

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions commencing on page 5 of this circular apply, *mutatis mutandis*, to this front cover.

Action required

- If you are in any doubt as to the action you should take, please consult your broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
- If you have disposed of all your Brimstone shares, please forward this circular to the purchaser of such shares or to the broker, CSDP, banker, accountant, attorney, or other agent through whom the disposal was effected.
- Brimstone Shareholders are referred to the inside front cover of this circular, which sets out the action required by them.



BRIMSTONE
INVESTMENT CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1995/010442/06)

Share code: BRT ISIN: ZAE000015277

Share code: BRN ISIN: ZAE000015285

("Brimstone" or "the Company")

Circular to Brimstone Shareholders

Regarding:

- the exchange of Brimstone's entire shareholding in Newshelf 778 for Health ordinary shares through the Share Exchange, which forms part of the Restructure;
- the Unbundling by Brimstone of all its directly held Health ordinary shares to Brimstone Shareholders by way of a distribution *in specie* in terms of section 90 of the Companies Act and section 46 of the Income Tax Act, in the ratio of 40 Health ordinary shares for every 100 Brimstone shares held at the close of business on the Record Date; and
- amendments to the Brimstone Share Trust deed;

and incorporating a:

- notice convening a general meeting of Brimstone Shareholders; and
- form of proxy (yellow) (for use by certificated shareholders and own-name dematerialised Brimstone Shareholders only).

This circular is being posted together with the Health PLS

Investment bank and sponsor



Legal advisors



Reporting accountants



Transaction communication advisor



Independent sponsor



Structuring advisor



Date of issue: Monday, 28 June 2010

This circular is available in English only. Copies may be obtained from the registered office of Brimstone, the offices of the investment bank and sponsor and the offices of the independent sponsor whose addresses are set out in the "Corporate information and advisors" section of this circular.

CORPORATE INFORMATION AND ADVISORS

Company secretary and registered office

M O'Dea
1st Floor, Slade House
Boundary Terraces
1 Mariendahl Lane
Newlands, 7700
(PO Box 44580, Claremont, 7735)

Investment bank and sponsor

Nedbank Capital, a division of Nedbank Limited
(Registration number 1951/000009/06)
135 Rivonia Road
Sandown, 2196
(PO Box 1144, Johannesburg, 2000)

Reporting accountants

Deloitte & Touche
(Practice number 904899E)
1st Floor, The Square
Cape Quarter
27 Somerset Road
Green Point, 8005
(PO Box 578, Cape Town, 8000)

Structuring advisor

Rand Merchant Bank
(A division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

Transfer secretaries

Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Legal advisors

Edward Nathan Sonnenbergs Inc.
(Registration number 2006/018200/21)
150 West Street
Sandown, 2196
(PO Box 783347, Sandton, 2146)

Transaction communication advisor

College Hill (Proprietary) Limited
(Registration number 1997/02334/07)
Fountain Grove Office Park
5 Second Road
Hyde Park, 2196
(PO Box 413187, Craighall, 2024)

Independent sponsor

Deutsche Securities (SA) (Proprietary) Limited
(A non-bank member of the Deutsche Bank Group)
(Registration number 1995/011798/07)
3 Exchange Square
87 Maude Street
Sandton, 2196
(Private Bag X9933, Sandton, 2146)

Place and date of incorporation of Brimstone: Pretoria, South Africa, 2 October 1995.

ACTION REQUIRED BY BRIMSTONE SHAREHOLDERS

The definitions commencing on page 5 apply, *mutatis mutandis*, to this "Action required by Brimstone Shareholders" section.

Please take careful note of the following provisions regarding the action required by Brimstone Shareholders:

1. If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
2. If you have disposed of all your Brimstone shares, this circular should be handed to the purchaser of such shares or to the broker, CSDP, banker, accountant, attorney or other agent through whom the disposal was effected.
3. The general meeting, convened in terms of the notice incorporated in this circular, will be held at The Athenaeum, Boundary Terraces, No 1 Mariendahl Lane, Newlands, Cape Town, on Tuesday, 20 July 2010, commencing at 10h00.
4. This circular contains information relating to the exchange of Brimstone's entire shareholding in Newshelf 778 for Health ordinary shares through the Share Exchange (which forms part of the Restructure), the proposed Unbundling by Brimstone of all its directly held Health ordinary shares to Brimstone Shareholders by way of a distribution *in specie* in terms of section 90 of the Companies Act and section 46 of the Income Tax Act, in the ratio of 40 Health ordinary shares for every 100 Brimstone shares held at the close of business on the Record Date and amendments to the Brimstone Share Trust deed. You should carefully read through this circular and decide how you wish to vote on the resolutions to be proposed at the general meeting.

5. GENERAL MEETING

5.1 If you hold dematerialised ordinary shares

5.1.1 *Own-name registration*

You are entitled to attend, or be represented by proxy, and may vote, at the general meeting.

If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (*yellow*), in accordance with the instructions contained therein, to be received by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10h00 on Friday, 16 July 2010.

5.1.2 *Other than own-name registration*

If your CSDP or broker has not contacted you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.

You must not complete the attached form of proxy (*yellow*). In accordance with the mandate between you and your CSDP or broker you must advise your CSDP or broker timeously if you wish to attend, or be represented at, the general meeting.

Your CSDP or broker will be required to issue the necessary letter of representation to you to enable you to attend, or to be represented at the general meeting.

5.2 If you hold certificated ordinary shares

You are entitled to attend, or be represented by proxy, and may vote at the general meeting.

If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (*yellow*), in accordance with the instructions contained therein, to be received by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10h00 on Friday, 16 July 2010.

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SALIENT DATES AND TIMES

The definitions commencing on page 5 of this circular apply, *mutatis mutandis*, to this "Salient dates and times" section.

2010

Terms announcement released on SENS on	Tuesday, 22 June
Terms announcement published in the South African press on	Wednesday, 23 June
Circular posted to Brimstone Shareholders on	Monday, 28 June
Distribution of Health pre-listing statement to Brimstone Shareholders on	Monday, 28 June
Forms of proxy for the general meeting to be received by 10h00 on	Friday, 16 July
General meeting held at 10h00 on	Tuesday, 20 July
Results of the general meeting announced on SENS on	Tuesday, 20 July
Results of the general meeting published in the South African press on	Wednesday, 21 July
Finalisation announcement released by no later than	Thursday, 5 August
Last day to trade in Brimstone shares on the JSE to participate in the Unbundling on	Friday, 13 August
Listing of Health from the commencement of business on	Monday, 16 August
Brimstone shares trade ex the entitlement to the Health distribution shares on	Monday, 16 August
Announcement of the specified ratio in respect of the apportionment of the costs/base costs of Health for taxation/CGT purposes released on SENS on	Wednesday, 18 August
Announcement of the specified ratio in respect of the apportionment of the costs/base costs of Health for taxation/CGT purposes published in the South African press on	Thursday, 19 August
Record date to participate in the Unbundling on	Friday, 20 August
Health distribution shares unbundled to Brimstone Shareholders on	Monday, 23 August
Health share certificates will be posted by registered post, at the risk of the Brimstone certificated shareholder concerned, to Brimstone certificated shareholders and Brimstone dematerialised shareholders will have their accounts at the CSDP or broker updated on	Monday, 23 August

Notes:

1. All times shown in this circular are South African times.
2. The above dates and times are subject to amendment. Any such amendment will be announced on SENS and published in the South African press.
3. Brimstone shares may not be dematerialised or rematerialised between Monday, 16 August 2010 and Friday, 20 August 2010, both days inclusive.

SALIENT FEATURES

The definitions commencing on page 5 of this circular apply, *mutatis mutandis*, to this "Salient features" section.

Brimstone Shareholders are referred to the SENS announcement and circular dated 23 April 2010 wherein it was announced that, subsequent to the successful implementation of the Life Listing and the Buybacks, Brimstone, together with Mvelaphanda planned to undertake a series of internal restructurings that will culminate in the Unbundling of certain Brimstone and Mvelaphanda controlled entities' remaining shareholdings in Life Healthcare to Brimstone Shareholders and Mvelaphanda Shareholders respectively. Brimstone Shareholders are further referred to the SENS announcement dated 22 June 2010, wherein the terms of the Restructure and Unbundling were announced and wherein Brimstone Shareholders were advised that this circular would be posted to Brimstone Shareholders together with the Health PLS in due course.

The Restructure (including the Share Exchange)

Brimstone intends to exchange its entire indirect shareholding in Life Healthcare, held through Newshelf 778 (approximately 12.36% of Life Healthcare), for 128 849 235 Health ordinary shares representing a 46.48% stake in the enlarged issued share capital of Health (representing an effective 12.36% of Life Healthcare). Health will then be listed on the JSE as an Asset Backed Security on or about Monday, 16 August 2010. The only asset of Health at the time of the Health Listing will be a 26.60% direct holding in Life Healthcare. At listing Health will hold 1 Life Healthcare ordinary share for every 1 Health ordinary share in issue, resulting in 1 Health ordinary share effectively representing 1 Life Healthcare ordinary share. The proposed transaction steps through which the Share Exchange will occur are set out in paragraph 5.1 below.

Prior to the Unbundling, Brimstone intends selling 14.90% (19 197 619 Health ordinary shares) of its then direct holding in Health to Subco. This represents a 1.84% stake in Life Healthcare.

The Unbundling

Following the Health Listing and in accordance with the salient dates and times as set out on page 3 of this circular, Brimstone and Mvelaphanda will unbundle their respective stakes in Health to Brimstone and Mvelaphanda Shareholders, respectively. Brimstone Shareholders will receive 40 Health ordinary shares for every 100 Brimstone shares held on the Record Date. The Unbundling will not include the Health ordinary shares sold to Subco prior to the Unbundling.

Brimstone Shareholders are referred to Annexure 6 for details relating to fractional entitlements.

Pursuant to the Unbundling, Brimstone will effectively unbundle a 35.27% stake in Health (representing a 9.38% stake in Life Healthcare) to Brimstone Shareholders (excluding the Health ordinary shares to be unbundled to treasury share holdings in Brimstone).

Following the implementation of the Restructure and the Unbundling Brimstone will retain an effective 6.25% interest in Life Healthcare as follows:

- 3.27% in Life Healthcare through Newshelf 831 (prior to any participation in the Life Overallotment);
- 6.93% in Health through Subco (representing an effective 1.84% stake in Life Healthcare); and
- 4.28% in Health through treasury share holdings in Brimstone (representing an effective 1.14% stake in Life Healthcare).

Following the expiry of the Lock-up Period, it is the intention of the directors of Health to unbundle the underlying Life Healthcare ordinary shares to Health Shareholders.

Brimstone is required to, in compliance with Schedule 14 of the Listings Requirements, make appropriate amendments to the Brimstone Share Trust by no later than 1 January 2011. The amendments to the Brimstone Share Trust are set out in Annexure 4 of this circular.

The purpose of this circular is to provide to Brimstone Shareholders, in compliance with the Listings Requirements and the SRP Code, details relating to the Restructure (including the Share Exchange), the Unbundling and the amendments to the Brimstone Share Trust deed and to convene a general meeting of Brimstone Shareholders in order to obtain shareholder approval for the implementation of the Share Exchange, the Unbundling and the amendments to the Brimstone Share Trust deed.

DEFINITIONS

In this circular, unless the context indicates the contrary, the following expressions have the meanings assigned to them below, and an expression which denotes any gender includes the other genders, any reference to a natural person includes a juristic person and *vice versa*, and the singular includes the plural and *vice versa*.

"Act" or "Companies Act"	the Companies Act, 1973 (Act 61 of 1973), as amended;
"Ammended Trust"	the Ammed Management Trust (IT2358/05), the vehicle through which certain management employees of Life Healthcare held and continue to hold shareholdings in Life Healthcare;
"Ammended Trust Buyback"	the share buyback by Bidco 813 of all of the Bidco 813 ordinary shares held by the Ammed Trust, which buyback was implemented on or about 15 June 2010;
"Asset Back Security"	securities backed by assets, which at the time of their issue, are evidenced by agreements and as contemplated in Section 19 of the Listings Requirements;
"beneficial owner"	a beneficial owner of dematerialised shares who is recorded in the beneficial owner records maintained by a CSDP;
"Bidco 813"	Business Venture Investments No 813 (Proprietary) Limited (registration number 2003/026464/07), a private company incorporated and registered in South Africa;
"Bidco 813 Buyback"	the share buyback by Life Healthcare of 152 363 008 Life Healthcare ordinary shares (14.62% of the entire issued share capital of Life Healthcare) from Bidco 813, which buyback was implemented on or about 10 June 2010;
"Bidco 931"	Business Venture Investments No 931 (Proprietary) Limited (registration number 2004/034602/07), a private company incorporated and registered in South Africa. The shareholders of Bidco 931 as at the last practicable date are: <ul style="list-style-type: none">• Newshelf 778 – 50% (direct holding); and• Health – 50% (direct holding);
"Bidco 931 A ordinary shares"	A ordinary shares in the share capital of Bidco 931 to be issued to Newshelf 778 and Health by Bidco 931 as part of the Newshelf 778 Buyback and the Buyback from health referred to in paragraph 1.1 of this circular, respectively, which shares only have voting rights and have no rights to the profits and/or assets of Bidco 931;
"board" or "directors"	the board of directors of Brimstone, comprising, as at the date of this circular, the directors reflected on page 11 of this circular;
"Brimco"	Brimco (Proprietary) Limited (registration number (1998/001775/07), a private company incorporated and registered in South Africa and a wholly-owned subsidiary of Brimstone;
"Brimstone" or "the Company"	Brimstone Investment Corporation Limited (registration number 1995/0101442/06, incorporated on 2 October 1995 in Pretoria), a public company incorporated and registered in South Africa with its ordinary shares and N shares listed on the Main Board of the JSE (share codes BRT and BRN, respectively);
"Brimstone Group"	Brimstone and its subsidiaries from time to time;
"Brimstone N shares" or "N shares"	Brimstone N ordinary shares having a par value of 0.001 cents each in the issued share capital of Brimstone and carrying 1 vote per share. N shares rank <i>pari passu</i> with ordinary shares in all other respects;

"Brimstone ordinary shares" or "ordinary shares"	Brimstone ordinary shares having a par value of 0.1 cent each in the issued share capital of Brimstone and carrying 100 votes per share;
"Brimstone Shareholder(s)"	holder(s) of Brimstone shares;
"Brimstone share(s)"	collectively, the Brimstone ordinary share(s) and Brimstone N share(s);
"Brimstone Share Trust"	the Brimstone Investment Corporation Limited Share Trust (Master's reference number IT2176/98), a trust set up to provide a reward and incentive structure to current and future Brimstone employees and management, and as an incentive to attract new talented personnel. The trustees of the Brimstone Share Trust are Peter Hesseling and Dines Gihwala;
"business day"	any day other than a Saturday, Sunday or official public holiday in South Africa;
"Buybacks"	collectively, the Life Buyback (including the Newshelf 831 Buyback) and the Newshelf 778 Buyback;
"certificated shareholder(s)"	holders of certificated share(s);
"certificated share(s)"	share(s) which have not been dematerialised, title to which is represented by a share certificate(s) or other document(s) of title;
"CGT"	capital gains taxation as levied in terms of Schedule 8 to the Income Tax Act;
"circular"	this bound circular, dated 28 June 2010, including all annexures and attachments hereto;
"CSDP"	a Central Securities Depository Participant registered in terms of the Securities Services Act and appointed by an individual shareholder(s) for the purpose of and in regard to dematerialisation of his (their) Brimstone shares;
"Deloitte & Touche" or "reporting accountants and auditors"	Deloitte & Touche, Registered Auditors, the reporting accountants and auditors to Brimstone;
"dematerialised shareholder(s)"	holders of dematerialised share(s);
"dematerialised share(s)"	share(s) which have been dematerialised through a CSDP or broker and replaced by electronic record(s) of ownership under the Strate system;
"document(s) of title"	share certificate(s), certified transfer deed(s), balance receipt(s) and other document(s) of title to share(s) acceptable to Brimstone;
"Edward Nathan Sonnenbergs" or "ENS"	Edward Nathan Sonnenbergs Inc. (registration number 2006/018200/21), the legal advisors to Brimstone;
"enlarged issued share capital of Health"	the issued ordinary share capital of Health following the implementation of the Restructure;
"EPS"	earnings per share;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended or replaced from time to time;
"general meeting"	the general meeting of Brimstone Shareholders to be held at The Athenaeum, Boundary Terraces, No 1 Mariendahl Lane, Newlands, Cape Town on Tuesday, 20 July 2010 commencing at 10h00 to consider and, if deemed fit, approve the resolutions required to effect the Share Exchange, the Unbundling and the amendments to the Brimstone Share Trust deed;
"Health"	Health Strategic Investments Limited, previously known as Newshelf 776 (Proprietary) Limited (registration number 2005/012471/06), a public company incorporated and registered in South Africa and currently a wholly-owned subsidiary of MSI;

"Health distribution shares"	all of the Health ordinary shares directly held by Brimstone as at the Record Date, which are to be distributed to the Brimstone Shareholders recorded in the register on the Record Date pursuant to the Unbundling;
"Health Listing"	the proposed listing of Health on the JSE on or about Monday, 16 August 2010;
"Health ordinary shares"	Health ordinary shares having a par value of 0.000001 cent each in the issued share capital of Health;
"Health PLS"	the document setting out the pre-listing particulars of Health, including the annexures thereto, required to be issued in terms of Section 6 of the JSE Listings Requirements and posted to Brimstone Shareholders along with this circular;
"Health Shareholders"	holder(s) of Health ordinary shares from time to time;
"HEPS"	headline EPS;
"IDC"	Industrial Development Corporation of South Africa Limited (registration number 1940/014201/06), a public company incorporated and registered in South Africa;
"Implementation Agreement"	the implementation agreement entered into on 21 June 2010 by Brimstone, Mvelaphanda, Health, Newshelf 778, MSI, Bidco 931 and Bidco 813 in terms of which, <i>inter alia</i> , the parties thereto regulate the Restructure and the Unbundling;
"Income Tax Act"	the Income Tax Act, 1962 (Act 58 of 1962), as amended;
"Investing Life Shareholders"	a person(s) or entity(ies) that subscribed for and/or bought Life Healthcare ordinary shares on the Life Listing;
"Joint Bookrunners"	the joint-global co-ordinators and joint bookrunners for the Life Listing process;
"JSE"	the stock exchange operated by the JSE Limited (registration number 2005/022939/06), a public company incorporated and registered in South Africa, licensed as an exchange under the Securities Services Act;
"last practicable date"	the last practicable date prior to the finalisation of this circular, being Friday, 18 June 2010;
"Life bookbuild"	the process through which the listing price of Life Healthcare ordinary shares was determined;
"Life bookbuild price"	the price at which Life Healthcare ordinary shares were issued to Investing Life Shareholders (being R13.50) and which was determined through the Life bookbuild;
"Life Buyback"	the buyback from Old Life Healthcare Shareholders by Life Healthcare of 30.85% of the Life Healthcare ordinary shares in issue held by them immediately prior to the Life Listing using a portion of the Life Listing Proceeds, including the Bidco 813 Buyback and the Newshelf 831 Buyback;
"Life Healthcare" or "LHG"	LifeHealthcareGroupHoldingsLimited (registration number 2003/002733/06), a public company incorporated and registered in South Africa with its ordinary shares listed on the Main Board of the JSE (share code LHC);
"Life Healthcare Group"	Life Healthcare and its subsidiaries from time to time;
"Life Healthcare ordinary shares"	Life Healthcare ordinary shares having a par value of 0.000001 cent in the issued share capital of Life Healthcare;
"Life Listing"	the listing of Life Healthcare on the JSE on Thursday, 10 June 2010;

