



You're in safe hands



**Netcare Limited unaudited Group
interim results for the six months
ended 31 March 2009**

Commentary

Netcare Limited announces unaudited Group interim results for the six months ended 31 March 2009. These results have been prepared in accordance with International Financial Reporting Standards (IFRS) and are in compliance with *IAS 34 Interim Financial Reporting*, the Listings Requirements of the JSE Limited (JSE) and the South African Companies Act, 1973, as amended.

Netcare is an investment holding company operating the largest private hospital network in South Africa (SA) and the United Kingdom (UK). The Company has been listed on the JSE since 1996. In SA, Netcare operates a portfolio of private hospitals, a primary care network and medical emergency services. In the UK, through the General Healthcare Group (GHG), Netcare operates as a private acute care hospital provider and an independent service provider to the National Health Service (NHS).

Group financial highlights

- Revenue up 12% to R11 619 million
- EBITDA up 13% to R2 474 million
- Basic headline earnings per share up 41% to 33,3 cents
- Completed sale of 50% interest in Ampath Holdings Trust
- Repurchased and cancelled 436 million treasury shares
- Interim capital reduction up 14% to 16 cents per share

Group business highlights

- Solid operational performance in both SA and UK
- Community Hospital Group acquisition cleared by Competition Appeal Court
- Port Alfred Hospital PPP opened in February 2009
- Commenced construction of Lesotho Hospital PPP in March 2009
- Further enhanced GHG footprint in London and across other key regions in the UK
- Rated the most empowered JSE-listed company in the healthcare sector

Introduction

The global economic downturn continues to affect the business climate and the Group's operating environment remains challenging, particularly in the UK. Netcare is therefore pleased to report a solid overall performance with operating regions either meeting or exceeding management guidance provided in November 2008.

Group financial performance

Group revenue rose 12,3% to R11 619 million, supported by strong demand for private healthcare services in SA, solid core activity in the UK and the inclusion of hospitals acquired from Nuffield for the full six months.

Group operating profit was up 15,0% to R1 822 million with operating profit margin increased from 15,3% to 15,7%. In SA, strong patient volumes and improved hospital margins were tempered by underwriting costs and higher doubtful debt provisions in the Primary Care division. In the UK, efficiency improvements and cost savings resulted in improved operating profit margins.

The Group results were positively impacted by the sale of Netcare's 50% interest in Ampath Holdings Trust (Amphath) following Competition Commission approval of the transaction on 24 February 2009. The sale realised gross proceeds of R1 027 million. The profit from the disposal amounted to R588 million, after capital gains tax of R90 million, which is included in profit from discontinued operations.

Group net financial expenses were 5,7% higher at R1 252 million. This was mainly due to the acquisition of the Nuffield hospitals, which were financed by raising additional debt of R1 210 million (£82 million) in February 2008. The interest benefit arising from the Ampath sale proceeds will only be realised in the second half of the financial year.

Basic earnings per share rose 213,8% to 79,4 cents from 25,3 cents in the prior period. Basic headline earnings per share of 33,3 cents were up 40,5% on the 23,7 cents achieved a year before. The earnings growth is in line with the Group's trading statement issued on 6 May 2009.

An interim capital reduction of 16,0 cents per share has been declared, reflecting an increase of 14,3% over the prior period.

Net debt at 31 March 2009 of R30 361 million was 6,8% lower than the R32 589 million at 30 September 2008, mainly as a result of the appreciation of the Rand against the British Pound (GBP) and the net cash proceeds of R852 million from the Ampath disposal. Equity decreased by R1 706 million arising from unfavourable non-cash mark-to-market fair value adjustments on the UK interest rate swaps recognised in the cash flow hedge accounting reserve.

Cash generated from operations increased 13,2% to R1 788 million from R1 579 million in the prior period as a result of the improved operating performance. The Group converted 72,3% of its EBITDA into cash which remains unchanged year-on-year. Pressure on working capital in the UK impacted negatively on cash flows, largely due to an increase in NHS debtors from the higher volumes of NHS patients seen.

Capital expenditure of R592 million was incurred, compared to R606 million for the six months ended 31 March 2008.

During the reporting period, 436 million treasury shares, representing 23% of the shares in issue, were repurchased and cancelled. This has simplified the Group's capital structure significantly, providing the opportunity for a potential repurchase of additional shares in future.

South Africa

The South African operations performed solidly. Driven by an increased demand for private healthcare services, the results reflect almost entirely organic growth. The Hospital division has now implemented extensive changes to its business model which underpinned the excellent results achieved in the six-month period. The results of the Primary Care division were impacted by prior year factors that have now largely been resolved.

