

Highlights

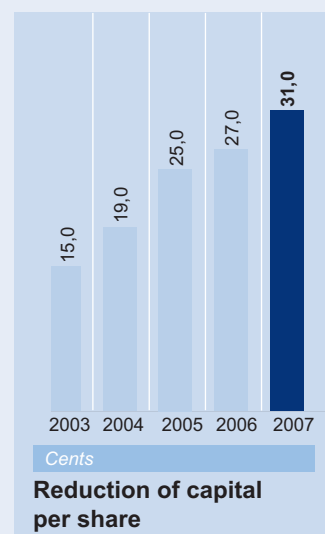
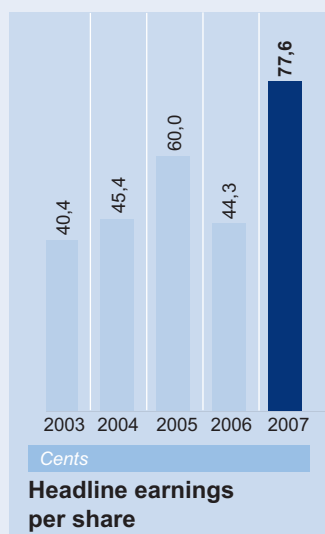
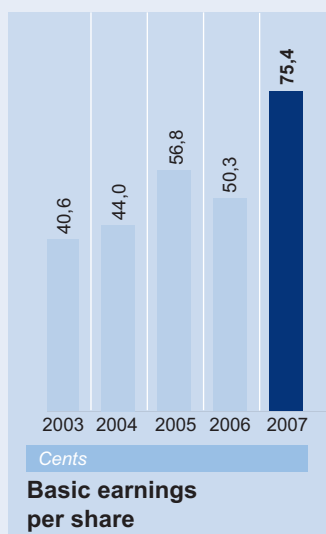
Strategic highlights

- Commissioned two new hospitals in South Africa
- Acquired the remaining interest in Community Hospital Group
- Awarded PPP concession for Port Alfred and Settlers hospitals
- Successful integration of General Healthcare Group
- Opened three new NHS facilities in the United Kingdom

Financial highlights

- 50% increase in basic earnings per share
- 27% increase in adjusted¹ headline earnings per share
- 20% increase in final reduction of capital per share
- 15% increase in South African revenue
- 14% increase in South African operating profit

¹Headline earnings adjusted to exclude HPFL BEE charge of R65 million in 2006 and the effect of the change in the UK corporate tax rate of R372 million in 2007.



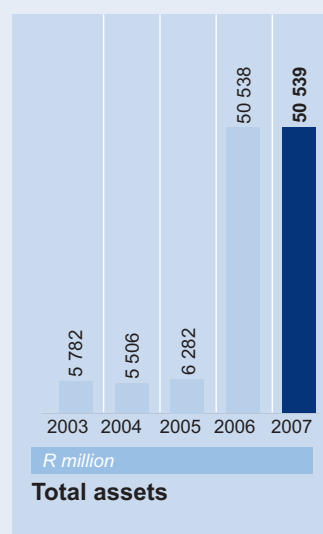
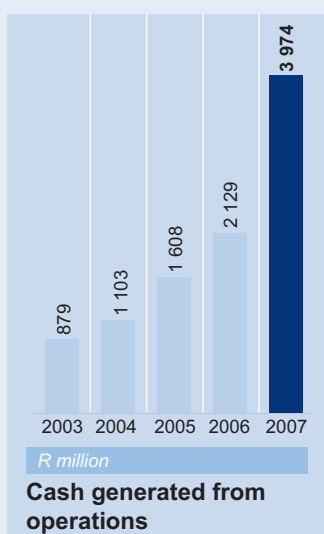
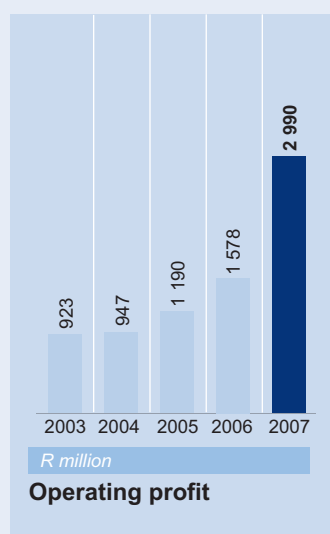
Operational highlights

