

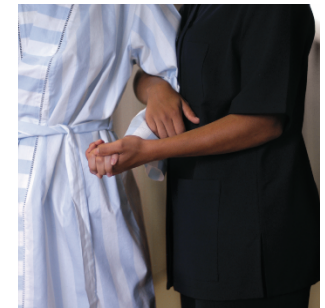
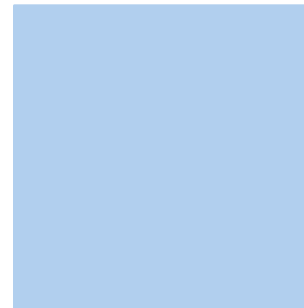
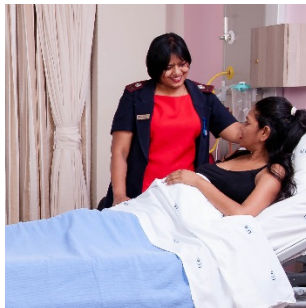


Outlook as per the 2016 Interim results

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



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

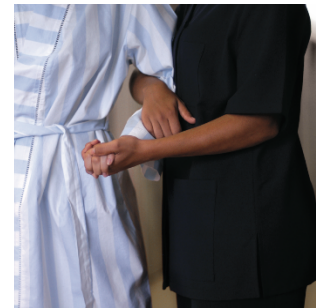
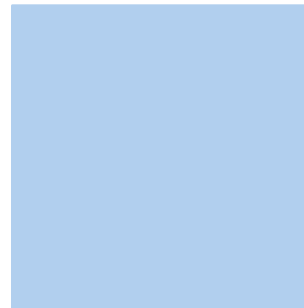
- A difficult economic environment in SA with low to non-existent economic growth
- Expect the lack of growth in new lives into the private healthcare market has continued in 2016
- Despite the strengthening of the Rand over the last few months, the Rand is still at weaker levels to the US\$ than 12 months previously. This has had a negative impact on the price of surgicals
- Despite this difficult environment we have experienced a solid 6 month performance with activity growth in line with expectations and good management of costs



SA – Business Update

SA: Acute business

- Bed growth for 2016 FY:
 - Additional brownfield beds: +/- 140 beds
- Expect PPD growth of between 3 - 3.5% (subject to September)
- Occupancy consistent at between 71 – 72%
- Pricing similar to H1
- Continued faster growth in medical cases



SA – Business Update

SA: Complementary business

- Continued strong growth in mental health
 - 35 mental health beds at Life Vincent Pallotti complete, awaiting inspection and should open end of September/early October
 - 55 mental health beds at Life Carstenhof running a few months late - open Q1 2017FY
- Continued growth in renal dialysis – 30 additional stations
- Opened the new Oncology unit at Life Hilton

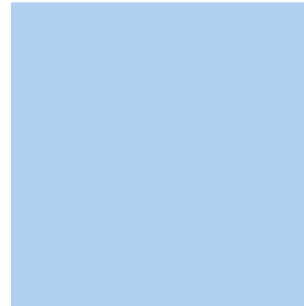
SA: Healthcare Services business

- Healthcare Services experienced a difficult second half:
 - Life Esidimeni revenues will be lower in H2 due to the non-renewal of 1,570 mental health beds as of 30 June 2016
 - Life Occupational Health:
 - › Closely aligned to the economy, particularly large manufacturing and mining
 - › Revenue growth in line with H1 but seen a contraction in margins

SA – Business Update

SA: Regulatory environment

- HMI process delayed - not sure when the provisional report will be released
- Still on-going interaction between LHC and the HMI
- HMI hearings continuing but in a closed format rather than open public hearings
- At this stage difficult to say what changes the panel will recommend



Poland:

- New Cardiac pricing came into effect 1 July:
 - Approximately a 20% decrease in pricing
 - Cardiology represents 45% of the Scanmed business
 - Limited impact in 2016 due to timing but will have a significant impact in 2017
- Expect some Orthopaedic price changes in January 2017, but impact is not material
- Our focus going forward:
 - drive efficiencies in the business to try and mitigate the impact of the new cardiac prices
 - To assist with improving efficiencies and driving integration:
 - Have had a change in management - put a new CEO in place in July
 - seconded some SA management to Scanmed
 - M&A on hold until we have further clarity regarding pricing in the market

International: India business update

MHC:

- Continue to see good revenue growth with improved occupancies in Vaishali and Max Smart hospitals
- MHC has approximately 2,330 operational beds
- Listing of Max India:
 - Occurred in July and consists of
 - Max Healthcare: LHC has a 46.25% shareholding
 - Max Bupa
 - Antara Senior Living
 - Share price around 148 INR. Value of LHC stake around R5bn

Margins:

- SA:
 - Ebitda Margins are under a little pressure due to the impact of the weaker currency. Expect a slight decrease in margins
- Poland:
 - Introduction of the Cardiac pricing as of 1 July will result in a decrease in overall Scanned margins, particularly in 2017
 - Will continue to focus on driving efficiencies to mitigate this impact
- India:
 - Starting to see an increase in margins as a result of the improved occupancies, particularly at the Vaishali and Max Smart hospitals

Cash flow:

- Cash generated as a % of normalised Ebitda consistent with 2015 %

Balance Sheet:

- At interims our net debt was R7 927bn – net debt to normalised ebitda of 1.73x. Similar levels expected
- Announced an impairment of not more than R380m in the Scanmed business due to the new Cardiac tariffs
- Our Finance costs in H2 will be slightly higher than H1 due to the timing of the PGM acquisition (1 November 2015)

Conclusion

Annual Results presentation:

- We will be doing a webcast of our annual results:
 - On Friday 11 November
 - 10am CAT
- We will be doing an annual results road show:
 - London: 16-18 November (including attending the Investec CEO Conference)
 - SA: 21-23 November