"Life Listing Proceeds"	the proceeds received by Life Healthcare and Old Life Healthcare Shareholders on the Life Listing through the subscription for Life Healthcare ordinary shares by Investing Life Shareholders and the further sale of Life Healthcare ordinary shares;
"Life Overallotment"	the 30-day overallotment option granted by Newshelf 831 to the Joint Bookrunners to purchase up to 8 725 477 additional Life Healthcare ordinary shares (0.84% of the Life Healthcare ordinary shares in issue) at the Life bookbuild price for the purpose of covering short positions resulting from overallotments or from sales of Life Healthcare ordinary shares on or before the end of the Stabilisation Period;
"Listings Requirements"	the JSE Listings Requirements, as amended from time to time;
"Lock-up period"	the period ending 180 days from the date of the Life Listing during which time Old Life Healthcare Shareholders are prohibited, in terms of the MOU and the Purchase Agreement (as contemplated in paragraph 14) from disposing of Life Healthcare ordinary shares other than as part of the Life Listing;
"MOU"	the Memorandum of Understanding, an agreement entered into between all of the Old Life Healthcare Shareholders on Thursday, 4 March 2010, as subsequently amended and reinstated, that governed the Life Listing process;
"MSI"	Mvelaphanda Strategic Investments (Proprietary) Limited (registration number 1998/007485/07), a private company incorporated and registered in South Africa and a wholly-owned subsidiary of Mvelaphanda;
"Mvelaphanda"	Mvelaphanda Group Limited (registration number 1995/004153/06), a public company incorporated and registered in South Africa, the ordinary and preference shares of which are listed on the JSE;
"Mvelaphanda Shareholders"	holder(s) of Mvelaphanda ordinary shares;
"Mvelaphanda ordinary shares"	Mvelaphanda ordinary shares having a par value of 0.1 cent in the issued share capital of Mvelaphanda;
"N share capital" or "Brimstone N share capital"	the total value of the share capital of Brimstone attributable to the Brimstone N shares;
"NAV (per share)"	net asset value per share;
"Nedbank"	Nedbank Limited (registration number 1951/000009/06), a public company incorporated and registered in South Africa and a wholly-owned subsidiary of the JSE listed Nedbank Group Limited (share code NED);
"Nedbank Capital"	Nedbank Capital, a division of Nedbank, the investment bank and sponsor to Brimstone;
"Newshelf 778"	Newshelf 778 (Proprietary) Limited (registration number 2005/011914/07), a private company incorporated and registered in South Africa and a wholly-owned subsidiary of Brimstone prior to the Restructure and Unbundling;
"Newshelf 778 A ordinary shares"	A ordinary shares of 100 cents each in the share capital of Newshelf 778, to be issued to Brimstone simultaneously with the Share Exchange, which shares only have voting rights and have no rights to the profits and/or assets of Newshelf 778;
"Newshelf 778 Buyback"	the share buyback by Bidco 931 of Bidco 931 ordinary shares from Newshelf 778 (other than the Newshelf 778 A ordinary shares);
"Newshelf 778 Buyback Agreement"	the agreement between Bidco 931 and Newshelf 778 governing the Newshelf 778 Buyback entered into on 21 April 2010 (as amended);

"Newshelf 778 ordinary shares"	the ordinary shares in the issued share capital of Newshelf 778 (other than the Newshelf 778 A ordinary shares);
"Newshelf 778 Sale of Shares Agreement"	the sale of shares agreement entered into between Brimstone, Health and Mvelaphanda governing the Share Exchange on 21 June 2010;
"Newshelf 779"	Newshelf 779 (Proprietary) Limited (registration number 2005/013064/07), a private company incorporated and registered in South Africa and wholly-owned by the Staff Trust;
"Newshelf 779 Buyback"	the share buyback by Bidco 813 of all of the Bidco 813 ordinary shares held by Newshelf 779 from Newshelf 779;
"Newshelf 831"	Newshelf 831 (Proprietary) Limited (registration number 2006/017554/07), a private company incorporated and registered in South Africa and a wholly-owned subsidiary of Brimstone;
"Newshelf 831 Buyback"	the share buyback by Life Healthcare of 10 208 422 Life Healthcare ordinary shares (0.98% of the entire issued share capital of Life Healthcare) from Newshelf 831, which Buyback was implemented on or about 10 June 2010;
"Newshelf 831 Buyback Agreement"	the agreement between Life Healthcare and Newshelf 831 governing the Newshelf 831 Buyback concluded on 17 May 2010 (as amended);
"Old Life Healthcare Shareholders"	the holders of Life Healthcare Shares as represented on the share register of Life Healthcare on the date the MOU was signed, being Thursday, 4 March 2010;
"Old Mutual"	Old Mutual Life Assurance Company (South Africa) Limited (registration number 1999/004643/06), a public company incorporated and registered in South Africa;
"Omsfin"	Old Mutual Specialised Finance (Proprietary) Limited (registration number 1998/013266/07), a private company incorporated and registered in South Africa;
"ordinary share capital" or "Brimstone ordinary share capital"	the total value of the share capital of Brimstone attributable to the Brimstone ordinary shares;
"own-name dematerialised shareholder"	a beneficial owner of dematerialised shares who has instructed his/her CSDP to enter his/her own-name in the CSDP's sub-register;
"prime overdraft rate"	means the publicly quoted basic interest rate <i>per annum</i> ruling from time to time at which Nedbank lends on overdraft to its best grade customers on an unsecured basis, compounded monthly in arrear;
"Record Date"	the last date on which a Brimstone shareholder must be recorded in the register in order to participate in the Unbundling, which is expected to be Friday, 20 August 2010;
"Restructure"	the series of transactions undertaken and/or to be undertaken by Brimstone, Mvelaphanda and various entities controlled by Brimstone and Mvelaphanda as described in paragraph 5.1, including the Share Exchange;
"the register" or "share register"	the register of Brimstone Shareholders, including Brimstone's sub-registers maintained by CSDPs;
"RMB"	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06), or its nominee (being a wholly-owned subsidiary of FirstRand Limited);
"Sea Harvest"	Sea Harvest Corporation Limited (registration number 1964/001745/06), a public company incorporated and registered in South Africa;

"Section 228 Disposal"	the disposal of the whole or the greater part of the undertaking or assets of a company, as contemplated, and governed, by Section 228 of the Act;
"Securities Services Act"	the Securities Services Act, 2004 (Act 36 of 2004), as amended;
"SENS"	the Securities Exchange News Service of the JSE;
"Share Exchange"	the exchange by Brimstone of its entire shareholding in Newshelf 778 for a shareholding in Health, as detailed in paragraph 5.1.2;
"South Africa"	the Republic of South Africa;
"SRP"	the Securities Regulation Panel established in terms of section 440B of the Companies Act;
"SRP Code"	the Securities Regulation Code on Take-overs and Mergers and the Rules of the SRP issued pursuant to the Companies Act;
"Stabilisation Period"	the period commencing on the date of the Life Listing and ending 30 days thereafter, during which RMB, as stabilisation manager of the Life Listing, may carry out stabilisation activities as contemplated in, and in accordance with, the Listings Requirements;
"Staff Trust"	the Life Healthcare Employee Trust (IT5563/05), being the vehicle through which certain employees of Life Healthcare held and continue to hold shareholdings in Life Healthcare;
"STC"	Secondary Tax on Companies levied in terms of section 64B of the Income Tax Act;
"Strate"	Strate Limited (registration number 1998/022248/06), a public company incorporated and registered in South Africa which is registered as a central securities depository in terms of the Securities Services Act, and which is responsible for the electronic settlement system for transactions that take place on the JSE and off market trades;
"STT"	Securities Transfer Tax levied in terms of The Securities Transfer Tax Act, 2007 (Act 25 of 2007);
"Subco"	Newshelf 1055 (Proprietary) Limited (registration number 2010/006319/07), which is a wholly-owned subsidiary of Brimstone that, post the Restructure, will hold 19 197 619 Health ordinary shares (representing a 6.93% stake in Health and a 1.84% effective stake in Life Healthcare);
"Subscription Agreement"	the subscription agreement entered into by Brimstone and Newshelf 778 on 21 June 2010, in terms of which Brimstone subscribes for the Newshelf 778 A ordinary shares;
"Tiger Brands"	Tiger Brands Limited (registration number 1944/017881/06), a public company incorporated and registered in South Africa with its ordinary shares listed on the JSE (share code TBS);
"TNAV (per share)"	tangible NAV per share;
"transfer secretaries" or "Computershare"	Computershare Investor Services (Proprietary) Limited (registration number 2004/003647/07), a private company incorporated and registered in South Africa and the transfer secretaries to Brimstone;
"trust deed"	the trust deed of the Brimstone Share Trust;
"Unbundling"	the proposed unbundling by Brimstone of all its directly held Health ordinary shares to Brimstone Shareholders by way of a distribution <i>in specie</i> in terms of section 90 of the Companies Act and section 46 of the Income Tax Act, in the ratio of 40 Health ordinary shares for every 100 Brimstone shares held at the close of business on the Record Date; and
"Vendor"	vendor(s) of material assets as contemplated in the Listings Requirements.



BRIMSTONE

INVESTMENT CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1995/010442/06)

Share code: BRT ISIN: ZAE000015277

Share code: BRN ISIN: ZAE000015285

("Brimstone" or "the Company")

Directors

Prof G J Gerwel* (*Chairperson*)

F Robertson (*Executive Deputy Chairperson*)

M A Brey (*Chief Executive Officer*)

L Z Brozin (*Financial Director*)

P L Campher*+

M Hewu*+

N Khan*+

M K Ndebele*+

Y Pahad*+

L A Parker*+

A A Roberts*+

F D Roman*+

* Non-executive

+ Independent

CIRCULAR TO BRIMSTONE SHAREHOLDERS

1. INTRODUCTION

1.1 Background

Brimstone Shareholders are referred to the SENS announcement and circular dated 23 April 2010 wherein it was announced that, subsequent to the successful implementation of the Life Listing and the Buybacks, Brimstone, together with Mvelaphanda planned to undertake a series of internal restructurings that will culminate in the Unbundling of certain Brimstone and Mvelaphanda controlled entities' remaining shareholdings in Life Healthcare to Brimstone Shareholders and Mvelaphanda Shareholders, respectively.

Life Healthcare listed on the JSE on Thursday, 10 June 2010. As part of, and subsequent to the Life Listing but prior to the posting of this circular the following has been implemented:

- (a) the Life Buyback (including the Bidco 813 Buyback and the Newshelf 831 Buyback);
- (b) the Ammed Trust Buyback;
- (c) the Newshelf 779 Buyback;
- (d) Bidco 813 has acquired a further 1.00% of Life Healthcare;
- (e) the remaining cash proceeds in Bidco 813 have been distributed to Bidco 931 as a dividend; and
- (f) Bidco 931 has declared a dividend of R180 million each to both Health and Newshelf 778.

It is anticipated that the following steps will have been completed before 2 July 2010 and thus prior to the Restructure and Unbundling:

- (g) Bidco 931 will have implemented a specific share buyback of Bidco 931 ordinary shares from Health for a cash consideration of R172.5 million and will have issued Bidco 931 A ordinary shares to Health; and
- (h) the Newshelf 778 Buyback will have been implemented utilising the remaining cash proceeds (R412.6 million) in Bidco 931 and Bidco 931 will have issued Bidco 931 A ordinary shares to Newshelf 778.

In aggregate Brimstone, through Newshelf 831 and Newshelf 778, will receive cash proceeds of R527.4 million through the Newshelf 831 Buyback and the Newshelf 778 Buyback and an additional R180 million as a dividend received by Newshelf 778 from Bidco 931.

These proceeds have been and/or will be utilised to, *inter alia*, redeem certain funding instruments in Newshelf 778 (including all of the IDC preference share funding) and Newshelf 831 to the extent possible.

Brimstone, through Newshelf 831, is also participating in the Life Overallotment and will receive further cash proceeds to the extent its Life Healthcare ordinary shares are sold pursuant to the Life Overallotment. The participation in terms of the Life Overallotment will be for a maximum of a further 8 725 477 of the Life Healthcare ordinary shares (0.84% of the Life Healthcare ordinary shares in issue) held by Newshelf 831 and are to be sold at the Life bookbuild price. An announcement will be released on SENS after this date to inform Brimstone Shareholders of the exact number of Life Healthcare shares disposed of by Brimstone in terms of the Life Overallotment.

The table below sets out Brimstone's effective holdings following the implementation of (g) and (h) and excluding any possible participation in the Life Overallotment but prior to the Restructure and Unbundling:

	Holding in Bidco 931	Bidco 931 holding in Bidco 813	Bidco 813's holding in Life Healthcare	Effective holding in Life Healthcare
Newshelf 831	–	–	–	3.27%
Newshelf 778	46.48%	100%	26.6%	12.36%
Brimstone (Total)	46.48%	–	–	15.63%

1.2 The Restructure and the Unbundling

1.2.1 The Restructure

Brimstone intends to exchange its entire indirect shareholding in Life Healthcare, held through Newshelf 778 (approximately 12.36% of Life Healthcare), for 128 849 235 Health ordinary shares representing a 46.48% stake in the enlarged issued share capital of Health (representing an effective 12.36% of Life Healthcare). Health will then be listed on the JSE as an Asset Backed Security on or about Monday, 16 August 2010. The only asset of Health at the time of the Health Listing will be a 26.60% direct holding in Life Healthcare. At listing Health will hold 1 Life Healthcare ordinary share for every 1 Health ordinary share in issue, resulting in 1 Health ordinary share effectively representing 1 Life Healthcare ordinary share. The proposed transaction steps through which the Share Exchange will occur are set out in paragraph 5.1 below.

Prior to the Unbundling, Brimstone intends selling 14.90% (19 197 619 Health ordinary shares) of its then direct holding in Health to Subco. This represents a 1.84% stake in Life Healthcare.

1.2.2 The Unbundling

Following the Health Listing and in accordance with the salient dates and times as set out on page 3 of this circular, Brimstone and Mvelaphanda will unbundle their respective stakes in Health to Brimstone and Mvelaphanda Shareholders, respectively. Brimstone Shareholders will receive 40 Health ordinary shares for every 100 Brimstone shares held on the Record Date. The Unbundling will not include the Health ordinary shares sold to Subco prior to the Unbundling.

Brimstone Shareholders are referred to Annexure 6 for details relating to fractional entitlements.

Pursuant to the Unbundling, Brimstone will effectively unbundle a 35.27% stake in Health (representing a 9.38% stake in Life Healthcare) to Brimstone Shareholders (excluding the Health ordinary shares to be unbundled to treasury share holdings in Brimstone).

Following the implementation of the Restructure and the Unbundling Brimstone will retain an effective 6.25% interest in Life Healthcare as follows:

- 3.27% in Life Healthcare through Newshelf 831 (prior to any participation in the Life Overallotment);
- 6.93% in Health through Subco (representing an effective 1.84% stake in Life Healthcare); and
- 4.28% in Health through treasury share holdings in Brimstone (representing an effective 1.14% stake in Life Healthcare).

Following the expiry of the Lock-up Period, it is the intention of the directors of Health to unbundle the underlying Life Healthcare ordinary shares to Health Shareholders.

1.3 Purpose of this circular

The purpose of this circular is to provide to Brimstone Shareholders, in compliance with the Listings Requirements, and the SRP Code, details relating to the Restructure (including the Share Exchange), the Unbundling and the amendments to the Brimstone Share Trust deed and to convene a general meeting of Brimstone Shareholders in order to obtain shareholder approval for the implementation of the Share Exchange, the Unbundling and the amendments to the Brimstone Share Trust deed.

2. APPLICATION OF THE SRP CODE

The Share Exchange and Unbundling are each a section 228 Disposal and as such Brimstone is required to consider the provisions of the SRP Code. Pursuant to requests by Brimstone, the SRP has exercised its discretion in terms of the SRP Code and granted dispensation as set out and on the basis set out below:

- Rule 3.1 of the Code requires the board of Brimstone to “obtain appropriate external advice” on the transaction and the substance of that advice is required to be disclosed to all Brimstone Shareholders.
 - The Restructure results in Brimstone exchanging its entire shareholding in Newshelf 778 for an interest in Health. Due to the Share Exchange being effected at respective market values, Brimstone does not believe that the requirement for “appropriate external advice” is relevant to the Restructure and the SRP has granted dispensation of this effect.
 - The Unbundling will ultimately result in Brimstone Shareholders holding a direct interest in Health rather than holding this interest through Brimstone. Since Brimstone Shareholders will still hold the same asset before and after the Unbundling, Brimstone believes, and the SRP has granted a dispensation to the effect, that the requirement to “obtain appropriate external advice” is also not relevant to the Unbundling.
- Rule 21.2(a) of the Code requires four years of historical financial information of Life Healthcare to be disclosed in this circular to Brimstone Shareholders. The Health pre-listing statement which is posted together with this circular contains three and a half years of historical financial information for Life Healthcare. Brimstone believes and the SRP has granted a dispensation to the effect, that this is sufficient disclosure in order for Brimstone Shareholders to make a decision as regards the resolutions they are required to consider for the implementation of the Restructure (including the Share Exchange) and the Unbundling.

Brimstone has complied with all other relevant requirements of the Code and this circular has been approved by the SRP.

3. HEALTH

The business and principal activity of Health is to act as an investment holding company for its only asset, its investment in Life Healthcare. Health will own 277 213 378 Life Healthcare ordinary shares (26.60% of Life Healthcare). An overview of Life Healthcare is detailed in paragraph 4 below. Brimstone Shareholders are referred to the Health PLS which is posted together with this circular for further information relating to Health, in particular the consolidated audited and reviewed historical financial information of Health for the three years ended 30 June 2009 and the unaudited interim financial results for the six months ended 31 December 2009.

4. INFORMATION RELATING TO LIFE HEALTHCARE

4.1 Incorporation

Life Healthcare was incorporated and registered in South Africa on 7 February 2003 in terms of the Companies Act as a private limited liability company with the name Micawber 387 (Proprietary) Limited and with registration number 2003/002733/06. The business of Life Healthcare, and its principal activity, is to act as an investment holding company. The registered address and head office of Life Healthcare is 21 Oxford Manor, Rudd and Chaplin Roads, Illovo, 2196, South Africa.

With effect from 24 April 2006, Life Healthcare changed its name to Life Healthcare Group Holdings (Proprietary) Limited. On 29 April 2010, Life Healthcare was converted from a private limited liability company to a public limited liability company. Other than a change in its name pursuant to its conversion to a public company, Life Healthcare has not changed its name in the last three years preceding the Health pre-listing statement. As at the date of the Life Healthcare Listing, Life Healthcare is not a subsidiary.