- ➔ 6% growth in South African total admissions to 1 million
- ➔ 9% growth in South African primary care visits to 3,6 million
- ➔ 37% growth in managed care lives in South Africa to 177 400
- ➔ SAP financial and logistics platform rolled out in South Africa
- ➔ GHG core² EBITDA expanded to £176 million

Sustainability highlights

- ➔ 3 700 nurses and paramedics trained at a cost of R100 million
- ➔ 15 300 indigent patients treated by Netcare 911
- ➔ Commenced HIV/Aids VCT programme
- ➔ Netcare 911 awarded top healthcare facilities brand
- ➔ Obtained Level 5 BEE Empowerdex rating

²Core EBITDA before restructuring and retrenchment costs, debt transaction costs, NHS bid and mobilisation costs of £5,6 million.



Corporate profile

Network Healthcare Holdings Limited (Netcare), an investment holding company listed on the JSE Limited, South Africa, operates through its subsidiaries the largest private hospital networks in South Africa and the United Kingdom. As of 30 September 2007, the Group managed 107 private hospitals and clinics, equipped with approximately 12 240 beds. The Group had consolidated revenue from continuing operations of R18 607 million (£1 317 million)¹ and operating profit of R2 990 million (£212 million)¹ for the year ended 30 September 2007. The Group had total assets of R50 539 million (£3 602 million)² and a market capitalisation of R21 963 million (£1 565 million)² as of 30 September 2007.

Netcare was founded in 1994 and listed on the JSE Limited on 4 December 1996 with six hospitals. Since 1996 several other small and independent hospital groups in South Africa were acquired, notably Clinic Holdings Limited and Excel Medical Holdings Limited. During fiscal 2001 Netcare acquired Medicross, a primary care service provider network of medical and dental centres across South Africa. In January 2006 Medicross acquired Prime Cure Holdings, a provider of primary care services for the emerging market operating medical centres, a network of 3 300 participating doctors and 177 400 managed care lives. On 1 October 2007, Netcare acquired the remaining 56,3% of Community Hospital Group (CHG), a majority black-owned entity operating five hospitals in South Africa with 682 registered beds.

In 2001 Netcare entered the United Kingdom market to provide specialised healthcare services on contract to the National Health Service (NHS). In May 2006 Netcare acquired a controlling interest in General Healthcare Group (GHG). GHG owns BMI Healthcare (BMI), the largest private acute care hospital provider in the United Kingdom. In August 2006 Netcare UK merged with GHG's NHS service provider business, Amicus, to operate as a single service provider under GHG.

At 30 September 2007, Netcare had 1 841 067 937 shares in issue, of which 340 354 743 were treasury shares held by a subsidiary. Of the residual 1 500 713 194 voting shares³, 17,3% was owned by BEE shareholders.

¹R/£ average exchange rate of £14,13/£ for the year ended 30 September 2007.

²R/£ year end exchange rate of £14,03/£ at 30 September 2007.

³Includes the HPFL BEE 160 million shares and the Netcare Trust shares of 95 947 700 which are accounted for as treasury shares, resulting in net shares in issue after all treasury shares of 1 244 765 494.

Our core purpose

Helping care for the health of humankind

Our long-term goal

To become the leading African healthcare group best known for:

- Delivering innovative, quality healthcare solutions to patients on every continent of the world.
- Successfully broadening access to affordable, quality healthcare to as many South Africans as possible.