Commentary (continued)

Netcare was independently rated as the most empowered firm in the JSE's healthcare sector and the eleventh most empowered listed company in SA in the Financial Mail's Top Empowerment Companies 2009 survey. The Company was rated third overall in skills development and training.

In November 2008 the Competition Appeal Court overruled the Competition Tribunal ruling on the merger with Community Hospital Group (Community), allowing for the full integration of the Community hospitals into Netcare.

Financial performance

SA revenue grew 14,4% to R5 616 million from R4 907 million, while operating profit rose 18,9% to R756 million. The operating margin improved from 13,0% to 13,5%. SA's operating performance reflects strong patient volumes and improved efficiencies.

Working capital was well managed and hospital debtor collections over the six-month period were at record levels. A cash conversion ratio of 83,9% was achieved compared to 52,6% in the same period in 2008. The SA balance sheet strengthened with a 29,7% year-on-year reduction in net debt to R4 255 million.

Hospitals and Emergency services

The Hospital division recorded a 6,3% increase in patient days and occupancy increased across the hospital network. The medically insured population has also grown gradually over the last five years from 6,9 million to 7,8 million lives. Year-on-year revenue growth was further boosted by the timing of the Easter Holiday period, which fell in April this year and therefore outside the reporting period. Pharmacy operations continued to grow with a 5,3% increase in dispensed scripts.

Costs in the division have been tightly controlled and working capital management has improved substantially. Netcare continues to invest in capital infrastructure to meet growing demand, while ensuring that facilities and equipment are maintained to the highest standards. Several projects are currently underway which will significantly enhance the division's service offering.

Netcare continues to maintain the highest standards of patient care and safety. A further six hospitals received international ISO 9001:2000 accreditation through UK-based CHKS Healthcare Accreditation and Quality Unit (HAQU). This brings the total number of accredited facilities to 16 hospitals.

Netcare has continued to foster strong relationships with government through Public Private Partnerships (PPP). The 91-bed Port Alfred Hospital PPP, with 60 public and 31 private beds, was opened in February 2009 and the 249-bed Grahamstown Hospital is scheduled for completion in July 2009. After several challenges, the 214-bed Universitas/Pelonomi Hospital PPP has shown growth and a significantly better operating performance. Financing for the construction of the Lesotho Hospital PPP has been finalised and construction of this 425-bed referral hospital and the refurbishment of four primary care clinics commenced in March 2009.

The Emergency services division, Netcare 911, recorded growth in managed lives and continued to assist government by servicing indigent patients. The Aeromedical unit was negatively affected by unforeseen maintenance requirements on both fixed-wing aircraft.

Primary Care

The Primary Care division posted strong revenue growth of 17,6% driven by solid demand for services in both Prime Cure (managed care division) and Medicross (GP, dental and pharmacy network).

Prime Cure's lower income managed care lives grew by 15,6% year-on-year to over 240 000 lives. Medicross patient visits to GPs were up 5,6% to 1,4 million and dental visits increased to over 250 000.

The Primary Care division's results were severely impacted by significant provisions taken against prior year patient debtors in Medicross, as well as the increased provision for underwriting and servicing costs in Prime Cure. Consequently, the division reported an operating loss of R25 million compared to a profit of R43 million in the prior period. Within Prime Cure, revised accounting reports and standards have been implemented and actuarial reporting significantly enhanced in line with best practice. Management is confident that accurate reporting and assessment of insurance risk are being appropriately monitored. During the reporting period, Medicross was also restructured to realign its regional operating structures. Netcare is committed to continue providing these essential services through the Primary Care division.

Health sector developments

The appointment of Dr Aaron Motsoaledi as SA's new Minister of Health is welcomed and the launch of the Department's strategic plan to 2012 is another positive indicator of the progress made to date.

Debate on the introduction of National Health Insurance (NHI) is expected to intensify with possible legislation to this effect promulgated as early as 2011.

United Kingdom

Netcare owns a 50,1% stake in GHG which has 56 hospitals operating under the BMI brand name, in addition to an NHS outsourcing division known as Netcare UK.

GHG acquired the Woodlands Hospital in Darlington and City Medical consulting suites in London in October 2008 as well as the Fitzroy Square Hospital in London in April 2009. GHG's organic growth, coupled with an effective acquisition strategy, has continued to extend the Group's geographic footprint in the UK, resulting in further cost and revenue efficiencies and a corresponding improvement in profitability.

