Summarised consolidated statement of cash flows

for the year ended 30 September 2016

R'm	**30 September 2016**	% Change	30 September 2015
Cash generated from operations	**4 024**	4.7	3 842
Interest received	**12**		12
Tax paid	**(981)**		(903)
Net cash generated from operating activities	**3 055**	3.5	2 951
Capital expenditure	**(1 013)**		(1 181)
Investments	**(1 068)**		(2 037)
Other	**29**		–
Net cash utilised in investing activities[1]	**(2 052)**		(3 218)
Interest-bearing borrowings raised	**1 961**		4 268
Interest-bearing borrowings and preference shares repaid	**(1 437)**		(1 814)
Dividends paid	**(1 087)**		(1 520)
Other	**(1 114)**		(712)
Net cash (utilised in)/generated from financing activities	**(1 677)**		222
Net decrease in cash and cash equivalents	**(674)**		(45)
Cash and cash equivalents – beginning of the year	**255**		267
Cash balances acquired through business combinations	**56**		20
Effect of foreign exchange rate movements	**(63)**		13
Cash and cash equivalents – end of the year	**(426)**		255

[1] *The cash utilised in investing activities includes the acquisitions in Poland for R748 million, and the additional shares in Max Healthcare Institute Limited, India for R320 million.*

Segmental report

The Hospital segment comprises all the acute hospitals, acute rehabilitation, mental health, renal dialysis and oncology units in southern Africa. The Healthcare Services segment comprises of Life Esidimeni, Life Occupational Health and Careways Wellness. International comprises Poland while the Other segment comprises Corporate.

Inter-segment revenue that is eliminated relates to revenue with Careways Wellness Proprietary Limited of R3 million (2015: Nil).

R'm	**30 September 2016**	30 September 2015
Operating segments		
Revenue		
Southern Africa		
Hospitals	**14 381**	13 133
Healthcare Services	**849**	866
International		
Hospitals	**1 174**	648
Total	**16 404**	14 647
EBITDA before items detailed below	**4 314**	4 048
Southern Africa		
Hospitals	**3 819**	3 575
Healthcare Services	**120**	168
Other	**255**	214
International		
Hospitals	**120**	91
Depreciation	**(530)**	(445)
Southern Africa	**(468)**	(408)
International	**(62)**	(37)
Amortisation	**(147)**	(127)
Southern Africa	**(124)**	(117)
International	**(23)**	(10)
EBIT		
Southern Africa	**3 602**	3 432
International	**35**	44
EBIT before items detailed below	**3 637**	3 476
Retirement benefit asset and post-employment medical aid expenses	**23**	20
Operating profit	**3 660**	3 496
Contingent consideration released	**109**	21
Transaction costs	**(12)**	(15)
Impairment of investment	**(370)**	–
Loss recognised on remeasuring previously held interest in associate to fair value	**(23)**	–
Fair value (loss)/gain on derivative financial instruments	**(2)**	29
Other	**(6)**	–
Finance income	**12**	12
Finance costs	**(512)**	(445)
Share of associates' and joint ventures' net profit after tax	**8**	14
Profit before tax	**2 864**	3 112

Operating profit before items detailed includes the segment's share of shared services and rental costs. These costs are all at market-related rates.

R'm	Year ended 30 September 2016	Year ended 30 September 2015
Total assets before items below		
Southern Africa	**11 433**	10 710
International	**5 149**	4 419
	16 582	15 129
Employee benefit assets	**433**	394
Deferred tax assets	**426**	341
Derivative financial assets	**17**	23
Income tax receivable	**39**	36
Total assets per the balance sheet	**17 497**	15 923
Net debt		
Southern Africa	**6 121**	5 625
International	**1 086**	307
	7 207	5 932

Liabilities are reviewed on a net debt basis, which comprises all interest-bearing borrowings and overdraft balances (net of cash on hand).

ACQUISITIONS AND DISPOSALS OF INVESTMENTS

Changes in ownership interest in subsidiaries as a result of non-controlling interest transactions.

The Group had marginal increases and decreases in its shareholdings in some of its subsidiary companies, due to transactions with minority shareholders. On 11 August 2016, the Group acquired an additional 30% shareholding in Flohoc Investments Proprietary Limited (Flohoc) for R306 million, resulting in Flohoc becoming a wholly owned subsidiary of the Group. During September 2016, the Group disposed of 17.3% of its shareholding in Flohoc for R110 million. The Group now owns 82.7%.