4.2 Overview

Life Healthcare is a leading private hospital operator in South Africa. Life Healthcare primarily serves the market for privately insured individuals, representing approximately eight million people and, in the 2008 calendar year,

had total expenditures of approximately R64.7 billion (excluding patients' out-of-pocket expenditures). The South African private healthcare market is attractive due to a number of factors including high barriers to entry in the private hospital sector; a growing middle class resulting in a growing privately insured population; a high and increasing disease burden in the country; an ageing privately insured population; and an under-resourced public sector healthcare system.

Life Healthcare has more than 25 years' experience operating private hospitals in South Africa. Commencing operations in the early 1980s with its first four hospitals, Life Healthcare has grown through acquisitions, capacity expansion within existing facilities, the addition of new lines of business, and development and construction of hospitals. The Life Healthcare Group was listed on the JSE in 1999, and subsequently taken private in 2005 by a consortium led by Brimstone and Mvela Group, together with Life Healthcare's senior management.

Life Healthcare is primarily a provider of acute care, high technology private hospital services. Life Healthcare's diversified healthcare business is organised into two divisions:

- Hospitals Division, which represented approximately 92% of Life Healthcare's revenues for the 2009 financial year, and includes Life Healthcare's core acute care hospital business, comprising general hospital facilities of various sizes that include intensive care units (ICUs), high care units (HCUs), operating theatres, emergency units, maternity units and cardiac units, as well as specialised facilities that provide either inpatient or outpatient services in the areas of acute rehabilitation, chronic renal dialysis, mental healthcare services and radiation and chemotherapy oncology; and
- Healthcare Services Division, which represented approximately 8% of Life Healthcare's revenues for the 2009 financial year, and includes the provision of acute and long-term chronic hospitalisation services to state patients through Life Esidimeni, as well as the provision of primary and occupational healthcare through Life Healthcare Occupational Health.

Life Healthcare has an extensive geographic network of diverse facilities, including hospitals across seven of South Africa's nine provinces and in the country's most populous metropolitan areas. Life Healthcare operates a range of facilities adapted to meet the local demand in the various regions of the country, including complex, multi-disciplinary hospitals, community hospitals and specialised stand-alone facilities to provide the appropriate scale and scope of healthcare services. Life Healthcare aims to continue providing world-class medical care in South Africa and to become a pre-eminent emerging markets hospital operator.

4.3 Prospects

The goals of Life Healthcare are to continue providing high quality, cost effective healthcare in South Africa, and to become a leading private hospital operator in other selected emerging markets. In order to achieve these goals, Life Healthcare seeks to implement the following key strategies:

Exploit the breadth and depth of Life Healthcare's existing hospital network

Life Healthcare has detailed plans to grow the capacity of its existing facilities in order to meet increased demand and enhance the profitability and competitiveness of these facilities. These plans are centred on:

- expanding facilities within existing hospitals, through adding additional beds, wards and/or operating theatres. Life Healthcare plans to increase its number of beds by approximately 11% of current capacity over the next two to three years; and
- adding new lines of business to existing hospitals. Life Healthcare intends to introduce new services and disciplines at selected hospitals where there is the opportunity to create niches, for example the expansion of mental health, renal dialysis, acute rehabilitation, frail care and treatment for tuberculosis.

Because Life Healthcare owns the properties on which most of its hospitals are located, Life Healthcare plans to continue to leverage this existing asset base to support its ability to build capacity in its existing network.

Expand its coverage and penetration of the South African market

Life Healthcare plans to expand the geographic reach of its coverage within South Africa in the acute care hospital sector in order to meet the increasing demand for private healthcare in South Africa. Life Healthcare plans to construct three new acute care hospitals and an additional mental health facility within the next two to three years, including in areas not currently covered by Life Healthcare's geographic network. Life Healthcare has also targeted for acquisition within the next two to three years up to three acute care hospitals; a rehabilitation facility; and two mental health facilities. Through this expansion, Life Healthcare aims to improve its national network and increase Life Healthcare's attractiveness for negotiating preferred network arrangements with medical schemes.

Position Life Healthcare for international expansion

Life Healthcare plans to take advantage of opportunities to expand within its existing lines of business in selected attractive emerging markets which display similar characteristics to those experienced in South Africa, such as a rapidly growing middle class, increasing disease burden, underdeveloped public sector healthcare systems, an expanding private health insurance market, a rapidly growing but fragmented private hospital sector and a suitable supply of medical professionals and personnel. Life Healthcare is actively considering opportunities in emerging markets such as Turkey and India and certain areas within the Middle East where it can leverage its skills, systems and experience. Life Healthcare is also considering further growth in African countries where there is access to key clinical resources and access to a market with the scale and financial resources to drive demand for private hospital services.

Maintain Life Healthcare's commitment to world-class healthcare and continue to enhance operational efficiencies

Life Healthcare believes that it delivers world-class, high quality healthcare comparable to private healthcare available at hospitals in developed economies. Life Healthcare aims to maintain this commitment to world-class healthcare by continued improvements in quality benchmarks, including patient satisfaction, clinical outcomes, patient health and safety, and employee health and safety. While maintaining this commitment to quality, Life Healthcare will continue to focus on the improved management of all hospital costs. In the context of the expansion of Life Healthcare's facilities and network, Life Healthcare plans to take advantage of this growth to leverage its fixed cost base and continue improving its margins.

Ongoing partnership with government and engagement with healthcare reform in South Africa

In connection with the development of healthcare policy and proposed healthcare reforms in South Africa, Life Healthcare will continue to actively engage with the South African government. Life Healthcare plans to leverage its position as the leading South African operator of hospital public private partnerships in connection with future opportunities to provide services to government. One of Life Healthcare's executives is, in his personal capacity, a member of the National Health Insurance Advisory Committee, which has been established in order to advise on the development of policy relating to a National Health Insurance System in South Africa.

4.4 Litigation statement

The Life Healthcare Group is not involved in any material litigation or arbitration proceedings, nor are the directors of the Life Healthcare Group aware of any proceedings which are pending or threatened, which may have or have had, in the twelve-month period preceding the date of the Health PLS, a material effect on the Life Healthcare Group's financial position. Life Healthcare, as part of the ordinary course of business, is periodically subject to claims arising from allegations of negligence against doctors or staff at Life Healthcare's hospitals.

4.5 Material change statement

Save as disclosed in the Health PLS there have been no material changes in the financial or trading position of Life Healthcare and its subsidiaries between 31 March 2010 and the last practicable.

4.6 Material contracts

The material contracts that have been entered into by Life Healthcare during the two years preceding the date of the Health PLS, other than in the ordinary course of the business carried on by Life Healthcare, are the following:

- Memorandum of Understanding Agreement, dated 4 March 2010, between RMB Ventures Four (Proprietary) Limited, RMB Ventures (Proprietary) Limited, FirstRand Bank Limited (acting through its Rand Merchant Bank Division), BVI 813, Old Mutual Life Assurance Company South Africa Limited, The Ammed Management Trust, The IDC, the Life Healthcare 2005 Performance Equity Trust, MSI, Mvela Group, Life Healthcare Employees Trust, Investec Bank Limited, Brimstone, Life Doctor Investments Limited, Sanlam Capital Markets Limited, The Standard Bank of South Africa Limited (acting through its Corporate And Investment Banking Division), Momentum Group Limited and Life Healthcare Group Holdings (Proprietary) Limited. The agreement sets out the terms upon which the transaction has been implemented, including that: (i) the Life Healthcare Listing will be effected by a fresh issue of ordinary shares coupled with the Life Healthcare repurchase; (ii) the shareholders undertake to make shares available for sale and/or repurchase; (iii) the existing shareholders agreement will be terminated; (iv) the N shares will be converted to ordinary shares and (v) Life Healthcare will be converted and a new set of articles will be adopted; and

- Life Healthcare repurchase agreements entered into between Life Healthcare and each of the Life Healthcare selling shareholders, dated 14 May 2010, pursuant to which Life Healthcare will acquire certain Life Healthcare ordinary shares, as specified in each Life Healthcare repurchase agreement, from the relevant Life Healthcare selling shareholder. The terms of the Life Healthcare repurchase agreements, other than the number of Life Healthcare ordinary shares repurchased by Life Healthcare, are similar, providing for the price at which the Life Healthcare ordinary shares are repurchased and the payment of the consideration payable.

There have been no material inter-company transactions during the period of three years prior to the date of this pre-listing statement.

4.7 Additional Life Healthcare information

Brimstone Shareholders are referred to the Health PLS which is posted to Brimstone Shareholders together with this circular for further information relating to Life Healthcare, in particular the consolidated audited and reviewed historical financial information of Life Healthcare for the three years ended 30 September 2009 and the unaudited interim financial results for the six months ended 31 March 2010.

5. THE RESTRUCTURE AND THE UNBUNDLING

5.1 The Restructure and the Unbundling

Following the implementation of the steps in paragraph 1.1 above and prior to the Restructure and Unbundling, Brimstone will hold an effective 3.27% shareholding in Life Healthcare (prior to the Life Overallotment) through Newshelf 831 and an effective 12.36% shareholding in Life Healthcare through Newshelf 778.

The Restructure and the Unbundling are effected over several steps as follows, and in accordance with Figure 1.

5.1.1 Step 1

MSI will unbundle its 100% shareholding in Health to Mvelaphanda in terms of section 46 of the Income Tax Act.

5.1.2 Step 2 (a)

As set out in paragraph 1.2.1 above and subject to Brimstone Shareholder approval as contained in the notice of general meeting forming part of this circular, Brimstone will dispose of its entire shareholding in Newshelf 778 in terms of section 42 of the Income Tax Act and in exchange will receive 128 849 235 Health ordinary shares (46.48% of the enlarged issued share capital of Health and representing a 12.36% stake in Life Healthcare) as consideration and as contemplated in the Newshelf 778 Sale of Shares Agreement. In terms of section 228 of the Companies Act the resolution to approve the Share Exchange requires the approval of a 75% majority of Brimstone Shareholders as the Share Exchange would in effect constitute a Section 228 Disposal.

Brimstone's (46.48%) and Mvelaphanda's (53.52%) shareholdings in Health will replicate Newshelf 778's and Health's respective shareholdings in Bidco 931 prior to the Share Exchange.

5.1.3 Step 2 (b)

Simultaneously with Step 2 (a), Newshelf 778 will issue 900 Newshelf 778A ordinary shares to Brimstone as contemplated in the Subscription Agreement.

5.1.4 Step 3

Bidco 813 will (pursuant to a resolution in terms of section 90 of the Companies Act by its board of directors) unbundle its 26.60% interest in Life Healthcare to Bidco 931 by making a distribution *in specie* thereof.

5.1.5 **Step 4**

Bidco 931 will (pursuant to a special resolution of its shareholders in terms of section 228 of the Companies Act and a resolution in terms of section 90 of the Companies Act by its board of directors) unbundle its 26.60% interest in Life Healthcare to its shareholders, Newshelf 778 and Health, by making a distribution *in specie* thereof.

5.1.6 **Step 5**

Following Step 4, Newshelf 778 (pursuant to a special resolution of its shareholders in terms of section 228 of the Companies Act and a resolution in terms of section 90 of the Companies Act by its board of directors), in anticipation of liquidation, will distribute its 12.36% interest in Life Healthcare and the Bidco 931 A ordinary shares previously issued to Newshelf 778, to its sole shareholder, Health.

5.1.7 **Step 6**

Brimstone will sell 19 197 619 Health ordinary shares (representing 14.90% of Brimstone's stake in Health and a 1.84% stake in Life Healthcare) to Subco for additional shares in Subco.

5.1.8 **Step 7**

Newshelf 778 A ordinary shares issued to Brimstone in terms of Step 2(b) will be repurchased and cancelled by Newshelf 778.

5.1.9 **Step 8**

Health will be listed as an Asset Backed Security on the JSE on or about Monday, 16 August 2010.

5.1.10 **Step 9**

Subject to various conditions precedent, including the necessary approvals of their respective shareholders, Brimstone and Mvelaphanda will unbundle their respective interests in Health to their respective shareholders in terms of section 90 of the Companies Act and section 46 of the Income Tax Act on or about Monday, 23 August 2010. This will exclude the Health ordinary shares then held by Subco as described in step 6 above.

Pursuant to the Unbundling, Brimstone Shareholders will receive 40 Health ordinary shares for every 100 Brimstone shares held and as a result Brimstone will unbundle a 35.27% stake in Health (representing a 9.38% stake in Life Healthcare) to Brimstone Shareholders (excluding the Health ordinary shares to be unbundled to treasury share holdings in Brimstone).

The table below sets out Brimstone's resultant holdings following the implementation of the steps in paragraph 5.1 above but excluding the Life Overallotment:

Post the Restructure but prior to the Unbundling

	Holding in Health	Effective holding in Life Healthcare
Newshelf 831	–	3.27%
Subco	6.93%	1.84%
Brimstone (via Health)	39.55%	10.52%
Total	46.48%	15.63%

Post the Unbundling

	Holding in Health	Effective holding in Life Healthcare
Newshelf 831	–	3.27%
Subco	6.93%	1.84%
Brimstone (via Health)*	4.28%	1.14%
Total	11.21%	6.25%

Unbundled to Brimstone Shareholders

Brimstone (via Health)	35.27%	9.38%
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* This holding is as a result of Health ordinary shares being unbundled to treasury share holdings in Brimstone, pursuant to the Unbundling.

Figure 1: The proposed transaction steps

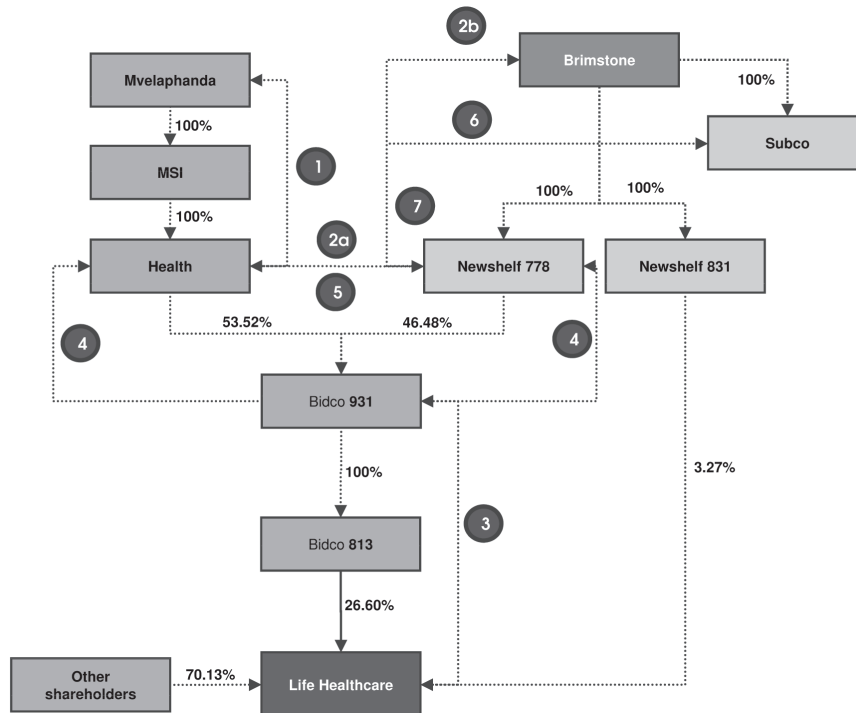
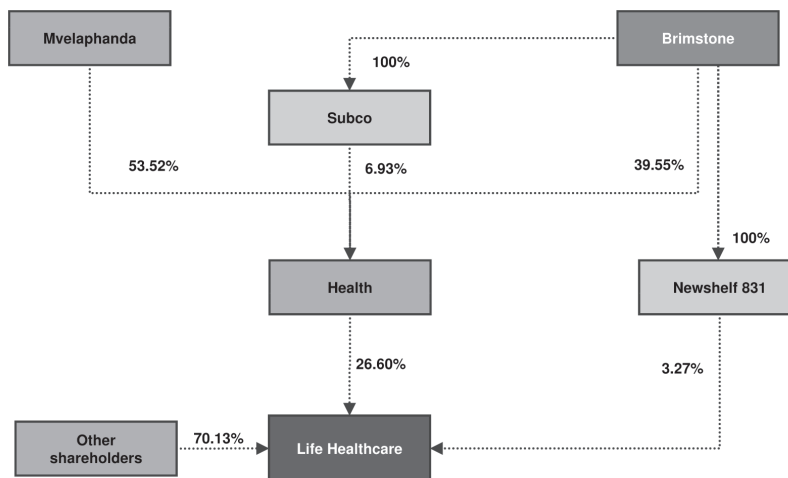


Figure 2: The resultant shareholding structure before the Unbundling



5.2 Rationale for the Restructure and the Unbundling

The Restructure and the Unbundling will result in Brimstone Shareholders directly holding Health ordinary shares, while retaining their existing shareholdings in Brimstone, the value of which will adjust accordingly. These Health ordinary shares will trade on the JSE with reference to the underlying see-through value of Health's 26.60% stake in Life Healthcare. This could potentially unlock significant value for Brimstone Shareholders and allows Brimstone Shareholders to trade their indirect interest in Life Healthcare separately to their Brimstone shares.

In line with the Lock-up Period, being the period ending 180 days from the date of the Life Listing during which time Old Life Healthcare Shareholders are prohibited, in terms of, *inter alia*, the MOU, from disposing of Life Healthcare ordinary shares other than as part of the Life Listing, Brimstone Shareholders holding 56.70% of the Brimstone ordinary shares in issue and 51.95% of the Brimstone N ordinary shares in issue have undertaken not to dispose of their Health shares for a period of approximately 180 days after the Life Listing. The remaining Brimstone Shareholders can trade freely in their Health ordinary shares.

Following the expiry of the Lock-up Period, it is the intention of the directors of Health to unbundle the underlying Life Healthcare ordinary shares to Health Shareholders.

5.3 The Unbundling

5.3.1 Details of the Unbundling

Brimstone will distribute the Health distribution shares to its shareholders by way of a distribution *in specie* and a reduction in Brimstone's reserves in terms of section 90 of the Companies Act and section 46 of the Income Tax Act.

Brimstone Shareholders will receive 40 Health ordinary shares for every 100 Brimstone shares held on the Record Date.

5.3.2 Procedure for the implementation of the Unbundling

5.3.2.1 The general meeting of Brimstone Shareholders convened in terms of the notice of general meeting forming part of this circular, will consider and, if deemed fit, pass the resolutions necessary to give effect to the Unbundling. In terms of section 228 of the Companies Act the resolution to approve the Unbundling requires the approval of a 75% majority of Brimstone Shareholders present or represented by proxy at the general meeting and entitled to vote, as the Unbundling would in effect constitute a Section 228 Disposal.

5.3.2.2 For the purpose of the Unbundling:

5.3.2.2.1 Brimstone Shareholders holding their shares in certificated form will be issued Health distribution shares in certificated form and share certificates will be posted, at the risk of the Brimstone Shareholder concerned, by registered post in South Africa to the addresses reflected in the register on the Record Date. Brimstone Shareholders are advised that they will have to dematerialise the Health distribution shares received by them prior to trading in such shares on the JSE; and

5.3.2.2.2 Brimstone Shareholders holding their shares in dematerialised form on the Record Date will have their Health distribution shares credited to their accounts maintained by their CSDP or broker.

