

Directors' remuneration report

for the year ended 30 September 2006

Interests of directors

Director holding in excess of 1% in Netcare is: MI Sacks 2,52% (2005: 2,23%). The calculation of the directors' holdings is based on 1 182 421 777 (2005: 1 446 178 522) shares in issue, after deducting treasury shares.

The beneficial and non-beneficial interests of directors in the ordinary shares of the Company were:

Name of director	Beneficial number of shares		Non-beneficial number of shares	Total number of shares held	% of issued share capital
	Direct	Indirect	Indirect		
2006					
<i>Executive directors</i>					
IM Davis	5 272 773	1 613 750		6 886 523	0,58
Dr RH Friedland	4 779 359	1 613 750	1 600 000	7 993 109	0,67
Dr VLJ Litlhakanyane	95 327			95 327	0,01
PG Nelson			109 928	109 928	0,01
Dr RN Noach	42 027		4 000	46 027	
N Weltman	3 302 027			3 302 027	0,28
<i>Non-executive directors</i>					
HR Levin	10 937 974			10 937 974	0,93
MI Sacks	4 425 000	1 613 750	23 719 214	29 757 964	2,52
Dr JA van Rooyen	85 000			85 000	0,01
	28 939 487	4 841 250	25 433 142	59 213 879	5,01

Name of director	Beneficial number of shares		Non-beneficial number of shares	Indirect interest via	Total number of shares held	% of issued share capital
	Direct	Indirect	Indirect	Netpartner		
2005						
<i>Executive directors</i>						
IM Davis	5 272 773	1 613 750		588 030	7 474 553	0,52
Dr RH Friedland	4 627 332	1 613 750		294 015	6 535 097	0,45
Dr VLJ Litlhakanyane				235 212	235 212	0,02
PG Nelson	10 000				10 000	
N Weltman	3 000 000			294 015	3 294 015	0,23
<i>Non-executive directors</i>						
HR Levin	10 937 974				10 937 974	0,76
Dr JA van Rooyen	10 000			176 408	186 408	0,01
MI Sacks	4 300 000	1 613 750	23 719 214	2 646 133	32 279 097	2,23
Dr J Shevel		1 613 750		3 528 177	5 141 927	0,36
	28 158 079	6 455 000	23 719 214	7 761 990	66 094 283	4,58

Network Healthcare Holdings Limited holds 100% (2005: 46,34%) of Netpartner Investments Limited, which in turn holds 340,4 million (2005: 340,4 million) shares in Network Healthcare Holdings Limited.

The direct and indirect interests of directors in the preference shares of the Company were:

Name of director	Number of shares		Total number of shares held
	Direct	Indirect	
2006			
PG Nelson		1 000	1 000
N Weltman	2 000		2 000
	2 000	1 000	3 000

The register of interests of directors and others in the shares of the Company is available to members on request.

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Directors' share options

The following share options were held by the directors at 30 September 2006:

	Exercise price	Share options at 30 September 2005	Share options granted during the year	Share options exercised during the year	Share options at 30 September 2006
	Cents	Number	Number	Number	Number
IM Davis	265	300 000			300 000
	436	200 000			200 000
	907		1 000 000		1 000 000
Dr RH Friedland	62	1 600 000		1 600 000	900 000
	265	900 000			150 000
	436	150 000			2 000 000
	907		2 000 000		200 000
Dr VLJ Litlhakanyane	436	250 000		50 000	250 000
	685		250 000		1 000 000
	907		1 000 000		250 000
PG Nelson	436	250 000			1 000 000
	685		250 000		250 000
	907		1 000 000		1 000 000
Dr RN Noach (appointed 17 July 2006)	265	20 000		20 000	60 000
	436	75 000		15 000	250 000
	685		250 000		1 000 000
	907		1 000 000		150 000
N Weltman	265	150 000		150 000	100 000
	436	100 000			1 000 000
	907		1 000 000		
		3 995 000	7 750 000	1 835 000	9 910 000

Directors' emoluments – Benefits on share options exercised

The following are the gains on share options exercised by directors:

	Exercise price	Share options exercised during the year	Market price at exercise date	2006	2005
	Cents	Number	Cents	Benefits arising on exercise of options	Benefits arising on exercise of options
	Cents	Number	Cents	R000	R000
IM Davis	62				3 808
	265				1 023
Dr RH Friedland	100				202
	62	1 600 000	907	13 520	
Dr VLJ Litlhakanyane	436	50 000	969	267	
Dr RN Noach (appointed 17 July 2006)	265	20 000	1 022	151	
	436	15 000	1 022	88	
MI Sacks	62				3 584
	265				3 675
Dr J Shevel (resigned 22 November 2005)	62				4 352
	265				2 046
	436				340
N Weltman	62				2 176
	265	150 000	960	1 042	512
		1 835 000		15 068	21 718

In addition to the above, certain directors derived a benefit arising from the exercise of share options originally granted by Netpartner Investments Limited and exchanged into Netcare shares in terms of a scheme of arrangement on a 4:1 basis as detailed below:

	Benefit arising on exercise of options
	R000
Dr VLJ Litlhakanyane	798
PG Nelson	1 519
	2 317

The share option exercise terms are detailed on page 160.