Increase in investment in Max Healthcare Institute Limited

The Group invested R320 million in Max Healthcare Institute Limited (Max) in November 2015, as its contribution to Max's acquisition of 51% of Saket City, renamed Max Smart Super Speciality Hospital (Max Smart).

Business combinations

Scanmed Multimedis S.A. (Scanmed) acquired 100% of both Gastromed REM and Multimedycyna on 15 October 2015 and 12 November 2015 respectively, for a total of R31 million. These companies are incorporated in Poland and had no significant contingent liabilities at the acquisition date.

The following additional material acquisitions took place during the current financial year:

	Polska Grupa Medyczna Group (PGM)	Carint Scanmed
Acquirer	Scanmed	Scanmed
Country of incorporation	Poland	Poland
Acquisition date	31 October 2015	1 April 2016
% voting equity interest acquired	100%	100%
Primary reasons for business combination	Diversification	Diversification
Qualitative factors that make up goodwill recognised	Synergies	Synergies
Contingent liabilities at acquisition	None	None

Details of the fair value of net assets acquired and goodwill are as follows:

	PGM 2016 R'm	Carint Scanmed 2016 R'm
Total purchase consideration	**(629)**	**(158)**
Cash portion	(614)	(103)
Contingent consideration	(15)	–
Fair value of equity interest held before the business combination	–	(55)
Fair value of net assets acquired	**200**	**42**
Inventories	12	1
Trade and other receivables	58	44
Trade and other payables	(43)	(20)
Cash and cash equivalents	54	2
Interest-bearing borrowings	(47)	(3)
Property, plant and equipment	103	15
Intangible assets	93	14
Deferred tax	(21)	(11)
Non-controlling interest	(9)	–
Goodwill	(429)	(116)

Contingent consideration

The contingent consideration is dependent on the business gaining additional contracts in the next 12 – 24 months.

The contingent consideration is calculated by applying the same EBITDA multiple used on the acquisition date.

Impact on consolidated information if each business combination took place on 1 October 2015

	PGM 2016 R'm	Carint Scanmed 2016 R'm
Revenue	386	67
Net profit	25	16

Basis of presentation and accounting policies

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements (Listings Requirements) for preliminary reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS, and are consistent with those applied in the previous consolidated annual financial statements, except for the adoption of the new and revised standards.

These financial results have been prepared under the supervision of PP van der Westhuizen CA(SA), the Group Chief Financial Officer.

Report of the independent auditor

This summarised report is extracted from audited information, but is not itself audited. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the Company's registered office.

The directors take full responsibility for the preparation of the preliminary report and that the financial information has been correctly extracted from the underlying annual financial statements.

Commentary

OVERVIEW

The Group delivered a solid southern African operational performance, largely driven by volume growth. The change in case mix from surgical to medical resulted in a lower revenue per paid patient day (PPD) growth.

The weakening of the exchange rate in the first half of the year increased cost pressures on cost of sales and information system licensing fees in the second half of the year. Costs were further impacted by the retrenchment costs in respect of the loss of the Life Esidimeni Gauteng mental health contracts, professional fees incurred on the Healthcare Market inquiry and increasing costs in malpractice insurance.

Poland produced a satisfactory underlying operating performance amidst negative regulatory changes on tariffs that became effective 1 July 2016.

India generated strong EBITDA growth of 29.3%, which was, however, diluted by the additional acquisition funding costs.

The Group invested R763 million (including contingent consideration of R15 million) and R320 million in Poland and India respectively. The Group's results were impacted by the impairment of R370 million of the Polish investment due to regulatory changes impacting profitability. Earnings continue to be impacted by the dilutive effect of the interest cost on the funding of the international acquisitions.

OPERATIONAL REVIEW

Southern Africa

The southern Africa business added 176 beds (2015: 253), 36 renal dialysis stations and one oncology centre. The Group is focused on expanding the range of services it offers, and remains well positioned to serve the market. Activities, as measured by PPDs, increased by 4.0% as a result of the investment in additional beds and an increase in the length of stay (LOS). The underlying disease burden and ageing medical scheme population continue to drive an increase in hospital utilisation as well as influencing the case mix.

Margins for the year declined to 27.5% (2015: 28.3%), however, key performance indicators remain strong, with weighted occupancies higher at 72.5% (2015: 71.9%).

The Group continued to provide high-quality clinical care as evidenced by good clinical outcomes, hospital-associated infection rates and patient incident rates in our facilities.

Poland

Scanmed expanded its network of facilities through a number of acquisitions during the year, executing on the expansion strategy of its facilities, and continuing to invest in long-term growth opportunities. The Group acquired PGM for R629 million and Carint for R103 million, which were funded from debt raised in Poland.