5.3.2.3 Documents of title in respect of Brimstone shares held are not required to be surrendered in order to receive the Health distribution shares.

5.3.2.4 Brimstone Shareholders resident outside South Africa must satisfy themselves as to the full observance of the laws of their country or territory of residence, as well as the Exchange Control Regulations, summarised in paragraph 22 below.

5.3.3 Governing law

The Unbundling will be governed by the laws of South Africa.

5.3.4 Offer not made where not legally permitted

The legality of the Unbundling to persons resident in jurisdictions outside of South Africa may be affected by the laws of the relevant jurisdiction. Such persons should inform themselves about any applicable legal requirements, which they are obligated to observe. It is the responsibility of any such person wishing to participate in the Unbundling to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith.

In particular, the Unbundling is not being made, directly or indirectly, in or into any jurisdiction where it is not legally permitted for the Unbundling to be made or accepted ("the affected jurisdictions") including, *inter alia*, the USA, Canada, Australia, Japan and the Republic of Ireland.

Persons wishing to participate in the Unbundling should not use the mail of any of the affected jurisdictions or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to the Unbundling. Envelopes containing forms of proxy or other documents relating to the Unbundling should not be post-marked in any of the affected jurisdictions or otherwise dispatched from any of the affected jurisdictions and all participants must provide addresses outside the affected jurisdictions for receipt of any Health distribution shares.

Foreign excluded Brimstone Shareholders' Health distribution shares will be aggregated and disposed of on the JSE by the transfer secretaries for the benefit of the foreign excluded Brimstone Shareholders. CSDPs will be responsible for informing the transfer secretaries of all dematerialised shares held by them on behalf of foreign Brimstone Shareholders. The transfer secretaries will determine which certificated Brimstone Shareholders are foreign Brimstone Shareholders. The transfer secretaries will deem all Brimstone Shareholders who are resident or whose registered addresses are in any country other than in the common monetary area to be foreign excluded Brimstone Shareholders, unless such Brimstone Shareholders provide them with proof, either personally, through a representative or CSDP, satisfactory to the board, that they are entitled to receive Health distribution shares, or contact the board to make an alternative arrangement, by not later than Tuesday, 10 August 2010.

Foreign excluded Brimstone Shareholders will, in respect of their shareholdings, receive the average consideration per share (net of costs) at which all foreign excluded Brimstone Shareholders' Health distribution shares were disposed of. The average consideration will be calculated and the consideration due to each foreign excluded shareholder will be paid only once all these shares have been disposed of. Brimstone Shareholders who are not residents of South Africa or whose registered addresses fall outside of South Africa should contact their CSDP or broker if they are uncertain of the impact of the Unbundling on them.

5.3.5 **Tax considerations**

The summary hereunder is a general guide and is not intended to constitute a complete analysis of the tax consequences of the Unbundling under South African tax law. It is not intended to be, nor should it be considered to be, legal or tax advice. Brimstone Shareholders should, therefore, consult their own tax advisors on the tax consequences to them of the Unbundling, for which Brimstone and its advisors will not be held responsible.

5.3.5.1 **South African income tax and CGT considerations**

As the Unbundling is to be effected by way of a reduction of Brimstone's reserves, it will constitute a dividend for purposes of the Income Tax Act and will qualify for exemption from normal tax in terms of section 10(1)(k)(i) of the Income Tax Act in the hands of Brimstone Shareholders.

The Unbundling of the Health distribution shares by Brimstone will be effected in terms of section 46 of the Income Tax Act. Section 46 provides that:

5.3.5.1.1 **Distribution of Health distribution shares by Brimstone**

The distribution will be disregarded by Brimstone for the purposes of determining its taxable income or assessed loss and accordingly, no CGT liability arises.

5.3.5.1.2 **Secondary tax on companies**

The distribution of the Health distribution shares will be deemed not to be a dividend for STC purposes, both in the hands of Brimstone as well as any Brimstone Shareholder that is a company.

5.3.5.1.3 **Brimstone shares held as trading stock**

Any Brimstone Shareholder holding Brimstone shares as trading stock will be deemed to have acquired both the Brimstone shares and Health distribution shares as trading stock and for an amount equal to the adjusted cost (as contemplated in section 11(a) or 22(1) or 22(2) of the Income Tax Act) of the Brimstone shares. This cost must be apportioned between the Brimstone shares and Health distribution shares on a *pro rata* basis based on the respective market values of the Brimstone shares and Health distribution shares at the close of business on Tuesday, 17 August 2010. An announcement will be made on or about Wednesday, 18 August 2010, informing Brimstone Shareholders of the ratio to be used in the apportionment of the cost between the Brimstone shares and the Health distribution shares. This ratio must be used in the determination of any profits or losses derived on any future disposals of Brimstone shares or Health distribution shares.

5.3.5.1.4 *Brimstone shares held as capital assets*

If Brimstone shares have been held on capital account, then Health distribution shares will also be deemed to be acquired as capital assets. Any disposals of shares held as capital assets by South African residents may give rise to a capital gain or loss that will be subject to CGT. Such a capital gain or loss is determined by deducting from the proceeds on disposal the base cost of the share disposed of. In the case of Brimstone shares acquired before 1 October 2001, the base cost may either be the market value of the shares at that date (i.e. R0,28 per Brimstone ordinary share and R0.30 per Brimstone N ordinary share) or a cost determined on the "time-apportionment" basis or the "20% of proceeds" method. The base cost of Brimstone shares acquired after 1 October 2001 is the expenditure actually incurred in respect of the acquisition of such Brimstone shares, including brokerage charges and transfer taxes.

Subsequent to the Unbundling, shareholders must apportion the base cost of the Brimstone shares between the Brimstone shares and Health distribution shares on a *pro rata* basis based on the respective market values of the Brimstone shares and Health distribution shares at the close of business on Tuesday, 17 August 2010. An announcement will be made on or about Wednesday, 18 August 2010, informing shareholders of the ratio to be used in the apportionment of the Brimstone base cost between the Brimstone shares and the Health distribution shares. This ratio must be used in the determination of the capital gain or loss derived on any future disposals of Brimstone shares or Health distribution shares. Shareholders will be deemed to have acquired the Health distribution shares on the date on which the Brimstone shares were originally acquired and to have incurred the expenditure relating thereto on the date that the expenditure in relation to the Brimstone shares has been incurred.

5.3.5.2 *Securities transfer tax*

The registration of the Health distribution shares in the names of the Brimstone Shareholders will be exempt from the payment of any STT to the extent that the provisions of section 46 of the Income Tax Act apply to the distribution.

5.3.5.3 *Exempt persons*

The provisions of section 46 of the Income Tax Act will not apply to any Unbundling of the Health distribution shares to a Brimstone Shareholder who is not a resident, the Government, Provincial administration or a municipality, a Public Benefit Organisation as defined in section 30 of the Income Tax Act, a recreational club as defined in section 30 A of the Income Tax Act, a company or trust contemplated in section 37A of the Income Tax Act, a fund contemplated in section 10(1)(d)(i) or (ii) of the Income Tax Act or a person contemplated in section 10(1)(cA) or (t) of the Income Tax Act and who either alone or together with any connected person in relation to that shareholder, immediately after the Unbundling, holds 20 per cent or more of the ordinary issued share capital of Health.

5.3.5.4 *Non-resident shareholders*

Brimstone Shareholders who are non-resident in South Africa for tax purposes are advised to consult their professional advisors as regards the tax treatment of the Unbundling of the Health distribution shares in light of the tax laws in their respective jurisdictions and any tax treaties between South Africa and their countries of residence.

5.4 Conditions precedent to the Share Exchange and the Unbundling

5.4.1 *Conditions precedent to the Share Exchange*

By no later than 5 August 2010:

- 5.4.1.1 the special resolutions set out in the notice of general meeting attached to this circular, authorising the Share Exchange and the Unbundling, shall have been passed by a 75% majority of the votes of Brimstone Shareholders and shall have been registered at the Companies and Intellectual Property Registrations Office in Pretoria;
- 5.4.1.2 the shareholders of Mvelaphanda shall have authorised, in terms of section 228 of the Act, the Unbundling, by a special resolution, and such resolution shall have been registered at the Companies and Intellectual Property Registrations Office in Pretoria;
- 5.4.1.3 the transactions contemplated in paragraphs 1.1 and 5.1.1 above shall have been validly implemented by the applicable parties thereto (having obtained all requisite shareholder, board and/or regulatory approvals);
- 5.4.1.4 the shareholder resolutions necessary to give effect to Steps 1 to 9 set out in paragraph 5.1 above, being resolutions of the shareholder/s of Health, being Mvelaphanda, Newshelf 778, being Brimstone, Bidco 813, being Bidco 931, and Bidco 931, being Newshelf 778 and Health, shall have been passed and, if applicable, shall have been registered with the Companies and Intellectual Property Registrations Office in Pretoria;
- 5.4.1.5 the JSE shall have approved the Health Listing;
- 5.4.1.6 Brimstone being satisfied with the results of its due diligence investigation of Health; and
- 5.4.1.7 Mvelaphanda being satisfied with its due diligence investigation of Newshelf 778.

5.4.2 *Condition precedent to the Unbundling*

- 5.4.2.1 By no later than 5 August 2010, Steps 1 to 7 of the Restructure (which includes the Share Exchange) set out in paragraph 5.1 above shall have been validly implemented by the applicable parties thereto (having obtained all requisite Shareholder, board and/or regulatory approvals).

6. FINANCIAL INFORMATION RELATING TO THE BUYBACKS, THE RESTRUCTURE AND THE UNBUNDLING

6.1 Historical financial information of Brimstone and Life Healthcare

The consolidated audited historical financial information of Brimstone for the financial year ended 31 December 2009 was released on Tuesday, 23 February 2010.

The consolidated audited and reviewed historical financial information of Life Healthcare for the three years ended 30 September 2009 and the unaudited interim financial results for the six months ended 31 March 2010 are set out in the Health PLS, which is posted together with this circular.

6.2 *Pro forma* financial effects of the Buybacks, the Restructure and the Unbundling

Based on Brimstone's published consolidated audited results for the financial year ended 31 December 2009, the *pro forma* financial effects of the Buybacks, the Restructure and the Unbundling on Brimstone's EPS, HEPS, NAV and TNAV are set out below. These financial effects are prepared for illustrative purposes only in order to assist shareholders to assess the impact of the Buybacks, the Restructure and the Unbundling and, because of their nature, may not give a fair presentation of Brimstone's financial position after the Buybacks, the Restructure and the Unbundling, nor the effect thereof on Brimstone's future earnings. The financial effects are the responsibility of the board. The material assumptions used in the preparation of the financial effects are set out in the notes following the table.

The *pro forma* financial effects of the Buybacks represented in this circular are different to those presented in the circular to Brimstone shareholders dated Friday, 23 April 2010 due to the use of the Life bookbuild price of R13.50 per Life Healthcare ordinary share as opposed to the carrying value of Life Healthcare at 31 December 2009 used in the circular dated Friday, 23 April 2010. The *pro forma* financial effects assumes the Life Overallotment option is fully exercised (and is included as part of the Buybacks' *pro forma* financial effects) and that the Joint Bookrunners make use of the full 0.84% of Life Healthcare ordinary shares available to them from Newshelf 831 in terms of the Life Overallotment.

	Before the Buybacks	After the Buybacks, but before the Restructure and the Unbundling	After the Restructure and Unbundling	Change
EPS (cents)	136.7	248.7	300.6	119.9%
HEPS (cents)	130.9	242.9	294.8	125.2%
NAV (cents)	1 030.3	1 147.2	671.5	(34.8%)
TNAV (cents)	922.1	1 039.0	563.2	(38.9%)
Number of shares in issue ('000)	239 324	239 324	239 324	–
Weighted average number of shares in issue ('000)	238 238	238 238	238 238	–

Notes relating to the Buybacks:

- The "Before the Buybacks" information has been extracted, without adjustment, from Brimstone's consolidated audited historical financial information for the 12 months ended 31 December 2009.
- These *pro forma* financial effects include the effect of the Life Overallotment in the Buybacks, assuming the full allotment is requested by the Joint Bookrunners.
- The *pro forma* financial effects of the Buybacks are based on the assumption that Brimstone disposes of an effective 6.85% of Life Healthcare through the Buybacks and the Live Overallotment. Part of this will be as cash received from Newshelf 831 Buyback, Newshelf 778 Buyback and the Life Overallotment, and the remaining cash will be received as a separate dividend of R180 million from Bidco 931. Prior to the Buybacks, Brimstone held 21.65% of Life Healthcare as a fair value investment through profit or loss. After the Buybacks and the Life Overallotment, Brimstone will have decreased its effective interest in Life Healthcare to 14.80% (non-recurring). Remaining investment in Life Healthcare will continue to be accounted for as a fair value investment through profit or loss.
- The Buybacks and the Unbundling and Restructuring have been calculated using the Life bookbuild price which equates to a gross valuation of R3,046 million for Brimstone's 21.65% investment in Life Healthcare at 31 December 2009.
- The gross Buybacks of R897 million, received as:
 - a cash dividend by Brimstone through the Newshelf 778 Buybacks of R414 million (net of STC, non-recurring);
 - a cash dividend by Brimstone from Bidco 913 of R180 million (net of STC, non-recurring);
 - a cash dividend by Brimstone through the Newshelf 831 Buyback of R114.8 million (net of STC, non-recurring);
 - proceeds received by Brimstone through the Life Overallotment of R104.3 million (net of STC, non-recurring); and
 - STC on the above totalling R70.9 million and CGT on the Life Overallotment of R13.4 million (non-recurring).
- The EPS and HEPS figures as reflected in the "After the Buybacks but before the Restructure and Unbundling" column are based on the assumption that the Buybacks were implemented on 1 January 2009 for the purposes of the statement of comprehensive income.
- The EPS and HEPS figures were adjusted for the after-tax effect (where applicable) of:
 - an impairment of the investment in Life Healthcare due to the STC incurred on the Buybacks and not received as cash of R70.9 million (non-recurring) and the maximum CGT on the overall Life Overallotment of R13.4 million;
 - a reduction in the amount of dividends received over the period by Brimstone from Life Healthcare amounting to R38.5 million (recurring), and the resultant increase in the tax charge of R3.9 million (recurring);
 - an additional fair value gain on the investment in Life Healthcare of R223.4 million is recorded for the period, valued using the Life bookbuild price;
 - a reduction in finance costs of R29.4 million due to the settlement of long-term funding (see note 10, below)(recurring);
 - a reduction in taxation primarily through the release of R128.4 million of deferred tax that was over-provided for on Brimstone's investment in Life Healthcare including the reduction in the deferred tax liability due to the recognition of the STC credit referred to in note 5 (above) of R70.9 million (non-recurring); and
 - transaction costs specific to the Buybacks of R30.4 million (non-recurring) which are non-deductible for income tax purposes.
- The NAV and TNAV figures as reflected in the "After the Buybacks but before the Restructure and Unbundling" column are based on the assumption that the Buybacks were implemented on 31 December 2009 for the purposes of the statement of financial position.
- The NAV and TNAV figures were adjusted for the after-tax effect (where applicable) of:
 - an additional fair value gain on the investment in Life Healthcare of R223.4 million is recorded for the period, valued using the Life bookbuild price;
 - transaction costs specific to the Buybacks of R30.4 million (non-recurring) which are non-deductible for income tax purposes; and
 - a reduction in taxation through the release of R128.4 million of deferred tax that was previously provided for on Brimstone's investment in Life Healthcare and a corresponding decrease in the deferred tax liability due to the recognition of the STC credit referred to in note 5 (above) of R70.9 million (non-recurring).
- It has been assumed that Brimstone will utilise any cash proceeds or STC credits received from the Buybacks to settle any long-term funding in Newshelf 778 held against the investments in Life Healthcare to the extent possible.

Notes relating to the Restructure and the Unbundling:

11. The *pro forma* financial effects of the Restructure and the Unbundling are based on the assumption that Brimstone disposes of an effective 9.38% of Life Healthcare through the Restructure and the Unbundling. Immediately after the Buybacks, Newshelf 778 will retain a 12.36% interest in Life Healthcare. 1.84% of this interest in Life Healthcare will be transferred to another Brimstone subsidiary, Subco, leaving Newshelf 778 with a 10.52% interest in Life Healthcare. This stake will be unbundled to all Brimstone shareholders, including the Treasury Shares holding of 10.83% of Brimstone's ordinary and N ordinary shares. As a result, the net amount of shares disposed through the Unbundling will be approximately 9.38%. Brimstone will retain the remaining 1.84% of Life Healthcare through Subco.
12. The Buybacks and the Unbundling and Restructuring have been calculated using the Life bookbuild price which equates to a valuation of R3,046 million for Brimstone's 21.65% investment in Life Healthcare at 31 December 2009.
13. The EPS and HEPS figures as reflected in the "After the Unbundling" column are based on the assumption that the Unbundling was implemented on 1 January 2009 for the purposes of the statement of comprehensive income.
14. The EPS and HEPS figures were adjusted for the after-tax effect (where applicable) of:
 - (a) a reduction in the amount of dividends received over the period by Brimstone from Life Healthcare amounting to R52.7 million (recurring), and the resultant decrease in the tax charge of R5.3 million (recurring);
 - (b) transaction costs of R3.2 million as detailed in paragraph 24 (non-recurring) which are non-deductible for income tax purposes; and
 - (c) a reduction in taxation through the release of R185 million of deferred tax that was previously provided for on Brimstone's investment in Life Healthcare that is to be unbundled in terms of the unbundling (non-recurring).
15. The NAV and TNAV figures as reflected in the "After the Restructure and Unbundling" column are based on the assumption that the Restructure and the Unbundling were implemented on 31 December 2009 for the purposes of the statement of financial position.
16. The NAV and TNAV figures were adjusted for the after-tax effect (where applicable) of:
 - (a) the disposal of 9.38% of Life Healthcare to Brimstone shareholders through the Unbundling valued at R1,320 million (non-recurring);
 - (b) transaction costs of R3.2 million as detailed in paragraph 24, which are non-deductible for income tax purposes (non-recurring); and
 - (c) a reduction in taxation through the release of R185 million of deferred tax that was previously provided for on Brimstone's investment in Life Healthcare that is to be unbundled in terms of the unbundling (non-recurring).

Details of the *pro forma* financial effects of the Buybacks, the Restructure and the Unbundling on Brimstone's consolidated statement of comprehensive income and the consolidated statement of financial position for the 12 months ended 31 December 2009 are contained in Annexure 1 to this circular.

The reporting accountants' report on the abovementioned *pro forma* financial effects and the *pro forma* consolidated statement of comprehensive income and the *pro forma* consolidated statement of financial position of Brimstone are set out in Annexure 2 to this circular.

7. AMENDMENTS TO THE BRIMSTONE SHARE TRUST

7.1 Introduction

Brimstone is required to, in compliance with Schedule 14 of the Listings Requirements, make appropriate amendments to the Brimstone Share Trust by no later than 1 January 2011. The amendments to the Brimstone Share Trust are set out in Annexure 4 of this circular.