Leveraged executive bonus scheme

Bonus and matching phantom shares

On 24 February 2005, the Company purchased European-styled call options to acquire Netcare shares and simultaneously ceded these options to the directors as set out below:

	Exercise date		Total number of options
	30 November 2006	31 May 2007	
IM Davis	134 780	123 549	258 329
Dr RH Friedland	134 780	123 549	258 329
Dr VLJ Litlhakanyane	107 824	98 839	206 663
PG Nelson	134 780	123 549	258 329
Dr RN Noach (appointed 17 July 2006)	134 780	123 549	258 329
N Weltman	134 780	123 549	258 329
	781 724	716 584	1 498 308

Independently owned call options – privately purchased by directors

On 24 February 2005, the under mentioned directors of the Company purchased European-styled call options to acquire Netcare shares in their personal capacities:

	Exercise date		Total number of options
	30 November 2006	31 May 2007	
IM Davis	26 956	24 710	51 666
Dr RH Friedland	26 956	24 710	51 666
PG Nelson	26 956	24 710	51 666
Dr RN Noach (appointed 17 July 2006)	26 956	24 710	51 666
N Weltman	26 956	24 710	51 666
	134 780	123 550	258 330

The strike price on the above options is as follows:

	Strike price R
30 November 2006	6,18
31 May 2007	6,44

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Directors' emoluments

Emoluments paid to directors of the Company by the Company and its subsidiaries (excluding benefits on share options exercised reflected on page 112) for the year to 30 September, are set out below:

2006 Executive directors (R000)	Salary	Company contri- butions	Bonuses	Other allowances	Total	Fair value of options granted*
IM Davis	1 732	159	2 719	78	4 688	227
Dr RH Friedland	3 392	300	3 458		7 150	401
Dr VLJ Litlhakanyane	1 229	116	2 221	210	3 776	285
PG Nelson	1 707	156	3 581	126	5 570	285
Dr RN Noach (appointed 17 July 2006)	290	27		44	361	248
N Weltman	1 212	121	2 086	108	3 527	206
	9 562	879	14 065	566	25 072	1 652

Non-executive directors (R000)	Consulting fees	Fees for services as directors	Total
Dr APH Jammie		180	180
JM Kahn		150	150
Professor MB Kistnasamy (resigned 20 June 2006)		50	50
HR Levin		175	175
Professor TR Mokoena (appointed 17 July 2006)		21	21
Advocate K Moroka (appointed 17 July 2006)		21	21
Dr AA Ngcaba (appointed 17 July 2006)		21	21
MI Sacks (non-executive from 1 March 2005)	847		847
Dr JA van Rooyen		100	100
	847	718	1 565

* The fair value of options granted is the annual expense determined by IFRS 2.

Directors' emoluments (continued)

2005 Executive directors (R000)	Salary	Company contri- butions	Bonuses	Other allowances	Total	Fair value of options granted*
Dr RH Bush (resigned 16 September 2005)	1 738	112	400	97	2 347	12
IM Davis	1 766	119	669	74	2 628	48
Dr RH Friedland	2 245	175	550	11	2 981	36
Dr I Kadish (resigned 16 September 2005)	1 290	108	400	195	1 993	24
PJ Lindeque (resigned 16 September 2005)	882	75	495	91	1 543	18
Dr VLJ Litlhakanyane	704	60		178	942	61
PG Nelson	1 288	109	100	183	1 680	61
MI Sacks (executive until 1 March 2005)	719	61	2 500	4	3 284	
Dr J Shevel (resigned 22 November 2005)	2 717		750	11	3 478	48
N Weltman	1 051	94	400	113	1 658	24
	14 400	913	6 264	957	22 534	332

Non-executive directors (R000)	Consulting fees	Fees for services as directors	Total
Dr APH Jammie		130	130
JM Kahn		116	116
Professor MB Kistnasamy (resigned 20 June 2006)		75	75
HR Levin		150	150
MI Sacks (non-executive from 1 March 2005)	467		467
Dr JA van Rooyen		90	90
	467	561	1 028

* The fair value of options granted is the annual expense determined by IFRS 2.

Contracts

The following directors are restrained from competing with the Group and have entered into service agreements with the Company for a six-month period: IM Davis, Dr RH Friedland and N Weltman.