The Scanmed Group now consists of 624 beds, 12 inpatient cardiology centres and 40 medical facilities.

The Group's total investment in the business is now R2.2 billion (30 September 2015: R1.4 billion).

EBITDA margins reduced to 10.2% (2015: 14%), due to the negative impact of reduced regulated tariffs for cardiology procedures. Cardiology accounts for approximately 45% of the Scanmed Group business. Further tariff reductions have been announced by the government covering orthopaedic and neurology disciplines. The Group has therefore put on hold its strategy for further investments until there is more clarity from the government in terms of its regulations and the next rounds of contracting. The Group has also changed the senior management team to enable a greater focus on cost management, driving efficiencies, as well as seconding some senior Life Healthcare management to Poland.

India

The total investment from South Africa into Max is R2.5 billion (30 September 2015: R2.2 billion), which includes an additional R320 million invested during the year to fund the Max Smart acquisition in India by Max. Max added 331 beds during the period, primarily through the acquisition of Max Smart, bringing the number of operational beds to 2 384. The Indian operations reported strong growth with net revenue growing by 16.7% and EBITDA by 29.3%. The growth in revenue was driven by the addition of the 331 beds and an increase in occupancies to 75% (2015: 73%). EBITDA margins improved to 10.9% (2015: 9.9%) on the back of improved occupancies, improved speciality and channel mix and better cost control.

The holding company of Max, Max India Limited, listed in July 2016. The share price at 30 September 2016 gives an approximate value of R5.3 billion for the Group's stake in Max.

FINANCIAL PERFORMANCE

Group revenue increased by 12.0% to R16 404 million (2015: R14 647 million). This is a product of the 8.8% increase in southern African revenue to R15 230 million (2015: R13 999 million) and the growth in revenue from Poland of 81.2% to R1 174 million (2015: R648 million). The southern African Hospital division revenue increased by 9.5% to R14 381 million (2015: R13 133 million) driven by a 4.0% increase in PPDs and a higher revenue per PPD of 5.2%, made up of a 5.9% tariff increase and a 0.7% negative case mix impact. Healthcare Services revenue decreased by 1.9% to R849 million (2015: R866 million) as a result of the phasing out of selected government contracts of the Life Esidimeni business.

Normalised EBITDA[1] increased by 6.6% to R4 314 million (2015: R4 048 million). The EBITDA contribution from Poland was R120 million (2015: R91 million).

[1] *Life Healthcare defines normalised EBITDA as operating profit plus depreciation, amortisation of intangible assets, impairment of property, plant and equipment as well as excluding profit/loss and fair value adjustments on disposal of businesses, fair value adjustments, transaction costs and surpluses/deficits on retirement benefits.*

R'm	30 September 2016	%	30 September 2015
Normalised EBITDA			
Operating profit	**3 660**		3 496
Depreciation on property, plant and equipment	**530**		445
Amortisation of intangible assets	**147**		127
Retirement benefit asset and post-employment medical aid	**(23)**		(20)
Normalised EBITDA	**4 314**	6.6	4 048
Southern Africa	**4 194**	6.0	3 957
International	**120**		91

Cash flow

After paying tax of R981 million (2015: R903 million), the Group generated R3 055 million (2015: R2 951 million) in cash from its operating activities. The Group produced strong cash flows from operations, and continues to anticipate positive free cash flow. The overall net cash flow position of the Group is negative, as a result of investing activities, primarily associated with the continuing international investment opportunities of the Group. This net cash outflow was funded through raising debt in South Africa and Poland.

Financial position

The Group demonstrated a strong financial position against the backdrop of a weak macroeconomic environment. Net debt to normalised EBITDA as at 30 September 2016 was 1.67 times (2015: 1.49 times). This reflects the funding for the Group's 2016 capital expenditure programme, and the impact of R763 million spent on acquisitions in Poland. The bank covenant for net debt to EBITDA is 2.75 times.

The Max investment of R320 million was funded by available cash resources. Poland funded its acquisitions through the raising of debt in country.

The impairment loss of R370 million recognised during the current year, relates to the Group's investment in Poland. Contingent consideration in respect of previous Poland acquisitions, of R109 million (2015: R21 million) was released.

Capital expenditure and Investments

During the current financial period, Life Healthcare invested R2 081 million (2015: R3 218 million), comprising capital projects of R1 013 million (2015: R1 181 million), R320 million equity injection for the funding of the acquisition of Max Smart by Max, and R748 million in new acquisitions by Poland. This investment in the Group's facilities strengthen our service offering, and the new acquisitions are in line with the Group's focus on expanding our international footprint.