Further to the above, the directors recommend that the addendum to the Brimstone Share Trust be adopted by Brimstone Shareholders at the general meeting.

7.2 Amendments to the Brimstone Share Trust

- 7.2.1 The changes to the trust deed have been or are to be effected in order to:
 - 7.2.1.1 change the existing basis (percentage based) for determining the scheme allocation (i.e. the number of equity securities which may be utilised for purposes of the scheme) to a fixed (or stated) number of securities;
 - 7.2.1.2 change the existing basis (percentage based) for determining the individual allocation (i.e. the number of equity securities which for purposes of the scheme may be taken up by an individual) to a fixed (or stated) number of securities;
 - 7.2.1.3 adjusting the scheme to ensure that on the occurrence of certain events (as detailed in clause 27 of the trust deed which is open for inspection in terms of paragraph 25 below), options are not repriced;
 - 7.2.1.4 ensure that shares which were previously allocated but not issued, revert back to the scheme, unless, subject to any law, rule, regulation and/or requirement, the scheme provides otherwise; and
 - 7.2.1.5 clarify the powers of the trustees in regard to purchases through the market.

8. SALIENT INFORMATION ON BRIMSTONE

8.1 Nature of the business of Brimstone

Brimstone is an investment holding company, holding a diverse portfolio of interests in a number of entities. Brimstone itself does not sell any products nor render any services. Brimstone's underlying investments include:

- 8.1.1 industrial interests: House of Monatic (Proprietary) Limited, Oceana Group Limited, Sea Harvest Corporation (Proprietary) Limited, Rex Trueform Clothing Company Limited and Tiger Brands;
- 8.1.2 healthcare interests: The Scientific Group (Proprietary) Limited and Life Healthcare; and
- 8.1.3 financial services interests: Aon South Africa (Proprietary) Limited, Aon Re Africa (Proprietary) Limited, Lion of Africa Insurance Company (Proprietary) Limited, Old Mutual plc and Nedbank Group Limited.

8.2 Prospects, post-Unbundling

The financial challenges of the past year may well present opportunities for the future, not only for South Africa and its people, but also for companies like Brimstone. Brimstone's strong balance sheet is based on a portfolio of solid investments that are well-positioned to generate cash profits in the year ahead and ensure the sustained growth of the company over the longer term. The Brimstone group continues to implement measures which seek to provide greater transparency and accountability in the governance of the business and its responsibilities to Brimstone Shareholders. Under the guidance and expertise of Brimstone's executive team, Brimstone will pursue more vigorously its mission of being profitable, empowering and having a positive social impact on Brimstone Shareholders, business partners, the communities in which it conducts its business and its employees.

8.3 Material loans

Details of Brimstone's and its subsidiaries' material loans as at the last practicable date are set out in Annexure 3 to this circular.

9. INFORMATION RELATING TO VENDORS

- 9.1 In terms of the Listings Requirements, Brimstone is required to disclose certain information relating to transactions concluded in the past three years.

9.2 Brimstone

- 9.2.1 In May 2009, a Brimstone led consortium acquired 73.16% of Sea Harvest from Tiger Brands. The details of Tiger Brands and the transaction are detailed below.

- 9.2.2 The Vendor's physical address is as follows:

Tiger Brands Head Office
3010 William Nicol Drive
Bryanston
Contact person: Clive Vaux
Telephone: +27 11 840 4443

- 9.2.3 As at 26 March 2010, the names of the beneficial shareholders, direct and indirect, who own more than 5% of the issued ordinary share capital of the Vendor, are as follows:

	Holding of ordinary shares
Government Employee Pension Fund (PIC) (Indirect)	11.30%
Tiger Consumer Brands Limited (Direct)	5.44%
Total	16.74%

9.2.4 Other Vendor information

The sale of shares agreement between Tiger Brands and the Brimstone led consortium does not preclude the Vendor from carrying on business in competition to Sea Harvest.

The sale of shares agreement also requires that from the date of signature of the sale of shares agreement the Vendor shall not, directly or indirectly, employ or solicit the employment of any management employee of Sea Harvest or of the reconstituted Sea Harvest group for a period of two years.

The terms of this acquisition do not provide for the guarantee of book debts or the settlement of any taxation liability.

The terms of this acquisition do provide for the guarantee of other assets and normal warranties associated with a transaction of this type.

9.3 Life Healthcare and Health

Brimstone Shareholders are referred to the Health PLS which is posted together with this circular for information relating to Vendor's applicable to Life Healthcare and Health.

10. DIRECTORS AND DIRECTORS' INTERESTS

10.1 Directors' details

The names, qualifications, ages, business addresses and functions of the directors of Brimstone are set out below. All directors are South African.

Name, qualifications and age	Business address	Functions
G J Gerwel BA, BA Hons (UWC), DLitt et Phil (Brussels), LicGermPhil, DHumSC (hc) (Missouri) (64)	3rd Floor, Rhodes Building 150 St Georges Mall corner St Georges and Wale Streets Cape Town 8001	Non-executive chairperson
F Robertson (55)	1st Floor, Slade House Boundary Terraces 1 Mariendahl Lane Newlands Cape Town 7700	Executive deputy chairperson
M A Brey BCompt (Hons), CA(SA) (56)	1st Floor, Slade House Boundary Terraces 1 Mariendahl Lane Newlands Cape Town 7700	Chief executive officer
L Z Brozin BComm, BAcc, CA(SA) (54)	64, 3rd Avenue Inanda 2196	Financial director
P L Campher BEcon (62)	Bridge House Boundary Terraces 1 Mariendahl Lane Newlands Cape Town 7700	Independent non-executive director
M Hewu B Comm (Hons) (46)	14 Queen Victoria Street 7th Floor, Union House Cape Town 8001	Independent non-executive director
N Khan BSc(QS), MAQS, AAARB (53)	2 Orphan Lane Cape Town 8001	Independent non-executive director

Name, qualifications and age	Business address	Functions
M K Ndebele BA (Economics); MSW (Social Planning)(USA Denver) (61)	10 Manatoka Close Pinelands 7405	Independent non-executive director
Y Pahad (61)	36 Hiddingh Avenue Hiddingh Estate Newlands 7700	Independent non-executive director
L A Parker (56)	108 Bofors Circle Epping Industria 7460	Independent non-executive director
A A Roberts Dipl.(Gen. Man.); Dipl.(Proj. Man.), Post-Grad Dipl.(Industrial Econ.) (57)	18 Surcingle Road Hout Bay 7806	Independent non-executive director
F D Roman BA; Post-Graduate Secondary Teacher's Diploma (46)	19 Glenluce Drive Douglasdale 2191 Johannesburg	Independent non-executive director

10.2 Directors' abridged curriculum vitae

Professor G J (Jakes) Gerwel (Non-Executive Chairperson)

Jakes Gerwel is Chancellor of Rhodes University, Distinguished Professor in the Humanities at the University of the Western Cape, and Honorary Professor in the Humanities at the University of Pretoria. He was Vice-Chancellor and Rector of the University of the Western Cape from 1987 to 1994. From May 1994 to June 1999 he served as Director-General in the Office of President Mandela and Secretary of the Cabinet in the Government of National Unity.

He is presently a non-executive director of Naspers Limited. He is non-executive chairman of Brimstone and Life Healthcare Group Limited. He chairs the Boards of Trustees of the Nelson Mandela Foundation, the Mandela Rhodes Foundation, the Allan Gray Orbis Foundation and is vice chairman of the Peace Parks Foundation.

F Robertson (Executive Deputy Chairperson)

Executive deputy chairperson and co-founder of Brimstone, Fred Robertson is a leading figure in the South African business community, gaining experience on the national and international business stage through his directorships of Remgro Limited, AON SA (Proprietary) Limited, AON Re (Proprietary) Limited, Arabella South Africa Holdings (Proprietary) Limited, Old Mutual Life Assurance Company (South Africa) Limited, chairmanships of Lion of Africa Life Assurance Company Limited and Lion of Africa Insurance Company Limited, Sea Harvest Holdings (Proprietary) Limited, Investments Association of South Africa and House of Monatic (Proprietary) Limited. He is a Trustee on the Business Trust, a business initiative on job creation and human capacity development.

MA Brey (Chief Executive Officer)

A founder member of Brimstone. Mustaq is a Chartered Accountant and currently serves as non-executive chairman of Oceana Group Limited, and serves on the boards of Nedbank, AON SA (Proprietary) Limited, AON Re SA (Proprietary) Limited, The Scientific Group (Proprietary) Limited, Lion of Africa Insurance Company Limited and Life Healthcare Group Holdings Limited. He also serves on the audit committee of the South African Revenue Service.

Lawrie Zev Brozin (Financial Director)

A part of the management team at Brimstone since October 1996, as investment manager, Lawrie has played a valuable role in growing Brimstone to the stage of its listing in July 1998. Lawrie was appointed Financial Director of Brimstone in 2007. Lawrie is a non-executive director of Nando's Group Holdings Limited. The Scientific Group (Proprietary) Limited and alternate director at Sea Harvest Holdings (Proprietary) Limited and Life Healthcare Group Holdings Limited.

P L Campher

Leon is a founder of Syfrets Managed Assets as well as Coronation Fund Managers Limited and African Harvest Limited. His current directorships include Sun International Limited, Amalgamated Appliances Limited, Strate Limited and Investments Association of South Africa. He also serves on the directorate of Market Abuse, Financial Markets Advisory Board and the Financial Sector Charter Council.

M Hewu

A non-executive director of Brimstone since 1997, Mzwandile is the Chief Director in the Social Transformation Management Department of Social Development. His directorships include, Southern Ambition Trading, Kayamnandi Investments, Onyx Financial Services and Amahlathi Logistics.

N Khan

A qualified Quantity Surveyer since 1981, Nazeem currently manages the Cape Town region of the Quantity Surveying and Project Management practice of Bham Tayob Khan & Matunda. He is a member of the Association of Arbitrators and is registered with the Council of SA Quantity Surveyors. He serves on the boards of Stonefountain Properties (Proprietary) Limited; Perthpark Properties (Proprietary) Limited; Attfund Limited; BTKM Incorporated and Proman Management Services (Proprietary) Limited.

Y Pahad

A director with YP Properties, Nazraf Investments (Proprietary) Limited, Camp Country (Proprietary) Limited and black empowerment group Quintessence.

LA Parker

A founder member of the Foodworld Group Limited. He is an executive committee member of the Western Cape Traders' Association, director of Al Amien Foods CC and a board member of the Red Cross Children's Hospital.

M Ndebele

Mpho was educated in South Africa, Lesotho and the United State of America and attained a BA (Economics) from UBLS and MSW (Social Planning) from the University of Denver. She is a past director of the Trans-Caledon Tunnel Authority; Siphumelele Investment Corporation and the Black Sash and is currently a Trustee of the Social Change Assistance Trust and Impumelelo Innovations Awards and also serves as Canon of the Diocese of Cape Town and Chancellor of St. Georges Cathedral.

AA Roberts

Alan serves on the boards of Lisemma Holdings Group, Foundation for Contemporary Research and the Hout Bay Development Forum.

F Roman

Over a period of 10 years her employment record spans being the head of the regional office of the Friedrich-Ebert Foundation, the co-ordinator of the Provincial Development Council, the provincial director of the National Business Initiative and the deputy CEO of WESGRO. She joined Kfm Radio (Proprietary) Limited in May 2001 as managing director. In July 2006 Felicia joined Sun International (Proprietary) Limited as the general manager of The Golden Valley Casino in Worcester and has been promoted to senior management in Johannesburg. She also serves as a non-executive director of Creda Communications (Proprietary) Limited.

10.3 Directors' emoluments and benefits

Details of directors' emoluments and benefits for the twelve months ended 31 December 2009 are set out below:

Executive directors

Director	Basic salary R	Other benefits R	Bonus R	Gain on exercise of options R	Total R
M A Brey	1 732 000	156 000	1 246 000	2 720 000	5 854 000
L Z Brozin	1 501 000	140 000	1 080 000	2 720 000	5 441 000
F Robertson	1 528 000	135 000	1 122 000	2 720 000	5 505 000
Total	4 761 000	431 000	3 448 000	8 160 000	16 800 000

Notes:

1. The executive directors do not receive fees as directors.
2. Other benefits include company contributions to retirement funds and medical aid.
3. No sums were paid by way of expense allowance, commission, gain or profit-sharing arrangements.
4. Options exercised on 13 May 2009.

Non-executive directors

Director	Board fees R	Committee fees R	Gain on exercise of options R	Total R
G J Gerwel	567 000	8 000	3 906 000	4 481 000
P L Campher	53 000	40 000	–	93 000
M Hewu	53 000	16 000	–	69 000
N Khan	53 000	44 000	–	97 000
M K Ndebele	53 000	5 000	–	58 000
Y Pahad	53 000	21 000	–	74 000
L A Parker	53 000	21 000	–	74 000
T M F Phaswana (resigned)	53 000	5 000	–	58 000
A A Roberts	53 000	16 000	–	69 000
F D Roman	53 000	11 000	–	64 000
O Shisana (resigned)	13 000	–	–	13 000
Total	1 057 000	187 000	3 906 000	5 150 000

Note:

1. No sums were paid by way of expense allowance, commission, gain or profit-sharing arrangements.

10.4 Directors' interests in Brimstone

As at the last practicable date the aggregate interests of the directors in the Brimstone ordinary share capital were as follows:

Director	Direct	Indirect	Total	Percentage held ⁽¹⁾
M A Brey	1 239 814	4 194 127	5 433 941	11.9
L Z Brozin	34 514	1 787 313	1 821 827	3.9
F Robertson	785 414	4 521 863	5 307 277	11.3
G J Gerwel	791 799	1 152 063	1 943 862	4.1
M Hewu	103 000	–	103 000	0.2
N Khan	128 136	126 712	254 848	0.5
Y Pahad	210 529	49 100	259 629	0.6
L A Parker	–	403 000	403 000	0.9
A A Roberts	55 000	–	55 000	0.1
Total	3 348 206	12 234 178	15 582 384	33.3

Note:

1. Based on 46 788 835 ordinary shares in issue.

As at the last practicable date and the last practicable date, the aggregate interests of the directors in the Brimstone N share capital were as follows:

Director	Direct	Indirect	Total	Percentage held ⁽¹⁾
M A Brey	380 017	14 741 543	15 121 560	6.7
L Z Brozin	284 136	14 307 797	14 591 933	6.4
F Robertson	720 578	16 456 261	17 176 839	7.6
G J Gerwel	1 675 701	13 637 286	15 312 987	6.7
M Hewu	356 750	–	356 750	0.2
N Khan	123 227	1 180 043	1 303 270	0.6
M K Ndebele	102 554	–	102 554	0.0
Y Pahad	175 397	1 918 525	2 093 922	0.9
L A Parker	–	2 102 089	2 102 089	0.9
A A Roberts	660 000	–	660 000	0.3
Total	4 478 360	64 345 544	68 821 904	30.3

Note:

1. Based on 227 340 204 N shares in issue.

10.5 Directors' service contracts and terms of office

At present, all executive directors of Brimstone have employment contracts with Brimstone, the terms of which are standard.

10.6 Directors' interests in transactions

The directors of Brimstone have no direct or indirect beneficial interest in the Restructure or the Unbundling or in transactions effected by the Company during the current financial year or in the preceding financial year or during any prior financial year and which remain in any respect outstanding or unperformed except as set out below:

- M A Brey (non-executive chairman) and L Z Brozin will serve as non-executive directors of Health but will receive no compensation for these services.
- Directors will benefit in the same manner as other Brimstone Shareholders through the Restructure and Unbundling due to their shareholding in Brimstone.

11. SHARE CAPITAL

The table below shows the authorised and issued ordinary and N share capital of Brimstone as at 23 June 2010:

	R'000
<i>Authorised ordinary share capital</i>	
500 000 000 ordinary shares of 0.1 cent each	500
<i>Authorised N share capital</i>	
1 000 000 000 N shares of 0.001 cent each	10
<i>Issued ordinary share capital</i>	
46 788 835 ordinary shares of 0.1 cent each	47
<i>Issued N share capital</i>	
227 340 204 N shares of 0.001 cent each	2
Total share premium	258 104
Total share capital and premium	258 153

Notes:

1. Treasury shares (including shares held by Brimstone Share Trust):
 - (a) Ordinary shares – 3 940 804.
 - (b) N shares – 25 736 377.

12. MAJOR BRIMSTONE SHAREHOLDERS

As at the last practicable date the following Brimstone Shareholders beneficially held in excess of 5% of the issued ordinary shares of the Company:

	Number of ordinary shares	Holding Ordinary shares ⁽¹⁾
Corocapital Limited	6 000 000	12.83%
African Monarch 710 Investment Holdings (Proprietary) Limited ⁽²⁾	4 594 492	9.82%
Septen Investments (Proprietary) Limited ⁽³⁾	3 624 400	7.75%
RMB Securities (Proprietary) Limited	3 316 558	7.09%
Brozin/Circuit Finance (Proprietary) Limited ⁽⁴⁾	3 174 700	6.79%
The Mushaky Family Trust ⁽⁵⁾	2 623 700	5.61%
Lion of Africa Life Assurance Co Limited ⁽⁶⁾	2 574 300	5.50%
Total	25 908 150	55.39%

Notes:

1. Based on 46 788 835 ordinary shares in issue.
2. The beneficial shareholders are MA Brey, L Z Brozin, F Robertson and G J Gerwel.
3. Treasury shares.
4. This entity is controlled by parties related to L Z Brozin.
5. MA Brey has a beneficial interest in this entity.
6. F Robertson has a beneficial interest in this entity.

As at the last practicable date the following Brimstone Shareholders beneficially held in excess of 5% of the issued N ordinary shares of the Company:

	Number of N shares	Holding N shares ⁽¹⁾
African Monarch 710 Investment Holdings (Proprietary) Limited ⁽²⁾	50 024 730	22.00%
Septen Investments (Proprietary) Limited ⁽³⁾	21 897 212	9.63%
RMB Securities (Proprietary) Limited	17 594 868	7.74%
Total	89 576 810	39.37%

Notes:

1. Based on 227 340 204 N shares in issue.
2. The beneficial shareholders are MA Brey, L Z Brozin, F Robertson and G J Gerwel.
3. Treasury shares.

13. CHANGES IN CONTROLLING BRIMSTONE SHAREHOLDERS

Brimstone currently does not have a controlling shareholder. The trading objects of Brimstone and its subsidiaries have not changed during the previous five years.

14. MATERIAL CONTRACTS

The following material transaction (being more than 10% of Brimstone's market capitalisation at the time of entering into the agreement) have been entered into during the three years preceding the date of this circular:

- Brimstone entered into an agreement to acquire a further 35.42% effective shareholding in Sea Harvest. Prior to the agreement, Brimstone held an effective 21.52% shareholding. Details were set out in the circular to Brimstone Shareholders dated 13 May 2009;
- the Newshelf 778 Buyback Agreement the Newshelf 831 Buyback Agreement and the Life Overallotment;
- Bidco 813 and Newshelf 831 entered into a written agreement entitled "Purchase Agreement" with the Joint Bookrunners, Life Healthcare and the other shareholders of Life Healthcare, regulating *inter alia*, the terms and conditions upon which the shares in Life Healthcare will be sold to investors in terms of the Life Listing; and
- the MOU.

