MEDIA RELEASE
16 November 2016

LIFE HEALTHCARE ACQUIRES UK–BASED ALLIANCE MEDICAL GROUP

Life Healthcare Group (Life Healthcare), one of South Africa's largest hospital groups, has entered into an agreement whereby Life Healthcare will acquire approximately 95% of Alliance Medical Group Limited (Alliance Medical) based in the United Kingdom (UK). Senior Management at Alliance Medical will acquire the balance of approximately 5% in the company.

Alliance Medical is one of Western Europe's leading providers of complex molecular and diagnostic imaging services with strong market positions in the UK, Italy and Ireland and a platform for expansion more broadly with existing participation in eight European markets. It is unique in Western Europe in terms of its vertically integrated model providing services across the molecular imaging value chain ranging from radiopharmaceutical production to scanning services provision and results reporting.

The company is well positioned in attractive growth markets underpinned by favourable structural drivers which include ageing populations, growing disease burden, capacity constraints in public health systems and the demand for improved access to diagnostics.

Life Healthcare CEO, André Meyer, says that Life Healthcare's vision is to be a market leading, internationally diversified healthcare provider focused on delivering sustainable, high quality and cost effective healthcare in its chosen markets. Over the past few years, Life Healthcare has expanded into mental health, acute physical rehabilitation, renal dialysis and oncology. We see the entry into diagnostics as a natural evolution of this strategy.

The transaction entails an initial cash consideration of R10 billion and deferred cash consideration of R0.7 billion, which will be dependent on Alliance Medical's performance through to 31 March 2017. This represents an implied enterprise value of up to R14.5 billion.

Alliance Medical operates from more than 200 sites in 8 European countries and conducts over 4 million scans per year. The company also enjoys embedded partnerships with national healthcare systems, including a long-term relationship with the National Health

Service in England and has an excellent reputation for excellence in clinical service, clinical governance and patient satisfaction.

"In addition to investing in a growing developed market, the acquisition provides Life Healthcare with an opportunity to diversify into attractive new geographies with a strong basket of currencies. The transaction will also facilitate the transfer skill and expertise between our operations in India and Poland.

"The acquisition will enable clinical colleagues and staff to advance and develop their careers as expertise is transferred between the territories that Life Healthcare operates in. This provides further opportunities to improve imaging processes in Life Healthcare's South African hospitals through driving efficiencies in the processes and systems, as identified by Alliance Medical," he concludes.

The acquisition is to be funded by way of a rights issue to qualifying Life Healthcare shareholders, a term loan in South Africa and debt financing in the United Kingdom. Following the conclusion of the acquisition, Alliance Medical will become a Life Healthcare subsidiary.

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About Life Healthcare
Life Healthcare has more than 32 years' experience in the private healthcare and hospital industry. Headquartered in Johannesburg, South Africa and listed on the JSE, the Group's primary business is private acute hospital care. Facilities comprise of 63 healthcare facilities in seven of South Africa's nine provinces and one hospital in Botswana. The Group offers a wide range of complementary healthcare services: rehabilitation; mental health and renal dialysis and through Life Occupational Health and Careways, offer an integrated employee health solution to manage a full employee health and wellness cycle to corporates. The Group is the first and only South African hospital group to have achieved a multisite IS09001 certification. It also operates in Poland with a joint venture in India. For additional information visit lifehealthcare.co.za