Our values

At Netcare, our core value is *care*. We *care* about the dignity of our patients and all members of the Netcare family. We *care* about the participation of our people and our partners in everything we do. We *care* about truth in all our actions. We are passionate about quality *care* and professional excellence.

Our vision

- Develop and implement successful solutions to provide quality, affordable healthcare to the people of South Africa and globally by inspiring our people, creating new healthcare horizons and delivering value to all stakeholders.
- Be a leading corporate citizen, proud of our heritage and what we contribute to society.
- Strive for excellence in a unique brand of patient care delivered by people who are passionate about the sanctity of life, personal respect and dignity.
- Invest in people, infrastructure and technology and establish lasting relationships with healthcare professionals.

South Africa



Hospital and trauma services

Primary care services



Netcare operates the largest private hospital group in South Africa consisting of 56 hospitals¹ with 9 546 registered beds¹, admitting more than 1 million patients during the year. Netcare operates 86 pharmacies dispensing over 3 million scripts during the year. Netcare's wholly owned subsidiary Netcare 911 operates the largest private emergency service with 7,5 million members and a fleet of 246 owned response vehicles and ambulances transporting 175 600 patients during the year. Netcare 911 also operates three helicopters and two fixed-wing air ambulances. Netcare has invested in a primary care network of 100 centres treating more than 3,5 million patients a year through its 100% ownership of Medicross and Prime Cure (wholly owned subsidiary of Medicross). Netcare has a 50% interest in Ampath², a nationwide administration and logistical services infrastructure servicing 290 high-tech pathology depots and laboratories.

	Year ended 30 September 2007
Revenue (Rm)	8 869
Operating profit (Rm)	1 406
Number of hospitals ¹	56
Number of registered beds ¹	9 546
Employees	18 877

¹ At 30 September 2007, Netcare controls 44 hospitals with 7 604 beds and has invested in a further 12 associate company hospitals with 1 942 beds (including the five Community hospitals).

² Ampath classified as 'held for sale asset' at year end.