Other than this and the agreements entered into to effect the Restructure and Unbundling contemplated in this circular (including the Newshelf 778 Sale of Shares Agreement, the Implementation Agreement and the Subscription Agreement), no material contracts, other than in the ordinary course of business, have been entered into at any time containing an obligation or settlement that is material to Brimstone or its subsidiaries as at the last practicable date.

15. MATERIAL CHANGES

There have been no material changes in the financial or trading position of Brimstone and its subsidiaries between 31 December 2009 and the last practicable date.

16. WORKING CAPITAL STATEMENT

The directors of Brimstone are of the opinion that the working capital available to Brimstone and its subsidiaries, subsequent to the Restructure and Unbundling is adequate for the present requirements of Brimstone and its subsidiaries, i.e. for a period of 12 months from the date of issue of this circular.

17. LITIGATION STATEMENT

The directors, whose names are set out on page 11 of this circular, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have in the previous 12 months, had a material effect on the Brimstone Group's financial position.

18. SPECIAL ARRANGEMENTS

With reference to Rule 21.5 of the SRP Code, there are no agreements, arrangements or understandings (including any compensation arrangements) with any directors or persons who were directors within the preceding 12 months, in relation to the Restructure or Unbundling.

19. DIRECTORS' OPINION, RECOMMENDATIONS AND UNDERTAKINGS

19.1 The board is of the opinion that the terms and conditions of the Restructure, the Unbundling and the amendments to the Brimstone Share Trust are fair and that the implementation of the Restructure and the Unbundling will be to the benefit of Brimstone Shareholders. Accordingly, the board recommends that Brimstone Shareholders vote in favour of the special and ordinary resolutions to be proposed at the general meeting.

19.2 The directors of Brimstone with interests in the Company intend to vote in favour of the special and ordinary resolutions to be proposed at the general meeting to approve the Share Exchange, the Unbundling and the amendments to the Brimstone Share Trust.

19.3 Directors and other Brimstone Shareholders who, collectively, hold approximately 52% of the Brimstone voting rights available to vote at the general meeting, have provided irrevocable letters of undertaking to vote in favour of the resolutions to be proposed at the general meeting.

19.4 Details of irrevocable letters of undertaking:

Shareholder	Number of "N" shares	Percentage of "N" shares ⁽¹⁾	Number of ordinary shares	Percentage of ordinary shares ⁽²⁾
CoroCapital Limited	–	–	6 000 000	12.82%
H Investments No157 (Pty) Ltd	86 500	0.04%	50 000	0.11%
HBZ Bank Limited	325 500	0.14%	–	–
H M Brey	119 366	0.05%	30 164	0.06%
K Brey	55 965	0.02%	17 500	0.04%
Aboo Kaloo and Company	399 125	0.18%	–	–
Kalo Investment (Pty) Ltd	424 667	0.19%	–	–
Lion of Africa Life Assurance Co Ltd	1 268 104	0.56%	2 574 300	5.50%
MBA Management Investments (Pty) Ltd	43 308	0.02%	79 500	0.17%
360NE Asset Management	12 000 000	5.28%	–	–
Abdul Hamid Kaloo	166 250	0.07%	–	–
Abkal Management Services CC	112 500	0.05%	150 000	0.32%
African Monarch 710 Investment Holdings (Pty) Ltd	48 549 671	21.36%	3 538 104	7.56%
Al-Akhwan Investments (Pty) Ltd	162 675	0.07%	220 000	0.47%
Breyfin (Pty) Ltd	281 601	0.12%	318 399	0.68%
Brimstone Management Company (Pty) Ltd	120 525	0.05%	17 200	0.04%
Brimstone Securities Trading (Pty) Ltd	507 500	0.22%	–	–
CommLife Holdings (Pty) Ltd	972 246	0.43%	73 800	0.16%
Copperhill Investments (Pty) Ltd	2 500 000	1.110%	–	–
Factaprops 26 (Pty) Ltd	281 600	0.12%	318 399	0.68%
Frederick Robertson	720 578	0.32%	785 414	1.68%
Mustaq Ahmed Brey	–	–	1 239 814	2.65%
Takula Jenkins Tapela	10 250	0.01%	–	–

Shareholder	Number of "N" shares	Percentage of "N" shares ⁽¹⁾	Number of ordinary shares	Percentage of ordinary shares ⁽²⁾
Muhammad Brey	254 700	0.11%	–	–
N2E Investments	80 000	0.04%	25 000	0.05%
Nafam Investments (Pty) Ltd	885 167	0.39%	–	–
Pro One Investments (Pty) Ltd	2 425 566	1.07%	–	–
Robatsi Family Trust	578 625	0.25%	721 700	1.54%
Lawrie Zev Brozin	284 136	0.12%	–	–
Robert Clive Brozin	247 000	0.11%	–	–
Circuit Finance (Pty) Ltd	3 829 737	1.68%	3 439 455	7.35%
Max Brozin Investment Corporation	193 323	0.09%	372 044	0.80%
Saanthamurthi Naidu	61 179	0.04%	–	–
The Mushaky Family Trust	100 000	0.04%	2 623 700	5.61%
Visio Capital Management	15 000 000	6.60%	–	–
Y Brey	55 965	0.02%	17 500	0.04%
Total	93 103 329	⁽³⁾ 40.95%	22 611 993	⁽³⁾ 48.33%

Notes:

1. Based on 227 340 204 N shares in issue.
2. Based on 46 788 835 ordinary shares in issue.
3. Representing approximately 52% of the voting rights of Brimstone.

20. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are set out on page 11 of this circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this circular contains all information required by law, the SRP Code and the Listings Requirements.

21. GENERAL MEETING OF BRIMSTONE SHAREHOLDERS

21.1 Notice of general meeting

A notice convening a general meeting of Brimstone Shareholders is attached to this circular. The general meeting will be held at The Athenaeum, Boundary Terraces, No 1 Mariendahl Lane, Newlands, Cape Town at 10h00 on Tuesday, 20 July 2010 to consider and, if deemed fit, pass, with or without modification the requisite special and ordinary resolutions to approve and implement the Share Exchange, the Unbundling and the amendments to the Brimstone Share Trust deed.

If you have dematerialised ordinary shares:

21.1.1 *Own-name registration*

You are entitled to attend, or be represented by proxy, and may vote at the general meeting.

If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (*yellow*), in accordance with the instructions contained therein, to be received by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10h00 on Friday, 16 July 2010.

21.1.2 *Other than own-name registration*

If your CSDP or broker has not contacted you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.

You must **not** complete the attached form of proxy (*yellow*). In accordance with the mandate between you and your CSDP or broker, you must advise your CSDP or broker timeously if you wish to attend, or be represented at, the general meeting.

Your CSDP or broker will be required to issue the necessary Letter of Representation to you to enable you to attend or to be represented at, the general meeting.

21.2 If you hold certificated ordinary shares

You are entitled to attend, or be represented by proxy, and may vote at the general meeting.

If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (*yellow*), in accordance with the instructions contained therein, to be received by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10h00 on Friday, 16 July 2010.

21.3 Brimstone Shareholder approval

The Share Exchange and the Unbundling are subject to approval by special resolutions passed by at least 75% of Brimstone Shareholders present or represented by proxy at the general meeting and entitled to vote.

The amendments to the Brimstone Share Trust deed are subject to approval by ordinary resolution passed by at least 75% of Brimstone Shareholders present or represented by proxy at the general meeting and entitled to vote.

21.4 Voting rights

All issued Brimstone ordinary shares rank *pari passu* with each other. All issued Brimstone N shares rank *pari passu* with each other.

At the general meeting, every holder of Brimstone ordinary shares present or represented by proxy shall have one vote on a show of hands, and on a poll, one hundred votes for every Brimstone ordinary share held.

At the general meeting, every holder of a Brimstone N share present or represented by proxy shall have one vote on a show of hands, and on a poll, one vote for every Brimstone N share held.

Treasury shares will not be eligible to vote. These include the 316 404 Brimstone ordinary shares and 3 839 165 Brimstone N shares held by the Brimstone Share Trust and 3 624 400 Brimstone ordinary shares and 21 897 212 Brimstone N shares held by Septen Investments (Proprietary) Limited.

22. EXCHANGE CONTROL REGULATIONS OF SOUTH AFRICA

Currency and shares are not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations of the South African Reserve Bank. The Exchange Control Regulations also regulate the acquisition by former residents and non-residents of Health ordinary shares. Applicants who are resident outside of the common monetary area should seek advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable an acceptance of the Health distribution shares pursuant to the Unbundling.

The following guidelines are not a comprehensive statement of the Exchange Control Regulations and merely reflect Brimstone's understanding of the regulations at the date of this document. Brimstone Shareholders who have any doubt as to the action they should take should consult their professional advisors.

In the case of Brimstone Shareholders whose registered addresses are outside the common monetary area, the following will apply in respect of the Unbundling:

22.1 Emigrants from the common monetary area

New certificates issued to any emigrant Brimstone shareholder in terms of the Unbundling will be restrictively endorsed and deposited with the authorised dealer controlling such emigrant's blocked assets. In terms of the Exchange Control Regulations, such Health distribution shares are not freely transferable from the common monetary area. The CSDP or broker will ensure that all requirements of the Exchange Control Regulations are adhered to in respect of their clients falling into this category of investor, whether shares are held in dematerialised or certificated form.

22.2 All other non-residents of the common monetary area

Non-resident Brimstone Shareholders whose documents of title are endorsed "non-resident" will receive Health distribution shares similarly endorsed. The CSDP or broker will ensure that all requirements of the Exchange Control Regulations are adhered to in respect of their clients falling into this category of investor, whether shares are held in dematerialised or certificated form.

22.3 Brimstone Shareholders in other jurisdictions

The distribution of the Health distribution shares to Brimstone Shareholders who are resident in, or citizens or nationals of jurisdictions outside South Africa or custodians, nominees or trustees for residents in, or citizens or nationals of other countries may be prohibited or affected by the laws of the relevant jurisdictions. Such persons should acquaint themselves with and observe any applicable legal requirements.

23. CONSENTS

Nedbank Capital, Edward Nathan Sonnenbergs, Deloitte & Touche, Computershare, RMB, College Hill (Proprietary) Limited and Deutsche Securities (SA) (Proprietary) Limited have consented in writing to act in the capacities stated and to their names being stated in this circular and had not withdrawn the consents, prior to the last practicable date.

24. EXPENSES RELATING TO THE RESTRUCTURE AND UNBUNDLING [7.B.17]

The expenses relating to the Restructure and Unbundling are estimated at approximately R3 193 131 and comprise:

Description	R ⁽¹⁾
Nedbank Capital	1 250 000
Edward Nathan Sonnenbergs	1 500 000
Public relations, printing and publication costs	100 000
SRP fees	175 000
JSE documentation fees (Category 1)	18 131
Deloitte & Touche	50 000
Deutsche Bank	100 000
Total	3 193 131

Note:

1. Amounts above are exclusive of VAT.

25. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by Brimstone Shareholders at the registered office of the Company and at the offices of the investment bank and sponsor during normal business hours on normal business days from the date of this circular up to and including the date of the general meeting, being Tuesday, 20 July 2010:

- 25.1 the memoranda and articles of association of the Company and its subsidiaries;
- 25.2 the reporting accountants' report on the unaudited *pro forma* financial information of Brimstone as set out in Annexure 2 to this circular;
- 25.3 the consolidated audited historical financial information of Brimstone for the preceding three financial years, together with all notes, namely the 2007, 2008 and 2009 consolidated financial statements;
- 25.4 the consolidated audited financial statements of Life Healthcare for the preceding three financial years ended 30 September 2009, as set out in the Health PLS posted together with this circular;
- 25.5 the interim financial results of Life Healthcare for the six months ended 31 March 2010;
- 25.6 the consolidated audited financial statements of Health for the preceding three financial years ended 30 June 2007, 2008 and 2009, as set out in the Health PLS posted together with this circular;
- 25.7 the interim financial results of Health for the six months ended 31 December 2009;

- 25.8 the financial reporting accountants' report on the historical financial information of Life Healthcare as set out in the Health PLS posted together with this circular;
- 25.9 the financial reporting accountants' report on the historical financial information of Health as set out in the Health PLS posted together with this circular;
- 25.10 consent letters of the appointed professional advisors as set out in paragraph 23 of this circular;
- 25.11 the sale of shares agreement entered into between Tiger Brands and Brimstone regarding the sale of Tiger Brand's stake in Sea Harvest;
- 25.12 all material contracts detailed in paragraph 14 of this circular;
- 25.13 irrevocable letters of undertaking from directors and other Brimstone Shareholders as detailed in paragraph 19.4;
- 25.14 addendum to the Brimstone Share Trust;
- 25.15 the trust deed;
- 25.16 service agreements with executive directors, managers, promoters and vendors entered into during the prior three years; and
- 25.17 a signed copy of this circular.

By order of the board

28 June 2010

Mustaq Ahmed Enus-Brey
Chief Executive Officer

The definitions commencing on page 5 of this circular apply, *mutatis mutandis*, to these annexures.

ANNEXURES

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PRO FORMA FINANCIAL INFORMATION OF BRIMSTONE

The table below sets out the *pro forma* financial effects of the Buybacks, the Restructure and the Unbundling on Brimstone Shareholders. The *pro forma* financial effects are calculated for the full financial year ended 31 December 2009 for the purposes of the statement of comprehensive income and as at 31 December 2009 for the purposes of the statement of financial position. These financial effects are prepared for illustrative purposes only, to provide information about how the Buybacks, the Restructure and the Unbundling might have affected the financial information presented by Brimstone and, because of their *pro forma* nature, may not give a fair reflection of Brimstone's financial position after the Buybacks, the Restructure and the Unbundling nor the effect thereof on Brimstone's future earnings. These financial effects are the responsibility of the board. The financial effects have been reviewed by Deloitte & Touche. The reporting accountants' report on the above mentioned *pro forma* financial effects is included as Annexure 2 to this circular.

The *pro forma* financial effects of the Restructure and the Unbundling represented in this circular are different to those presented in the circular to Brimstone shareholders dated Friday, 23 April 2010 due to the use of the Life bookbuild price of R13.50 per Life Healthcare ordinary share as opposed to the carrying value of Life Healthcare at 31 December 2009 used in the circular dated Friday, 23 April 2010. The *pro forma* financial effects assume the Life Overallotment option is fully exercised (and included as part of the Buybacks' *pro forma* financial effects) and that the Joint Bookrunners make use of the full 0.84% of Life Healthcare ordinary shares available to them from Newshelf 831 in terms of the Life Overallotment.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

R'000	Audited 12 months to 31 Dec 2009 <small>(1, 10)</small>	Buybacks <i>pro forma</i> adjustments <small>(2,3,4,5)</small>	<i>Pro forma</i> 12 months to 31 Dec 2009 after the Buybacks but before the Restructure and Unbundling	Restructure and Unbundling <i>pro forma</i> adjustments <small>(11,12)</small>	<i>Pro forma</i> 12 months to 31 Dec 2009 after the Restructure and the Unbundling
ASSETS					
Non-current assets	4 181 395	(673 767)	3 507 628	(1 320 009)	2 187 618
Property, plant, equipment and vehicles	324 132	–	324 132	–	324 132
Goodwill	12 140	–	12 140	–	12 140
Intangible assets	208 532	–	208 532	–	208 532
Deferred acquisition costs	36 236	–	36 236	–	36 236
Investments in associate companies	261 978	–	261 978	–	261 978
Investments	3 336 153	⁽⁶⁾ (673 767)	2 662 386	⁽¹⁵⁾ (1 320 009)	1 342 376
Deferred taxation	2 224	–	2 224	–	2 224
Current assets	1 417 601	366 492	1 784 093	(3 193)	1 780 900
Inventories	191 259	–	191 259	–	191 259
Trade and other receivables	396 135	–	396 135	–	396 135
Reinsurance contracts	491 654	–	491 654	–	491 654
Taxation	4 486	–	4 486	–	4 486
Cash and cash equivalents	334 067	^(6,8) 366 492	700 559	⁽¹⁴⁾ (3 193)	697 366
Total assets	5 598 996	(307 275)	5 291 721	(1 323 202)	3 968 518
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	43	–	43	–	43
Capital reserves	262 506	–	262 506	–	262 506
Revaluation reserves	6 753	–	6 753	–	6 753
Retained earnings	2 196 566	^(7, 8, 9) 279 730	2 476 296	^(13, 14, 15) (1 138 490)	1 337 806
Attributable to equity holders of the parent	2 465 868	279 730	2 745 598	(1 138 490)	1 607 108
Non-controlling interests	102 594	–	102 594	–	102 594
Total equity	2 568 462	279 730	2 848 192	(1 138 490)	1 709 702
Non-current liabilities	1 878 660	(587 005)	1 291 655	(184 712)	1 106 943
Long-term interest bearing borrowings	1 291 891	⁽⁶⁾ (416 000)	875 891	–	875 891
Long-term provisions	19 245	–	19 245	–	19 245
Deferred taxation	567 524	(171 005)	396 519	⁽¹³⁾ (184 712)	211 807
Current liabilities	1 151 874	–	1 151 874	–	1 151 874
Short-term interest bearing borrowings	200 510	–	200 510	–	200 510
Bank overdrafts	17 874	–	17 874	–	17 874
Trade payables	214 026	–	214 026	–	214 026
Other payables	77 331	–	77 331	–	77 331
Insurance contracts	628 129	–	628 129	–	628 129
Short-term provisions	13 585	–	13 585	–	13 585
Taxation	419	–	419	–	419
Total equity and liabilities	5 598 996	(307 275)	5 291 721	(1 323 202)	3 968 518
NAV per share (cents)	1 030.3	116.9	1 147.2	(475.7)	671.5
TNAV per share (cents)	922.1	116.9	1 039.0	(475.7)	563.2
Shares in issue at end of year ('000)	239 324	–	239 324	–	239 324

Notes relating to the Buybacks:

1. Based on Brimstone's published audited consolidated statement of financial position at 31 December 2009.
2. These *pro forma* financial effects include the effect of the Life Overallotment in the Buybacks, assuming the full allotment is requested by the Joint Bookrunners.
3. Based on the assumption that the Buybacks took place on 31 December 2009 for the purposes of the statement of financial position.
4. The gross Buybacks of R897 million, received as:
 - a cash dividend by Brimstone through the Newshelf 778 Buybacks of R414 million (net of STC, non-recurring);
 - a cash dividend by Brimstone from Bidco 913 of R180 million (net of STC, non-recurring);
 - a cash dividend by Brimstone through the Newshelf 831 Buyback of R114.8 million (net of STC, non-recurring);
 - proceeds received by Brimstone through the Life Overallotment of R104.3 million (net of STC, non-recurring); and
 - STC on the above totalling R70.9 million and CGT on the Life Overallotment of R13.5 million (non-recurring).
5. The above *pro forma* financial effects are based on the assumption that Brimstone disposes of an effective 6.85% of Life Healthcare through the Buybacks and the Life Overallotment. Prior to the Buybacks, Brimstone held 21.65% of Life Healthcare and accounted for the shareholding at fair value through profit or loss. After the Buybacks, Brimstone will have decreased its effective interest in Life Healthcare to 14.80% (non-recurring). Life Healthcare will continue to be accounted for at fair value through profit or loss.
6. It has been assumed that Brimstone will utilise any cash proceeds received from the Buybacks to settle any long-term funding held in Newshelf 778 against the investments in Life Healthcare, to the extent possible.
7. An additional fair value gain on the investment in Life Healthcare of R223.4 million is recorded for the period, valued using the Life bookbuild price.
8. Assuming transaction costs specific to the Buybacks of R30.4 million (non-recurring) which are non-deductible for income tax purposes.
9. A reduction in taxation through the release of R128.4 million of deferred tax that was previously provided for on Brimstone's investment in Life Healthcare and a corresponding decrease in the deferred tax liability due to the recognition of the STC credit referred to in note 4 (above) of R70.9 million (non-recurring).

