

Notes to the cash flow statements  
for the year ended 30 September 2006

	Group		Company	
	2006 Rm	2005 Rm	2006 Rm	2005 Rm
<b>A. Cash generated from/(utilised in) operations</b>				
Operating profit/(loss)	1 568,0	1 209,6	(51,9)	(4,5)
Adjustments for:				
Depreciation	528,2	248,2		
Amortisation of intangible assets	25,4	3,4		
Profit on disposal of property, plant and equipment	(7,3)	(1,4)		
Impairment of land and buildings	14,6			
Reversal of impairments of land and buildings		(9,8)		
Share-based payment	77,6	4,8	57,7	4,8
Net foreign exchange losses	14,7			
Increase in post-retirement benefit	57,7	10,3		
(Decrease)/increase in deferred lease liability	(95,1)	6,6		
Other non-cash flow items	(4,6)	(19,9)		(3,3)
<b>Cash generated from/(utilised in) operations before working capital changes</b>	<b>2 179,2</b>	<b>1 451,8</b>	<b>5,8</b>	<b>(3,0)</b>
(Increase)/decrease in accounts receivable	(185,9)	(91,7)	(60,9)	0,1
Increase in inventories	(25,0)	(32,8)		
Increase in accounts payable	163,0	278,7	13,5	1,4
Movement in short-term financial liabilities	(2,2)	2,2		
	<b>2 129,1</b>	<b>1 608,2</b>	<b>(41,6)</b>	<b>(1,5)</b>
<b>B. Taxation paid</b>				
Amounts payable at beginning of year	9,1	57,2	1,1	6,9
Charge per the income statement (excluding deferred taxation)	345,6	416,5	6,0	9,8
Acquisition of businesses	17,1	1,1		
Translation of foreign entities	0,3			
Amounts payable at end of year	(137,8)	(9,1)	(1,4)	(1,1)
	<b>234,3</b>	<b>465,7</b>	<b>5,7</b>	<b>15,6</b>

Notes to the cash flow statements continued  
for the year ended 30 September 2006

	Group		Company	
	2006 Rm	2005 Rm	2006 Rm	2005 Rm
<b>C. Acquisition of businesses</b>				
Property, plant and equipment	19 142,8	1,4		
Intangible assets	110,8			
Investments*	(535,2)			
Treasury shares	4 221,0			
Inventories	217,7			
Accounts receivable	937,0	0,1		
Cash and cash equivalents	690,6			
Long and short-term debt	(8 445,4)	(0,1)		
Financial liability – Derivative financial instruments	(1 113,2)			
Post-retirement benefit obligations	(166,9)			
Deferred taxation	(5 067,1)			
Accounts payable	(894,4)			
Provisions	(1 106,0)			
Taxation payable	(17,1)	(1,1)		
<b>Fair value of assets acquired</b>	<b>7 974,6</b>	<b>0,3</b>		
Minority interest	(3 479,7)			
<b>Fair value of assets acquired after minority interest</b>	<b>4 494,9</b>	<b>0,3</b>		
Goodwill	13 408,1	7,5		
Negative goodwill	(819,8)			
<b>Purchase consideration</b>	<b>17 083,2</b>	<b>7,8</b>		
Cash and cash equivalents in acquiree	(690,6)			
<b>Cash outflow on acquisition (net of cash acquired)</b>	<b>16 392,6</b>	<b>7,8</b>		
Comprising:				
General Healthcare Group Limited	14 264,5			
South Manchester Imaging Plc	49,0			
Prime Cure Holdings (Proprietary) Limited	125,0			
Netpartner Investments Limited	1 951,6			
SAA Netcare Travel Clinics (Proprietary) Limited	2,5			
Netcare 911 Eastern Cape (Proprietary) Limited		0,1		
Samber Trading (Proprietary) Limited		5,0		
Wierda Park Clinic		2,7		
<b>Total consideration</b>	<b>16 392,6</b>	<b>7,8</b>		

\* R540,4 million relates to the derecognition of an associate, Netpartner Investments Limited, which is now a subsidiary.

	Group		Company	
	2006 Rm	2005 Rm	2006 Rm	2005 Rm
<b>D. Disposal of business</b>				
<b>Prometheus Healthcare (Proprietary) Limited</b>				
Accounts receivable	(0,2)			
Accounts payable	1,1			
Cash and cash equivalents	(0,3)			
Intangible assets	(0,6)			
<b>E. Cash and cash equivalents at end of year</b>				
Cash on hand and balances with banks	1 462,7	292,9	109,1	3,0
Bank overdrafts	(454,1)			(2,0)
	<b>1 008,6</b>	292,9	<b>109,1</b>	1,0