United Kingdom



General Healthcare Group

Private hospital services



NHS services

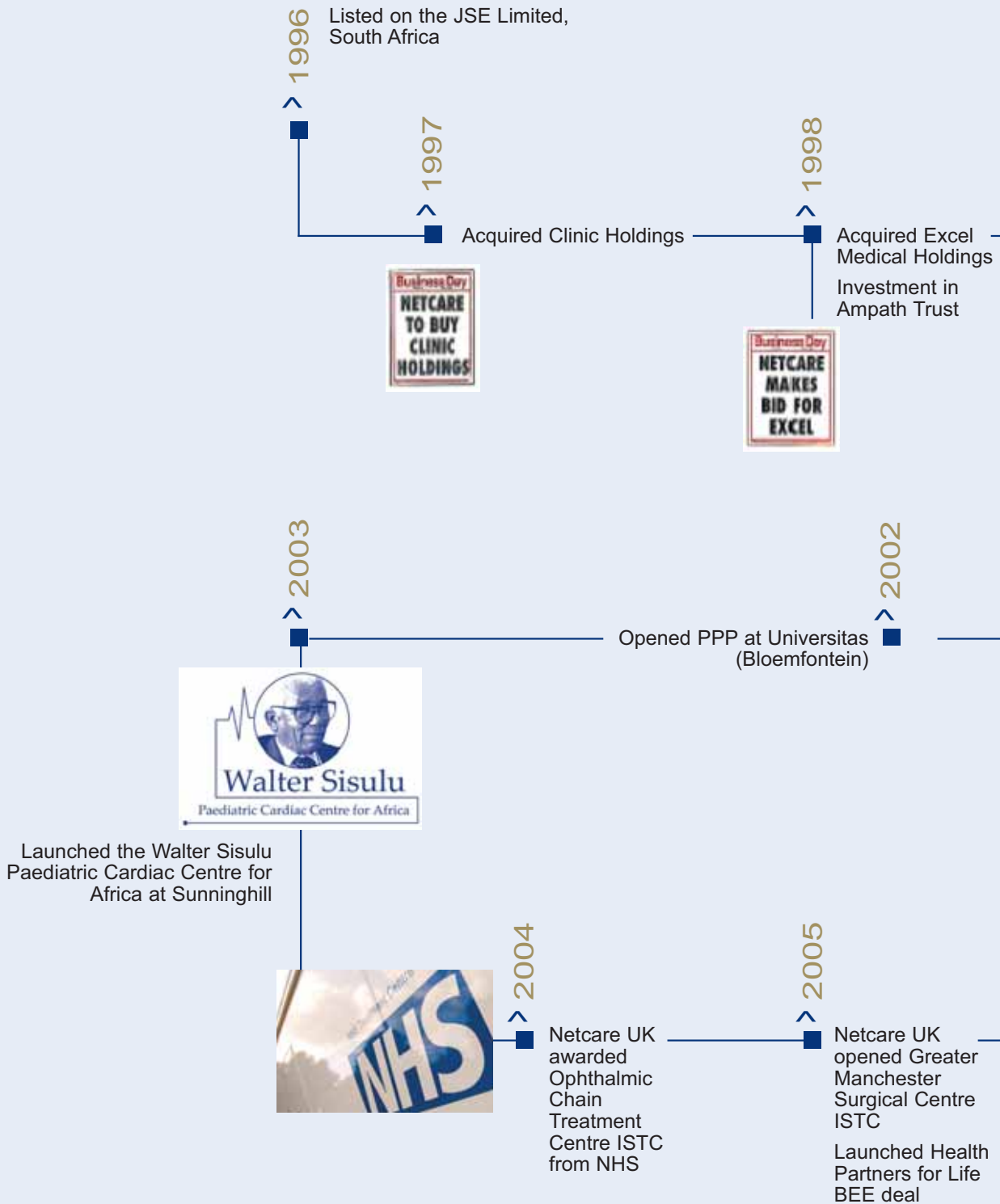


Netcare owns a controlling 50,1% interest in General Healthcare Group Limited (GHG). The other equity partners in GHG are Apax Partners Worldwide LLP (31,7%), London and Regional Properties Limited (7,4%), Brockton Capital LLP (3,0%) and management (7,8%). GHG owns BMI Healthcare, the largest private acute care hospital provider in the United Kingdom operating 48 acute care private patient hospitals with 2 606 registered beds, 152 operating theatres and 37 pharmacies, admitting 230 000 patients and attending to 892 500 outpatients during the year. GHG also provides NHS services through Netcare UK, an established independent service provider to the NHS operating two surgical centres, mobile ophthalmic units, a commuter walk-in centre and a diagnostic centre.

Year ended 30 September 2007	
Revenue (Rm)	9 738
Operating profit (Rm)	1 646
Number of hospitals ¹	51
Number of registered beds	2 697
Employees	8 853

¹Includes Netcare UK surgical centres in Manchester and Stracathro and mobile ophthalmic units.

Netcare history





Board of directors

Non-executive chairman



Michael Sacks (64)

Qualifications: CTA, CA(SA), AICPA (ISR)

Appointed: 25 October 1996

Independent non-executive directors



Advocate Kgomotso Moroka SC (53)

Qualifications: BProc, LLB

Appointed: 23 July 2006



Meyer Kahn (68)

Chairman of the Risk Committee

Qualifications: BA (Law), MBA, DCom(hc), SOE

Appointed: 14 April 2000



Andile Abner Ngcaba (51)

Qualifications: MCom, DCom (hc)

Appointed: 23 July 2006



Professor Taole Mokoena (55)

Qualifications: MBChB, DPHIL (OXON), FRCS, Doctorate (Immunology)