Notes relating to the Restructure and the Unbundling:

10. Based on Brimstone's published audited consolidated statement of financial position at 31 December 2009.
11. Based on the assumption that the Restructure and the Unbundling took place on 31 December 2009 for the purposes of the statement of financial position.
12. The *pro forma* financial effects of the Restructure and the Unbundling are based on the assumption that Brimstone disposes of an effective 9.38% of Life Healthcare through the Restructure and the Unbundling. Immediately after the Buybacks, Newshelf 778 will retain a 12.36% interest in Life Healthcare. 1.84% of this interest in Life Healthcare will be transferred to another Brimstone subsidiary, Subco, leaving Newshelf 778 with a 10.52% interest in Life Healthcare. This stake will be unbundled to all Brimstone shareholders, including the Treasury Shares holding of 10.83% of Brimstone's ordinary and N ordinary shares. As a result, the net amount of shares disposed through the Unbundling will be approximately 9.38%. Brimstone will retain the remaining 1.84% of Life Healthcare through a subsidiary Subco (non-recurring).
13. A reduction in taxation through the release of R185 million of deferred tax that was previously provided for on Brimstone's investment in Life Healthcare (non-recurring).
14. Transaction costs of R3.2 million as detailed in paragraph 24 which are non-deductible for income tax purposes (non-recurring).
15. The disposal of 9.38% of Life Healthcare to Brimstone shareholders through the Unbundling valued at R1,320 million (non-recurring).

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2009

R'000	Audited 12 months to 31 Dec 2009 <small>(1)</small>	Buybacks <i>pro forma</i> adjustments <small>(2, 3, 4)</small>	<i>Pro forma</i> 12 months to 31 Dec 2009	Restructure and Unbundling <i>pro forma</i> adjustments <small>(13, 14, 15)</small>	<i>Pro forma</i> 12 months to 31 Dec 2009 after the Restructure and the Unbundling
Revenue	865 131	(38 493)	826 638	(52 691)	773 947
Sales and fee income	704 096	–	704 096	–	704 096
Dividends received	161 035	⁽⁶⁾ (38 493)	122 542	⁽¹⁶⁾ (52 691)	69 851
Operating expenses	(696 012)	⁽¹¹⁾ (30 370)	(726 382)	⁽¹⁷⁾ (3 193)	(729 575)
Operating profit/(loss)	169 119	(68 863)	100 256	(55 884)	44 372
Fair value gains	380 679	⁽⁷⁾ 223 396	604 075	–	604 075
Exceptional items	(32 952)	⁽⁵⁾ (70 854)	(103 806)	–	(103 806)
Share of profits of associates	10 587	–	10 587	–	10 587
Profit before net finance costs	527 433	83 678	611 111	(55 884)	555 228
Income from investments	10 615	–	10 615	–	10 615
Finance costs	(137 677)	^(8, 9) 29 403	(108 274)	–	(108 274)
Net profit before taxation	400 371	113 081	513 452	(55 884)	457 569
Taxation	(67 670)	^(10, 12) 153 709	86 039	^(18, 19) 179 443	265 482
Profit for the year	332 701	266 799	599 491	123 559	723 051
Profit for the year	332 701	266 790	599 491	123 559	723 051
Other comprehensive income					
Net value gain on available-for-sale financial asset	4 786	–	4 786	–	4 786
Total comprehensive income for the year	337 487	266 790	604 277	123 559	727 837
Profit attributable to:					
Equity holders of the parent	325 710	266 790	592 500	123 559	716 060
Non-controlling interests	6 991	–	6 991	–	6 991
	332 701	266 790	599 491	123 559	723 051
Total comprehensive income attributable to:					
Equity holders of the parent	328 436	266 790	595 226	123 559	718 786
Non-controlling interests	9 051	–	9 051	–	9 051
	337 487	266 790	604 277	123 559	727 837

	Audited 12 months to 31 Dec 2009 (1)	Buybacks <i>pro forma</i> adjustments (2, 3, 4)	<i>Pro forma</i> 12 months to 31 Dec 2009	Restructure and Unbundling <i>pro forma</i> adjustments (13, 14, 15)	<i>Pro forma</i> 12 months to 31 Dec 2009 after the Restructure and the Unbundling
Earnings per share (cents)					
Basic	136.7	112.0	248.7	51.9	300.6
Basic diluted	135.6	111.1	246.7	51.4	298.2
Headline earnings per share (cents)					
Basic	130.9	112.0	242.9	51.9	294.8
Basic diluted	129.9	111.1	241.0	51.4	292.4
Weighted average number of shares on which earnings per share is based ('000)	238 238	–	238 238	–	238 238
Weighted average number of shares on which diluted earnings per share is based ('000)	240 166	–	240 166	–	240 166
Headline earnings calculation (R'000)					
Net profit attributable to equity holders of the parent	325 710	266 790	592 500	123 559	716 060
Profit on disposal of property, plant, equipment and vehicles	(3 614)	–	(3 614)	–	(3 614)
Impairment of property, plant, equipment and vehicles	618	–	618	–	618
Realised loss on disposal of associate	14 146	–	14 146	–	14 146
Gain on bargain purchase	(23 300)	–	(23 300)	–	(23 300)
Adjustments relating to results of associates	(1 838)	–	(1 838)	–	(1 838)
Total tax effects of adjustments	194	–	194	–	194
Headline earnings	311 916	268 790	578 706	123 559	702 266

Notes relating to the Buybacks:

1. Based on Brimstone's published audited consolidated statement of comprehensive income for the year ended 31 December 2009.
2. These *pro forma* financial effects include the effect of the Life Overallotment in the Buybacks, assuming the full allotment is requested by the Joint Bookrunners.
3. Based on the assumption that the Buybacks took place on 1 January 2009 for the purposes of the statement of comprehensive income.
4. The above *pro forma* financial effects are based on the assumption that Brimstone disposes of an effective 6.85% of Life Healthcare through the Buybacks. Prior to the Buybacks, Brimstone held 21.65% of Life Healthcare and accounted for the shareholding at fair value through profit or loss. After the Buybacks and the Life Overallotment, Brimstone will have decreased its effective interest in Life Healthcare to 14.80%. Life Healthcare will continue to be accounted for at fair value through profit or loss.
5. An impairment of the investment in Life Healthcare due to the STC incurred on the Buybacks and not received as cash of R70.9 million (non-recurring) and the maximum CGT on the overall Life Allotment of R13.5 million (non-recurring).
6. A reduction in the amount of dividends received over the period by Brimstone from Life Healthcare amounting to R38.5 million (recurring), and the resultant increase in the tax charge of R3.9 million (recurring).
7. An additional fair value gain on the investment in Life Healthcare of R223.4 million is recorded for the period, valued using the Life bookbuild price.
8. It has been assumed that Brimstone will utilise any cash proceeds received from the Buybacks to settle any long-term funding held in Newshelf 778 against the investments in Life Healthcare, to the extent possible (non-recurring).
9. A reduction in finance costs of R29.4 million due to the settlement of long-term funding. (See note 8, above) (recurring).
10. A reduction in taxation primarily through the release of R128.4 million of deferred tax that was over-provided for on Brimstone's investment in Life Healthcare including the reduction in the deferred tax liability due to the recognition of the STC credit referred to in note 5 (above) of R70.9 million (non-recurring).
11. Assuming transaction costs specific to the Buybacks of R30.4 million (non-recurring) which are non-deductible for income tax purposes.
12. Tax adjustments were applicable on notes 4 to 11 above.

Notes relating to the Restructure and the Unbundling:

13. Based on Brimstone's published audited consolidated statement of comprehensive income for the year ended 31 December 2009.
14. Based on the assumption that the Buybacks took place on 1 January 2009 for the purposes of the statement of comprehensive income.
15. The *pro forma* financial effects of the Restructure and the Unbundling are based on the assumption that Brimstone disposes of an effective 9.38% of Life Healthcare through the Restructure and the Unbundling. Immediately after the Buybacks, Newshelf 778 will retain a 12.36% interest in Life Healthcare. 1.84% of this interest in Life Healthcare will be transferred to another Brimstone subsidiary, Subco, leaving Newshelf 778 with a 10.52% effective interest in Life Healthcare. This stake will be unbundled to all Brimstone shareholders, including the Treasury Shares holding of 10.83% of Brimstone's ordinary and N ordinary shares. As a result, the net amount of shares disposed through the Unbundling will be approximately 9.38%. Brimstone will retain the remaining 1.84% of Life Healthcare through a subsidiary of its choice (non-recurring).
16. A reduction in the amount of dividends received over the period by Brimstone from Life Healthcare amounting to R52.7 million (recurring), and the resultant decrease in the tax charge of R5.3 million (recurring).
17. Assuming transaction costs of R3.2 million as detailed in paragraph 24 (non-recurring) which are non-deductible for income tax purposes.
18. A reduction in taxation through the release of R185 million of deferred tax that was previously provided for on Brimstone's investment in Life Healthcare (non-recurring).
19. Tax adjustments were applicable on notes 15 to 18 above.

THE REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF BRIMSTONE

"The Directors
Brimstone Investment Corporation Limited
PO Box 44580
Claremont
7735

23 June 2010

Dear Sirs

REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF BRIMSTONE INVESTMENT CORPORATION LIMITED ("BRIMSTONE")

Introduction

We have performed our limited assurance engagement in respect of the unaudited *pro forma* financial effects and the unaudited *pro forma* consolidated statement of financial position and statement of comprehensive income (collectively, "the *pro forma* financial information") set out in paragraph 6 and Annexure 1 to the circular to Brimstone Shareholders ("the circular"), to be dated on or about 28 June 2010 and issued in connection with the Buybacks, the Restructure and the Unbundling. The *pro forma* financial information has been prepared in accordance with the requirements of the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the transaction might have affected the reported historical financial information presented, had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* consolidated statement of financial position being reported on.

Directors' responsibility

The directors of Brimstone are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Brimstone; and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the circular to Brimstone Shareholders. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the *Guide on Pro Forma Financial Information* issued by SAICA. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Brimstone, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors of the company in respect of the corporate action that is the subject of the circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of Brimstone and other information from various public, financial and industry sources. While our work performed has involved an analysis of the historical published audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and, accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that, in terms of the Sections 8.17 and 8.30 of the JSE Listings Requirements:

- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of the issuer; and
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed.

Consent

We consent to the inclusion of this report, which will form part of the circular, to be issued on or about 28 June 2010, in the form and context in which it will appear.

[Signed]

DELOITTE & TOUCHE

Registered Auditors

Per G G Fortuin

Partner

1st Floor, The Square
Cape Quarter
27 Somerset Road
Green Point
Cape Town
8005
(PO Box 578, Cape Town, 8000)

National Executive: GG Gelink *Chief Executive* AE Swiegers *Chief Operating Officer* GM Pinnock *Audit* DL Kennedy *Tax, Legal and Risk Advisory* L Geeringh *Consulting* L Bam *Corporate Finance* CR Beukman *Finance* TJ Brown *Clients & Markets* NT Mtoba *Chairman of the Board*

A full list of partners and directors is available on request"

MATERIAL LOANS OF BRIMSTONE AS AT THE LAST PRACTICABLE DATE

As at the last practicable date, Brimstone, its subsidiaries and joint ventures had the following material borrowings:

UNSECURED

Lender Oceana Group Limited ("Oceana")
Amount R137.0 million
Salient terms Issued by Oceana SPV (Proprietary) Limited for the investment in Oceana. Class B cumulative redeemable preference shares issued on 26 September 2006. The preference shares are redeemable in full 20 years from date of issue and bear interest at a rate of 95% of the prime interest rate. Arose as a result of the investment in Oceana.

Lender Bidco 813
Amount R318.6 million
Salient terms Interest free loan advanced by Bidco 813 to Newshelf 778 on or about 10 June 2010 for the purposes of Newshelf 778 redeeming the cumulative redeemable preference shares held by the IDC in Newshelf 778. The loan is to be settled on implementation of the Newshelf 778 Buyback.

SECURED

Lender Omsfin
Amount R68.8 million
Salient terms Loan from Omsfin bearing interest at a rate of JIBAR plus 3% n.a.c.q. payable six monthly in arrears. The loan is secured by a pledge of 120 785 Nedbank Group Limited shares and a pledge by Septen Investments (Proprietary) Limited of 6 017 042 Brimstone "N" ordinary shares. The loan is repayable in 5 years from the drawdown date. Loan raised as working capital facility.

Lender Nedbank
Amount R65.0 million
Salient terms Loan from Nedbank bearing interest at prime bank overdraft rates and secured by reversionary cessions of Brimstone's rights, title or interest in the shares in and/or claims against Brimco, Newshelf 778 and Newshelf 831. The loan is repayable 180 days after drawdown date and will either be extended or repaid using the proceeds received through the Buybacks.

Lender Nedbank
Amount R70.0 million
Salient terms Loan from Nedbank bearing interest at prime bank overdraft rates and secured by reversionary cessions of Brimstone's rights, title or interest in the shares in and/or claims against Brimco, Newshelf 778 and Newshelf 831. The loan is repayable by mid-June 2010. This loan will be extended if not settled through cash proceeds received through the Buybacks.

Lender Nedbank
Amount R196.0 million
Salient terms Issued by its subsidiary, Newshelf 831, for further investment in Life Healthcare: Class B cumulative redeemable preference shares issued on 17 November 2006, bear interest at a rate of 95% of the prime interest rate and are redeemable on the first day after five years from date of issue. As security for the preference shares, Brimstone has pledged its shares and loan accounts in the subsidiary and its pre-emptive rights to acquire further shares in Life Healthcare. In addition, Brimstone has guaranteed the obligations of its subsidiary. Arose on purchase of additional shares in Life Healthcare. The loan is to be settled on implementation of the Newshelf 778 Buyback.

Lender	Nedbank
Amount	R55.5 million
Salient terms	Issued by its subsidiary, Newshelf 831, Class C participating non-redeemable preference share issued on 17 November 2006. The terms of the C preference share allow for the calculation of a C participation dividend which equals 12.5% of the amount by which the market value of all the assets of Newshelf 831 exceeds the net cumulative outstanding amounts on the A and B preference shares and the aggregate of all actual or deemed tax liabilities in Newshelf 831, also taking into account Brimstone's contribution to the total funding. Arose on purchase of additional shares in Life Healthcare. The loan is to be settled on implementation of the Newshelf 778 Buyback.
Lender	Nedbank
Amount	R99.6 million
Salient terms	Class D preference shares issued by its subsidiary, Brimco. The preference shares were issued on 30 May 2009, bear interest at a rate of 95% of the prime bank overdraft rate and are redeemable by a payment of R20 million in 2009 and thereafter in annual payments of R35 million and must be redeemed in full after 5 years from date of issue. As security for the preference shares, Brimstone has pledged its shares in Brimco and given a reversionary cession of its rights, title and interests in its subsidiaries Newshelf 778 and Newshelf 831. Newshelf 831 has also issued a guarantee in favour of the preference shareholder. Arose on purchase of additional shares in Sea Harvest.
Lender	Investec Limited
Amount	R25.6 million
Salient terms	Loan to subsidiary repayable in quarterly instalments of R6 733 049.06, inclusive of interest. Interest is charged at JIBAR plus 4.05% n.a.c.q. The loan is secured by a general notarial bond over all of Sea Harvest Corporation (Proprietary) Limited's moveable assets. Arose as a result of the investment in Sea Harvest.
Lender	Investec Limited
Amount	R102.1 million
Salient terms	Loan to subsidiary repayable in quarterly instalments of R9 468 923.76, inclusive of interest, from 1 July 2011. Until such time, interest payments are made quarterly in arrears. Interest is charged at fixed rate of 12.46% n.a.c.q. The loan is secured by a general notarial bond over all of Sea Harvest Corporation (Proprietary) Limited's moveable assets. Loan is payable in full by May 2014. Arose as a result of the investment in Sea Harvest.
Lender	Investec Limited
Amount	R154.3 million
Salient terms	Loan to subsidiary repayable in full by May 2014; interest payments are made quarterly in arrears. Interest is charged at a rate of 17.3% n.a.c.q. The loan is secured by a general notarial bond over all of Sea Harvest Corporation (Proprietary) Limited moveable assets. Arose as a result of the investment in Sea Harvest.

AMENDMENTS TO THE BRIMSTONE SHARE TRUST

The amendments to the trust deed in terms whereof the Brimstone Share Trust was established, as made, effected, agreed or to be made, effected or agreed between the trustees for the time being of the Brimstone Share Trust and the board of directors of the Company to the effect that:

1. The content to clause 1.1.24 (definition for "Scheme Allocation") thereof is deleted and replaced with the following content –
 - 1.1.24 "scheme allocation" means the maximum aggregate number of shares that may be utilised for the purposes of the scheme which shall not exceed –
 - 1.1.24.1 9 022 309 (nine million twenty-two thousand three hundred and nine) ordinary shares; and
 - 1.1.24.2 44 891 069 (forty-four million eight hundred and ninety-one thousand and sixty-nine) "N" ordinary shares.
2. The content of clause 16.1 thereof is deleted and replaced with the following –
 - 16.1 The maximum number of scheme shares in respect whereof any one participant shall be entitled to accept an offer or offers and/or exercise an option or options whether pursuant to this Brimstone Share Trust or the share option scheme shall not exceed:
 - 16.1.1 1 804 461 (one million eight hundred and four thousand four hundred and sixty-one) ordinary shares; and
 - 16.1.2 8 978 213 (eight million nine hundred and seventy-eight thousand and two hundred and thirteen) "N" ordinary shares.
3. Clause 1.1.18 (definition for "ordinary share") thereof be and is hereby amended by inserting the words "or 'N' ordinary share, as the case may be," prior to the words "in the capital of the company" where the latter words appear in that clause;
4. Clause 16.2 thereof is amended by –
 - (a) substituting the words "the number of shares stated in 16.1" where these words appear in the first line of clause 16.2 with the words "the scheme allocation and the number of shares stated in 16.1"; and
 - (b) deleting the full stop (".") where it appears at the end of clause 16.2.2 thereof and replacing such full stop with a comma (","); and
 - (c) inserting a catch-all phrase at the end of clause 16.2 which phrase shall read as follows –

"provided that in relation to any sub-division or consolidation of ordinary shares –

 - the said auditors shall also adjust the amount, if any, payable by a participant on application or acceptance, subscription or exercise, as the case may be; and
 - such adjustment/s should give a participant entitlement to the same proportion of equity capital as that to which such participant was entitled to prior to the sub-division or consolidation.";
5. By inserting a new clause 16.5 which shall read as follows –

"16.5 All scheme shares which are allocated but which are not subsequently issued to the participant concerned, for example, as a result of a forfeiture, or for any other reason as may be contemplated in this scheme, shall revert to the scheme, unless in accordance with any applicable law, rule, regulation and/or requirement this trust and/or scheme provides otherwise.";
6. The catch-all phrase to clause 27.1 thereof is amended by replacing the current content thereof with the following content: "the trustees shall, if they are requested to do so by the directors, be entitled to effect such adjustments to the purchase price in respect of those shares as any auditor/auditing firm or any independent third party expert appointed by the directors, acting as expert/s and not as arbitrator/s, certify as being fair and reasonable in the circumstances

and subject (where necessary) to the sanction of the court. The provisions hereof shall apply *mutatis mutandis* to any option which has not yet been exercised, provided that for as long as the listings requirements of the JSE prohibit the repricing of options, such adjustment/s shall not have any force or effect or bind any of the parties to the scheme if any such adjustment in substance constitutes a repricing of any option and is so prohibited”;

7. Clause 7.1.1 thereof is amended by inserting the words “and, for the avoidance of doubt, the trustees shall be entitled to acquire shares through the market, in order to satisfy obligations in terms of the scheme” after the words “may deem fit” where these latter words appear in clause 7.1.1.