Financial performance

Revenue from the UK operations rose 10,4% to R6 003 million (£407,4 million). The inclusion of the Nuffield hospitals for the full six months contributed 3,4%, to the revenue increase, while higher average exchange rates during the period resulted in an additional 2,1% in Rand denominated revenue.

Commentary (continued)

Operating profit was up 14,5% to R1 068 million (£72,4 million), which includes non-recurring items amounting to R51 million (£3,5 million) compared to R59 million (£4,1 million) in the prior period. Adjusted for these items, operating profit for the half-year amounted to R1 119 million (£75,9 million) compared to R992 million (£67,9 million) in 2008.

Capital expenditure for the period was R299 million (£25 million), from R292 million (£22 million) in 2008.

Net debt rose by £34 million during the six months from £1 880 million at September 2008 to £1 914 million at March 2009. The combined effect of increased NHS volumes and delays in payments last year when the shared services function was introduced have increased working capital funding. The necessary measures have been implemented to rein in the additional investment in working capital, although certain structural factors will take some months to address.

GHG continues to meet its financial covenants and has sufficient headroom for the rest of the financial year, taking into account the challenging economic climate. Without any incremental EBITDA growth, all covenants are fully met for the term of the debt.

Hospitals (BMI)

The overall caseload in the UK grew by 14,9% year-on-year. Continued decline in self-pay patients was experienced, largely offset by a significant increase in NHS cases. With the formal introduction of the National Free Choice Network (FCN) Programme, the NHS is expected to be a key partner in delivering future caseloads, as the public through their GPs are able to select private facilities directly for their treatment. Effective negotiations will ensure that the work undertaken remains sufficiently profitable.

Operational costs were tightly controlled and the business delivered a further improvement in operating margin. A plan to contain costs has been introduced and is set to deliver a saving of £13 million for the full financial year. Planned savings of £3,8 million were delivered in the reporting period.

Netcare UK

Netcare UK continues to service existing Independent Sector Treatment Centre (ISTC) contracts such as the Greater Manchester Surgical Centre, the Commuter Walk-in Centre in Leeds and the surgical initiative with the Scottish NHS in Stracathro. The five-year mobile ophthalmic contract to provide cataract operations was successfully completed in April 2009.

Outlook

It remains difficult to predict the impact of various factors on the Group in the current volatile global economic environment. However, as the Group's half-year results show, the demand for healthcare does not necessarily abate in an economic downturn.

Netcare remains confident that the demand for private healthcare will be sustained in SA, supported by a financially sound and growing medical scheme market. Netcare is hopeful that the positive approach by government, as outlined in the strategic plan announced by the Department of Health, will result in greater collaboration between the private and public sectors.

In the UK, the recessionary environment is expected to continue to impact out-of-pocket spending on private healthcare. However, we expect this to be largely offset by growth in NHS activity through the purchasing of healthcare services by NHS Primary Care Trusts.

Changes in directorate

Vaughan Firman was appointed Chief Financial Officer of the Netcare Group and Financial Director of Netcare Limited with effect from 12 February 2009, following the resignation of Peter Nelson on 5 December 2008.

Declaration of capital reduction number 20

In accordance with the authority given to the directors by way of an ordinary resolution passed on 30 January 2009, the board of directors declared on 14 May 2009 an interim capital reduction (number 20) out of share premium of 16 cents per ordinary share (2008: 14 cents), payable on 27 July 2009, to shareholders recorded in the register of the Company as at 24 July 2009.

In compliance with the requirements of Strate, the following dates are applicable:

Last date to trade "cum" the capital reduction ("LDT")	Friday, 17 July 2009
Date trading commences "ex" the capital reduction	Monday, 20 July 2009
Record date	Friday, 24 July 2009
Date of payment	Monday, 27 July 2009

Share certificates may not be dematerialised nor rematerialised between Monday, 20 July 2009 and Friday, 24 July 2009, both dates inclusive.