Appointed: 23 July 2006



Dr Azar Jammine (58)

Chairman of the Nominations Committee

Qualifications: BSc (Hons), BA (Hons), MSc, PhD

Appointed: 14 December 1998

Non-executive directors



Hymie Levin (62)

Chairman of the Remuneration Committee and Audit Committee

Qualifications: BCom, LLB, LLM, HDip Tax Law, HDip Co Law

Appointed: 16 November 1996



Dr Johannes Van Rooyen (52)

Qualifications: MBChB, MMed (Clin Path)

Appointed: 1 February 1999



Norman Weltman (58)

Qualifications: BCom, BCom Hons, CA(SA)

Appointed: 3 November 1999

Executive directors



Dr Richard Friedland (46)
Chief Executive Officer

Qualifications: BVSc, MBBCh, Dip Fin Man, MBA

Appointed: 15 May 1997



Peter Nelson (53)
Chief Financial Officer

Qualifications: BCom, BCompt Hons, CA(SA)

Appointed: 1 September 2004



Ingrid Davis (54)
Group Pharmacy Director

Qualifications: Dip Pharm (MPS)

Appointed: 6 November 1999



Dr Victor Lithakanyane (43)
Executive Director

Qualifications: MBChB, MMed (Radiotherapy), MBA

Appointed: 1 December 2004

Directors' full curriculum vitae are contained in the notice to the annual general meeting and proxy form under "Directors' details".

Group strategy

Organisational growth

Netcare's presence in South Africa and the United Kingdom enables it to combine the expertise and experience of senior teams from both countries to drive sustainable growth across two major private and public healthcare markets.



Operational excellence

Underpinning Netcare's growth strategy is an ongoing focus on a culture of excellence at every level of its operations, committed to driving efficiencies and containing costs in a way that does not compromise quality.



Physician partnerships

Netcare places physicians at the centre of its business model providing them with state-of-the-art facilities, skilled nurses and the latest medical technologies. Netcare works hard to develop physician networks and assist physicians in their professional development and support their drive to improve clinical outcomes.



Best and safest patient care

Netcare aims to ensure that its patients receive the best and safest care. This is achieved through strategies to remove the variability of service offerings and define clinical pathways under a clinical governance programme.



Growing with passionate people

Netcare considers being an employer of choice in the healthcare sector a condition for growth. In South Africa, characterised by a shortage of skills, providing a rewarding place to work takes on an even greater importance.



Accelerating transformation

Netcare embraces the need to normalise society in South Africa and is transforming itself in line with national and sectoral objectives.



- Opened Alberlito and Blaauwberg hospitals in South Africa, adding 219 beds
- Purchased the remaining 56,3% of Community Hospital Group, adding 682 beds
- Primary care network expanded by 33,2% to 3 300 participating doctors
- Reorganised GHG regional structure and created new business development structure
- Opened three new NHS facilities in the United Kingdom
- Frost and Sullivan 2007 Award for Growth Strategy Leadership
- Dealmakers' "Deal of the Year" for GHG acquisition

- SAP financial platform and logistics rollout complete in South Africa
- Integration of Prime Cure into Medicross realising rationalisation savings
- Efficiency gains from new processes and performance measures in BMI
- Integration of Netcare UK and BMI corporate structure and back office functions
- 28 BMI hospitals have been IT enabled for the NHS Extended Choice Network programme

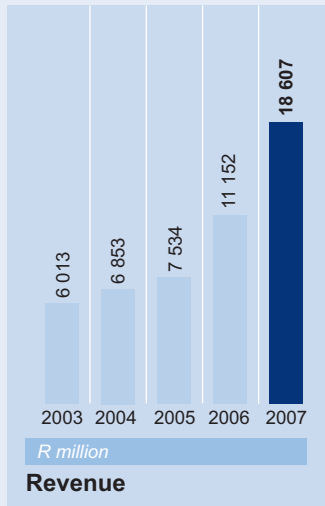
- Attracted 162 new specialists to South African facilities
- Doctor relationship programme launched to market specialists to the GP network in South Africa
- Launched partnership schemes with doctors in UK
- Expanded Practice Development Groups to over 60 across the UK hospitals