Headline earnings per share (HEPS) and Normalised earnings per share

HEPS increased by 7.0% to 192.5 cps (2015: 179.9 cps). Earnings per share on a normalised basis, which excludes non-trading related items listed below, increased by 2.6% to 182.1 cps (2015: 177.4 cps). The difference in growth between HEPS and normalised earnings per share is as a result of the contingent consideration released in respect of Polish acquisitions which will no longer be payable.

R'm	30 September 2016	%	30 September 2015
Normalised earnings			
Profit attributable to ordinary equity holders	**1 616**		1 866
Contingent consideration released	**(109)**		(21)
Impairment of investment	**370**		–
Other	**22**		(5)
Normalised earnings	**1 899**	3.3	1 840
Normalised EPS (cents)	**182.1**	2.6	177.4
Southern Africa operations (cents)	**208.1**		194.1
International operations (cents)	**(1.0)**		1.8
Funding costs (international acquisitions) (cents)	**(25.0)**		(18.5)

Changes to board of directors

There have been no changes to the board of directors for the year ended 30 September 2016.

SCRIP DISTRIBUTION AND CASH DIVIDEND ALTERNATIVE

1. Introduction

The board has declared a final distribution for the year ended 30 September 2016, by way of the issue of fully paid Life Healthcare Group Holdings Limited ordinary shares of 0.0001 cent each (the Scrip Distribution) payable to ordinary shareholders (Shareholders) recorded in the register of the Company at the close of business on the Record Date, being Thursday, 15 December 2016.

Shareholders will be entitled, in respect of all or part of their shareholding, to elect to receive a gross cash dividend of 92 cents per ordinary share in lieu of the Scrip Distribution, which will be paid only to those Shareholders who elect to receive the cash dividend, in respect of all or part of their shareholding, on or before 12:00 on Thursday, 15 December 2016 (the Cash Dividend). The Cash Dividend has been declared from income reserves. A dividend withholding tax of 15% will be applicable to all shareholders not exempt therefrom after deduction of which the net Cash Dividend is 78.2 cents per share.

The new ordinary shares will, pursuant to the Scrip Distribution, be settled by way of capitalisation of the Company's distributable retained profits.

The Company's total number of issued ordinary shares is 1 057 800 021 as at 10 November 2016. The Company's Income Tax reference number is 9387/307/15/1.

2. Terms of the Scrip Distribution

The Scrip Distribution will be done at a 2.5% discount to the 15-day volume weighted average price (VWAP). The number of Scrip Distribution shares to which each of the Shareholders will become entitled pursuant to the Scrip Distribution (to the extent that such Shareholders have not elected to receive the Cash Dividend) will be determined by reference to such Shareholder's ordinary shareholding in Life Healthcare Group Holdings Limited (at the close of business on the Record Date, being Thursday, 15 December 2016) in relation to the ratio that 92 cents multiplied by 1.025 bears to the VWAP of an ordinary Life Healthcare Group Holdings Limited share traded on the JSE during the 15-day trading period ending on Friday, 2 December 2016. Where the application of this ratio gives rise to a fraction of an ordinary share, the number of shares will be rounded up to the nearest whole number if the fraction is 0.5 or more, and rounded down to the nearest whole number if the fraction is less than 0.5.

Details of the ratio will be announced on the Stock Exchange News Service (SENS) of the JSE in accordance with the timetable below.

3. Circular and salient dates

A circular providing shareholders with full information on the Scrip Distribution and the Cash Dividend alternative, including a Form of Election to elect to receive the Cash Dividend alternative will be posted to Shareholders on or about Wednesday, 23 November 2016. The salient dates of events thereafter are as follows:

Announcement released on SENS in respect of the ratio applicable to the Scrip Distribution, based on the 15-day VWAP ending on Friday, 2 December 2016, by 11h00 on	Monday, 5 December 2016
Announcement published in the press of the ratio applicable to the Scrip Distribution, based on the 15-day VWAP ending on Friday, 2 December 2016 on	Tuesday, 6 December 2016
Last day to trade in order to be eligible for the Scrip Distribution and the Cash Dividend alternative	Monday, 12 December 2016
Ordinary shares trade “ex” the Scrip Distribution and the Cash Dividend alternative on	Tuesday, 13 December 2016
Listing and trading of maximum possible number of ordinary shares on the JSE in terms of the Scrip Distribution from the commencement of business on	Tuesday, 13 December 2016
Announcement released on SENS in respect of the cash payment for fractional entitlements, based on the VWAP traded on the JSE on Tuesday, 13 December 2016, discounted by 10%	Wednesday, 14 December 2016
Last day to elect to receive the Cash Dividend alternative instead of the Scrip Distribution, Forms of Election to reach the Transfer Secretaries by 12h00 on	Thursday, 15 December 2016
Record Date in respect of the Scrip Distribution and the Cash Dividend alternative	Thursday, 15 December 2016
Scrip Distribution certificates posted and Cash Dividend payments made, CSDP/broker accounts credited/updated, as applicable, on	Monday, 19 December 2016
Announcement relating to the results of the Scrip Distribution and the Cash Dividend alternative released on SENS on	Monday, 19 December 2016
Announcement relating to the results of the Scrip Distribution and the Cash Dividend alternative published in the press on	Tuesday, 20 December 2016
JSE listing of ordinary shares in respect of the Scrip Distribution adjusted to reflect the actual number of ordinary shares issued in terms of the Scrip Distribution at the commencement of business on or about	Wednesday, 21 December 2016

All times provided are South African local times. The above dates and times are subject to change. Any change will be announced on SENS.

Share certificates may not be dematerialised or rematerialised between Tuesday, 13 December 2016 and Thursday, 15 December 2016, both days inclusive.

COMPETITION COMMISSION MARKET INQUIRY

Life Healthcare has made detailed submissions on the subject matter of the Market Inquiry. Public hearings commenced in February 2016, and Life Healthcare has participated in these hearings. We are yet to receive a revised timetable for the subsequent sets of hearings. This is a large and complex inquiry, and Life Healthcare remains committed to participating in the Healthcare Market Inquiry.

OUTLOOK

Whilst general market conditions are not expected to improve substantially in the foreseeable future, the Group is well positioned strategically, has the advantage of cost competitive and operationally efficient structures, as well as access to the funding necessary to fulfil its international expansion aspirations.

Southern Africa will take advantage of growth opportunities in 2017 through the addition of 15 acute healthcare beds, 81 mental health beds and through the continued growth in renal dialysis and oncology.

The Group will pursue the development of greenfield facilities and/or acquisitions if they strictly meet our success criteria, and will continue to invest in facilities through upgrades and procurement of equipment.

We will continue to deliver cost-effective care through efficient business processes, optimal resource utilisation and benchmarking of facilities and doctors. A changing external environment reinforces the need to differentiate ourselves through a patient-centric strategy, and focus on clinical outcomes.

Prospects for Poland remain uncertain due to the lack of clarity around pricing impacted by government regulations. The Group will focus on providing excellent clinical quality. In light of sectoral regulatory changes in Poland, the Group will continue to focus on driving further efficiencies, the integration of newly acquired businesses and alignment to the Group's best operating practices. The effects of these plans, implemented to sustain growth and manage costs, will only be seen over a reasonable period of time.

The Max business relies on the continued success of existing businesses, and on integrating new acquisitions. Specific metrics of growth for the future positioning of Max include a footprint in northern India as well as improving profitability of mature, at-scale hospitals through improvements in specialty/channel mix and cost structures. Max will continue to focus on driving revenue through increasing the number of operational beds, bedding down the Vaishali and Max Smart acquisitions, and improving operational efficiencies.

THANKS

The contribution of the doctors, nurses and employees of Life Healthcare have greatly enhanced the quality of our performance. We thank them for their contributions.

Approved by the board of directors on 10 November 2016 and signed on its behalf:

Mustaq Brey
Chairman

André Meyer
Group Chief Executive Officer

Executive directors
A Meyer (Group Chief Executive Officer), PP van der Westhuizen (Group Chief Financial Officer)

Non-executive directors
MA Brey (Chairman), PJ Golesworthy, ME Jacobs, LM Mojela, MEK Nkeli, JK Netshitenzhe, MP Ngatane, GC Solomon, RT Vice.

Company secretary
F Patel

Registered Office
Oxford Manor, 21 Chaplin Road, Illovo

Private Bag X13, Northlands 2116

Sponsors
Rand Merchant Bank, a division of FirstRand Bank Limited.

Note regarding forward-looking statements: The Company advises investors that any forward-looking statements or projections made by the Company, including those made in this announcement, are subject to risk and uncertainties that may cause actual results to differ materially from those projected and have not been reviewed or reported on by the Company's external auditors. The auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the Company's registered office.

LIFE HEALTHCARE GROUP HOLDINGS LIMITED
Registration number: 2003/002733/06
Income tax number: 9387/307/15/1
ISIN: ZAE000145892
Share code: LHC