BRIMSTONE SHARE PRICE HISTORY

The high, low and closing prices of Brimstone ordinary shares (BRT) on the JSE and the aggregated quarterly volumes and values traded for the 8 quarters ended June 2009 were as follows:

Quarter ended	High (c per share)	Low (c per share)	Close (c per share)	Aggregate value (R's)	Aggregate volume (# of shares)
September 2007	1 100	770	900	1 739 036	212 153
December 2007	900	750	865	2 451 916	307 320
March 2008	757	575	700	280 870	412 251
June 2008	700	400	400	629 573	107 580
September 2008	540	405	510	29 481 870	6 539 248
December 2008	530	450	450	2 351 181	477 314
March 2009	550	440	510	760 517	157 821
June 2009	600	530	560	133 843	23 561

The high, low and closing prices of Brimstone ordinary shares (BRT) on the JSE and the aggregated monthly volumes and values traded from June 2009 were as follows:

Month ended	High (c per share)	Low (c per share)	Close (c per share)	Aggregate value (R's)	Aggregate volume (# of shares)
June 2009	560	560	560	32 485	5 801
July 2009	690	560	575	1 228 969	212 388
August 2009	585	585	585	135 911	23 233
September 2009	690	630	685	481 468	71 879
October 2009	750	748	750	165 613	22 088
November 2009	750	750	750	895 590	119 412
December 2009	810	750	810	203 504	27 054
January 2010	900	800	900	561 589	66 040
February 2010	1 050	900	1 000	640 560	69 840
March 2010	1 200	1 050	1 175	708 250	62 680
April 2010	1 550	1 200	1 280	2 781 994	221 252
May 2010	1 320	1 205	1 320	3 252 320	249 167

The high, low and closing prices of Brimstone ordinary shares (BRT) on the JSE for each trading day from 18 May 2010 to 18 June 2010, and the daily trading volumes and values are as follows:

Daily	High (c per share)	Low (c per share)	Close (c per share)	Daily value (R's)	Daily volume (# of shares)
18 May 2010	–	–	1 260	–	–
19 May 2010	1 275	1 275	1 275	5 100	400
20 May 2010	1 290	1 290	1 290	15 093	1 170
21 May 2010	–	–	1 290	–	–
24 May 2010	1 285	1 270	1 285	11 490	900
25 May 2010	–	–	1 285	–	–
26 May 2010	1 270	1 270	1 270	63 500	5 000
27 May 2010	1 320	1 285	1 320	1 474 444	113 780
28 May 2010	1 320	1 320	1 320	392 700	29 750
31 May 2010	1 320	1 320	1 320	1 157 640	87 700

Daily	High (c per share)	Low (c per share)	Close (c per share)	Daily value (R's)	Daily volume (# of shares)
1 June 2010	1 325	1 275	1 320	90 286	6 883
2 June 2010	1 320	1 250	1 268	496 966	39 151
3 June 2010	–	–	1 268	–	–
4 June 2010	–	–	1 268	–	–
7 June 2010	–	–	1 268	–	–
8 June 2010	–	–	1 268	–	–
9 June 2010	–	–	1 268	–	–
10 June 2010	1 200	1 200	1 200	24 000	2 000
11 June 2010	–	–	1 200	–	–
14 June 2010	1 150	1 101	1 150	61 906	5 400
15 June 2010	–	–	1 150	–	–
17 June 2010	1 150	1 150	1 150	1 150	100
18 June 2010	–	–	1 150	–	–

Source: INet

The high, low and closing prices of Brimstone N shares (BRN) on the JSE and the aggregated quarterly volumes and values traded for the 8 quarters ended June 2009 were as follows:

Quarter ended	High (c per share)	Low (c per share)	Close (c per share)	Aggregate value (R's)	Aggregate volume (# of shares)
September 2007	800	700	730	77 984 300	10 565 545
December 2007	730	650	670	80 117 440	11 309 652
March 2008	680	500	540	47 513 590	8 756 410
June 2008	575	401	510	41 113 070	8 129 412
September 2008	500	350	425	43 796 120	10 581 735
December 2008	450	330	400	26 053 380	6 926 037
March 2009	440	320	415	27 171 710	7 103 184
June 2009	530	400	530	24 529 310	5 484 540

The high, low and closing prices of Brimstone N shares (BRN) on the JSE and the aggregated monthly volumes and values traded since June 2009 were as follows:

Month ended	High (c per share)	Low (c per share)	Close (c per share)	Aggregate value (R's)	Aggregate volume (# of shares)
June 2009	530	500	530	8 709 274	1 709 603
July 2009	585	530	585	7 952 315	1 427 880
August 2009	625	550	625	3 033 987	517 703
September 2009	699	575	690	41 061 900	6 236 203
October 2009	700	670	695	10 899 460	1 594 841
November 2009	715	680	715	16 510 700	2 372 887
December 2009	800	700	780	30 563 440	4 197 676
January 2010	950	750	950	27 349 340	3 237 568
February 2010	1 060	910	1 060	44 035 170	4 541 013
March 2010	1 219	1 080	1 194	65 396 930	5 781 716
April 2010	1 305	1 194	1 288	77 862 400	6 141 062
May 2010	1 288	1 151	1 239	44 059 900	3 593 702

The high, low and closing prices of Brimstone N shares (BRN) on the JSE for each trading day from 18 May 2010 to 18 June 2010, and the daily trading volumes and values are as follows:

Daily	High (c per share)	Low (c per share)	Close (c per share)	Daily value (R's)	Daily volume (# of shares)
18 May 2010	1 255	1 161	1 250	7 853 677	627 402
19 May 2010	1 250	1 200	1 250	166 660	13 800
20 May 2010	1 250	1 250	1 250	25 000	2 000
21 May 2010	1 250	1 200	1 250	332 750	26 717
24 May 2010	1 250	1 230	1 239	5 593 427	451 075
25 May 2010	1 250	1 230	1 250	458 799	37 044
26 May 2010	1 249	1 151	1 247	387 205	31 045
27 May 2010	1 247	1 220	1 220	497 841	40 418
28 May 2010	1 240	1 200	1 219	363 889	29 809
31 May 2010	1 240	1 239	1 239	322 200	26 000
1 June 2010	1 240	1 220	1 220	611 242	50 101
2 June 2010	1 220	1 175	1 200	669 514	55 708
3 June 2010	1 198	1 198	1 198	119 800	10 000
4 June 2010	–	–	1 198	–	–
7 June 2010	1 190	1 080	1 190	90 208	7 800
8 June 2010	–	–	1 190	–	–
9 June 2010	–	–	1 190	–	–
10 June 2010	–	–	1 190	–	–
11 June 2010	1 179	1 120	1 164	192 550	17 100
14 June 2010	1 179	1 170	1 179	62 517	5 304
15 June 2010	1 159	1 159	1 159	70 119	6 050
17 June 2010	1 160	1 145	1 160	693 597	60 053
18 June 2010	1 180	1 160	1 180	300 822	25 884

Source: INet

TABLE OF ENTITLEMENT

Trading in the Strate environment does not permit fractions and fractional entitlements. Accordingly, where a Brimstone Shareholder's entitlement to Health distribution shares gives rise to a fraction of a Health distribution share, such fraction will be rounded up to the nearest whole number where the fraction is greater than or equal to 0.5 and rounded down to nearest whole number where the fraction is less than 0.5.

Below is an example of how many Health distribution shares a Brimstone Shareholder will receive based on the number of Brimstone shares held using a ratio of 40 Health ordinary shares for every 100 Brimstone shares held on the Record Date.

Number of Brimstone shares held	Number of Health distribution shares to be received
1	–
2	1
3	1
4	2
5	2
6	2
7	3
8	3
9	4
10	4
20	8
50	20
100	40
1 000	400
10 000	4 000
20 000	8 000
50 000	20 000
100 000	40 000
200 000	80 000
500 000	200 000
1 000 000	400 000



BRIMSTONE

INVESTMENT CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1995/010442/06)

Share code: BRT ISIN: ZAE000015277

Share code: BRN ISIN: ZAE000015285

("Brimstone" or "the Company")

NOTICE OF GENERAL MEETING

Notice is hereby given of a general meeting ("general meeting") of Brimstone Shareholders to be held at 10h00 on Tuesday, 20 July 2010 at The Athenaeum, No 1 Mariendahl Lane, Boundary Terraces, Newlands, Cape Town, for the purpose of considering, and, if deemed fit, passing with or without modification, the special and ordinary resolutions set out below:

1. SPECIAL RESOLUTION NUMBER 1

"Resolved as a special resolution that:

1. the Company is hereby authorised, in terms of section 228 of the Companies Act, No 61 of 1973, as amended ("the Act"), to dispose of the entire issued ordinary share capital of Newshelf 778 (Proprietary) Limited (a wholly-owned subsidiary of the Company) in consideration for 128 849 235 ordinary shares in the issued share capital of Health Strategic Investments Limited, so that following such issue the Company will hold 46.48% of the entire issued ordinary share capital of Health Strategic Investments Limited, on the terms and conditions of the written sale of shares agreement concluded by the Company on 21 June 2010, copies of which have been tabled at the general meeting convened to consider, *inter alia*, this resolution."
2. The reason for and effect of the special resolution above is to authorise the disposal by the Company of all of the ordinary shares that it holds in Newshelf 778 (Proprietary) Limited in accordance with the provisions of the agreement referred to above.

This resolution will be subject to it being passed by a 75% majority of the votes of Brimstone shareholders being cast in favour of the special resolution.

2. SPECIAL RESOLUTION NUMBER 2

"Resolved as a special resolution that:

1. subject to the adoption and registration of Special Resolution Number 1 and the implementation of the disposal authorised therein, the board of directors of the Company are hereby authorised, in terms of section 228 of the Act, to distribute all of the shares held directly by the Company in Health Strategic Investments Limited, in accordance with the provisions of section 90 of the Act and article 117 of the articles of association of the Company, by way of a distribution *in specie* in terms of section 46 of the Income Tax Act, No 58 of 1962 (as amended), to all of the Company's shareholders *pro rata* to their shareholdings in the Company on the date specified by the directors as the record date in respect of such distribution."

The reason for and effect of the special resolution above is to authorise the distribution in specie by the board of directors of the Company of all of the ordinary shares that the Company holds in Health Strategic Investments Limited to its shareholders.

This resolution will be subject to it being passed by a 75% majority of the votes of Brimstone shareholders being cast in favour of the special resolution.

3. ORDINARY RESOLUTION NUMBER 1

"Resolved as an ordinary resolution that:

the addendum to the Brimstone Share Trust which sets out the amendments required in order to ensure compliance with the requirements of Schedule 14 of the Listings Requirements of the JSE Limited in respect of share incentive schemes, as set out in Annexure 4 to the circular enclosed with this notice of general meeting, be and are hereby approved."

This resolution will be subject to it being passed by a 75% majority of the votes of Brimstone shareholders being cast in favour of the ordinary resolution.

4. ORDINARY RESOLUTION NUMBER 2

"Resolved as an ordinary resolution that:

any one or more of the directors of the Company be and are authorised to do such things, sign such documents, and procure such things as are required to give effect to Special Resolution 1, Special Resolution 2 and Ordinary Resolution 1 set out in this notice convening the general meeting at which this Ordinary Resolution 2 will be proposed and considered."

This resolution will be subject to it being passed by a 50% majority of the votes of Brimstone shareholders being cast in favour of the ordinary resolution.

5. VOTING AND PROXIES

If you are the holder of Brimstone ordinary shares or "N" ordinary shares in certificated form or if you have dematerialised your Brimstone shares and have elected own-name registration in the sub-register of Brimstone maintained by a Central Securities Depository Participant ("CSDP"), you may attend, speak and vote at the general meeting in person. If you do not wish to attend, but wish to be represented at the general meeting, you may appoint one or more proxies (who need not be members of the Company) to attend, speak and vote on your behalf at the general meeting by completing the attached form of proxy for the general meeting (*yellow*) in accordance with the instructions it contains and returning it to the Company's transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, South Africa (PO Box 61051, Marshalltown, 2107) to be received by no later than 10h00 on Friday, 16 July 2010.

If you have dematerialised your ordinary or "N" ordinary shares through a CSDP or broker without "own-name" registration and you wish to attend or send a proxy to represent you at the general meeting, you must instruct your CSDP or broker to provide you with the relevant letter of representation to attend or be represented at the general meeting and vote. If you do not wish to attend in person or be represented, but wish to cast your votes, you must provide your CSDP or broker with your voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. In the absence of such instructions, your CSDP or broker will be obliged to vote in accordance with the instructions contained in the custody agreement mandate between you and your CSDP or broker.

Every holder of Brimstone ordinary shares present or represented by proxy at the general meeting shall have one vote on a show of hands, and on a poll, 100 votes, for every Brimstone ordinary share held.

Every holder of a Brimstone "N" share present or represented by proxy at the general meeting shall have one vote on a show of hands, and on a poll, one vote for every Brimstone "N" share held.

Treasury shares will not be eligible to vote. These include the 316 404 Brimstone ordinary shares and 3 839 165 Brimstone N shares held by the Brimstone Investment Corporation Limited Share Trust and the 3 624 400 Brimstone ordinary shares and 21 897 212 Brimstone N shares held by Septen Investments (Proprietary) Limited.

By order of the board

Mustaq Ahmed Enus-Brey
Chief Executive Officer

28 June 2010

Registered office

Slade House, Boundary Terraces
1 Mariendahl Lane
Newlands, Cape Town, 7700
(PO Box 44580, Claremont, 7735)

Transfer secretaries

Computershare Investor Services (Proprietary) Limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)



BRIMSTONE

INVESTMENT CORPORATION LIMITED

(Incorporated in the Republic of South Africa)
 (Registration number 1995/010442/06)
 Share code: BRT ISIN: ZAE000015277
 Share code: BRN ISIN: ZAE000015285
 ("Brimstone" or "the Company")

FORM OF PROXY

For use by all Brimstone ordinary and N ordinary shareholders who have dematerialised their shares with own-name registration or hold certificated shares

For use only by Brimstone ordinary and N ordinary shareholders who:

- who hold their shares in certificated form ("certificated ordinary shareholders"); or
- have dematerialised their shares with "own-name" registration ("dematerialised ordinary shareholders"),

at the general meeting ("general meeting") of shareholders of the Company to be held at 10h00 on Tuesday, 20 July 2010 at The Athenaeum, No 1 Mariendahl Lane, Boundary Terraces, Newlands, Cape Town.

Dematerialised ordinary shareholders who do not have "own-name" registration who wish to attend or send a proxy to represent them at the general meeting must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend or be represented at the general meeting and request their CSDP or broker to issue them with the relevant Letter of Representation to attend or be represented at the general meeting and vote. If they do not wish to attend or be represented at the general meeting, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. In the absence of such instructions, the CSDP or broker will be obliged to vote in accordance with the instructions contained in the custody agreement mandate between them and their CSDP or broker. These shareholders must **not** use this form of proxy.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

Of (ADDRESS)

Telephone: (Work) (area code)

Telephone: (Home) (area code)

Identity number:

being a member

of Brimstone and the holder(s) of Brimstone ordinary shares, and/or
 Brimstone N shares,

do hereby appoint (see notes):

1. _____ or failing him/her,
2. _____ or failing him/her,
3. the chairperson of the general meeting,

as my/our proxy to attend, speak and vote on a show of hands or on a poll for me/us on my/our behalf at the general meeting convened for purposes of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at each adjournment thereof; and to vote for and/or against, or abstain from voting for and/or against, such resolutions in respect of the shares registered in my/our name/s in accordance with the following instructions:

	Number of ordinary shares			Number of N ordinary shares		
	*For	*Against	*Abstain	*For	*Against	*Abstain
Special resolution number 1 Approve the share exchange						
Special resolution number 2 Approve the Unbundling						
Ordinary resolution number 1 Approve the amendments to the Brimstone Share Trust						
Ordinary resolution number 2 Authorise directors to effect resolutions as set out above						

*Insert the number of votes to be cast "For", "Against" or "Abstain" as required. If you insert an "X", all votes will be cast in the manner indicated by that X. If no options are marked and no instructions are given in a separate sheet of paper accompanying and attached to this form of proxy, the proxy will be entitled to vote as he/she thinks fit.

Signed at _____ on this _____ day of _____ 2010

Signature/s

Assisted by (where applicable)

Please read the notes on the reverse hereof.

Notes:

1. A member entitled to attend and vote at the general meeting may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space provided, with or without deleting "the chairperson of the general meeting". A proxy need not be a member. The person whose name stands first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. As per Brimstone's articles of association, a member is entitled to one vote on a show of hands and, on a poll, one hundred votes in respect of each ordinary share and one vote in respect of each N ordinary share. A member's instructions to the proxy must be indicated by inserting the relevant number of shares represented by the member in the appropriate box. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he deems fit in respect of all the member's votes.
3. If a member does not indicate on this form that his proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the general meeting be proposed, the proxy shall be entitled to vote as he thinks fit.
4. The chairperson of the general meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes.
5. The completion and lodging of this form of proxy will not preclude the relevant member from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company or unless the chairperson of the general meeting waives this requirement.
7. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company.
8. Where there are joint holders of shares, any one of such holders may sign the form of proxy, provided that, if more than one of such holders is present or represented at the general meeting, the holder whose name stands first in the register of the Company in respect of such shares, or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
9. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has previously been registered with the Company or the transfer secretaries.
10. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or mailed to the Company's transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, South Africa (PO Box 61051, Marshalltown, 2107), to be received no later than 10h00 on Friday, 16 July 2010.
11. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory(ies).