- 5,9% increase in total admissions to 1,0 million in South Africa
- 9,4% increase in primary care visits to 3,6 million in South Africa
- Neo-natal and trauma clinical governance systems implemented in South Africa
- 1,7% increase in total cases to 1,1 million in the UK

- 3 700 nurses and paramedics trained in SA at a cost of R100 million
- 6th place in the Deloitte "Best Company to Work For"
- 10th place in the Corporate Research Foundation South Africa's Best Employers
- Launched HIV/Aids VCT programme at five sites

- South African expenditure of R37 million on socio-economic development initiatives
- Obtained Level 5 and Level 4 BEE Empowerdex rating for Netcare and Prime Cure, respectively
- Netcare's BEE share ownership is 17,3% and black women ownership is 7,0%
- Nominated as one of South Africa's top empowered companies by Impumelelo Awards
- "Netcare Vodacom Smiles For You" (Cleft Lip and Palate) programme awarded ABSA Healthcare Initiative Award for hospitals in 2007
- Ranked number one in Healthcare Sector in Top 500 awards, South Africa

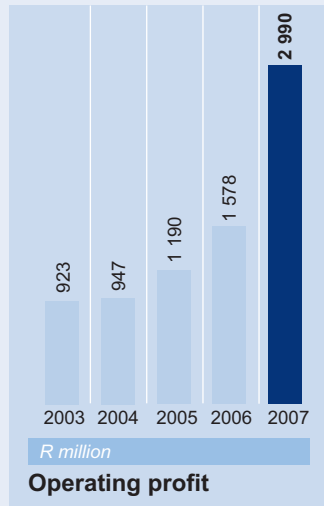
Outlook for 2008



Revenue growth

The South African revenue growth target for 2008 is between 12% and 14% including the contribution of Community Hospital Group's hospital revenue. Revenue growth will be supported by the full year contribution of the two new hospitals and the continued growth in insured and self pay patient admissions. However, capacity constraints at a number of facilities necessitate both a review of operating practices and continued investment to ensure sustainable growth.

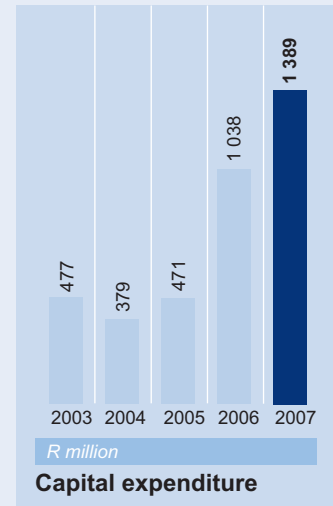
The United Kingdom revenue growth target for 2008 is between 6% and 8% supported by an increase in patient admissions as GHG increase their marketing efforts to GPs and ensure greater commitment of doctors to BMI facilities. An increase in NHS cases is expected from the rollout of the NHS Patient Choice programme and continued NHS local procurement from the private sector.



Operating efficiencies

The South African operating profit margins are expected to remain flat in 2008 compared to 2007. The positive impact on margins from the continued growth in patient days is expected to be offset by the cost pressures from increased salaries and training expenditure due to the skills shortage.

The United Kingdom operating profit margins are expected to be positively impacted by the continued drive to increase operating efficiencies. However, the market is becoming increasingly competitive which may result in some pricing pressure.



Capital efficiencies

South African capital expenditure is expected to be between R700 million and R800 million, including an estimated R100 million of projects approved for the Community Hospital Group.

United Kingdom capital expenditure is expected to be between £50 million and £60 million, of which £20 million to £30 million is expected for maintenance capital expenditure.