On behalf of the board

Jerry Vilakazi
Chairman

Dr Richard Friedland
Chief Executive Officer

Vaughan Firman
Chief Financial Officer

Sandton
15 May 2009

Group balance sheet

Rm	Note	Unaudited 31 March 2009	Unaudited 31 March 2008	Audited 30 September 2008
ASSETS				
Non-current assets				
Property, plant and equipment		27 818	32 291	29 732
Goodwill		16 271	18 800	17 555
Intangible assets		397	319	355
Associated companies and loans	4	90	125	104
Financial asset – Derivative financial instruments			973	558
Deferred taxation		638	517	689
Total non-current assets		45 214	53 025	48 993
Current assets				
Loans and receivables	4	67	91	75
Inventories		643	668	638
Trade and other receivables		3 963	3 774	3 274
Cash and cash equivalents		618	960	1 202
		5 291	5 493	5 189
Assets held for sale	5	4	617	304
Total current assets		5 295	6 110	5 493
Total assets		50 509	59 135	54 486
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital and premium		1 240	1 776	1 601
Treasury shares		(767)	(5 561)	(5 555)
Option premium on convertible bond		175	172	172
Other reserves		(98)	1 914	1 685
Retained earnings		2 982	6 153	6 590
Ordinary shareholders' equity		3 532	4 454	4 493
Preference share capital and premium		644	644	644
Minority interest		2 070	3 690	3 714
Total shareholders' equity		6 246	8 788	8 851
Non-current liabilities				
Long-term debt		29 056	34 923	31 530
Financial liability – Derivative financial instruments		3 914	1 459	1 654
Post-retirement benefit obligations		132	123	126
Deferred lease liability		98	73	91
Deferred taxation		5 866	7 096	6 463
Total non-current liabilities		39 066	43 674	39 864
Current liabilities				
Trade and other payables		2 982	3 094	3 161
Short-term debt		1 871	2 494	2 021
Taxation payable		292	477	268
Bank overdrafts		52	377	240
		5 197	6 442	5 690
Liabilities in disposal group held for sale	5		231	81
Total current liabilities		5 197	6 673	5 771
Total equity and liabilities		50 509	59 135	54 486

Group income statement

Rm	Note	Unaudited six months ended 31 March 2009	31 March 2008	% change	Audited year ended 30 September 2008
CONTINUING OPERATIONS					
Revenue		11 619	10 343	12,3	21 735
Cost of sales		(6 833)	(6 067)		(12 842)
Gross profit		4 786	4 276		8 893
Other income		111	127		256
Administrative and other expenses		(3 075)	(2 819)	(9,1)	(5 779)
Operating profit	6	1 822	1 584	15,0	3 370
Financial income	7	66	250		279
Financial expenses	8	(1 318)	(1 435)		(2 706)
Attributable earnings/(losses) of associates		10	(3)		2
Profit before taxation		580	396	46,5	945
Taxation		(142)	(85)		(68)
Profit for the period from continuing operations		438	311	40,8	877
DISCONTINUED OPERATION					
Profit for the period from discontinued operation	5	634	50		105
Profit for the period		1 072	361	197,0	982
Attributable to:					
Ordinary shareholders		1 002	319		801
Preference shareholders		37	32		67
Profit attributable to shareholders		1 039	351		868
Minority interest		33	10		114
		1 072	361		982
Earnings per share (cents)					
Basic					
		79,4	25,3	213,8	63,5
Continuing operations		29,2	21,3	37,1	55,2
Discontinued operation		50,2	4,0		8,3
Diluted					
		79,3	24,7	221,1	62,6
Continuing operations		29,1	20,8	39,9	54,4
Discontinued operation		50,2	3,9		8,2
Capital reduction per share (cents)		16,0	14,0	14,3	32,0

Group cash flow statement

Rm	Unaudited six months ended		Audited year ended
	31 March 2009	31 March 2008	30 September 2008
Cash flows from operating activities			
Cash received from customers	10 976	9 871	21 099
Cash paid to suppliers and employees	(9 188)	(8 292)	(16 436)
Cash generated from operations	1 788	1 579	4 663
Interest paid	(1 321)	(1 234)	(2 558)
Continuing operations	(1 316)	(1 231)	(2 550)
Discontinued operation	(5)	(3)	(8)
Taxation paid	(247)	(115)	(290)
Continuing operations	(241)	(115)	(268)
Discontinued operation	(6)		(22)
Ordinary dividends paid	(3)		
Preference dividends paid	(37)	(32)	(67)
Capital reductions paid	(227)	(227)	(407)
Net cash from operating activities	(47)	(29)	1 341
Continuing operations	(44)	(59)	1 352
Discontinued operations	(3)	30	(11)
Cash flows from investing activities			
Purchase of property, plant and equipment	(592)	(606)	(1 268)
Continuing operations	(581)	(591)	(1 240)
Discontinued operations	(11)	(15)	(28)
Proceeds on disposal of property, plant and equipment	5	236	708
Additions to financial assets		(49)	
Additions to intangible assets	(53)	(6)	(148)
Decrease/(increase) in investments and loans	30	(9)	128
Proceeds from disposal of subsidiaries, net of cash	852	2	15
Interest received	65	64	134
Realised gain on cross-currency swap			324
Dividends received	1	39	44
Acquisition of subsidiaries and businesses, net of cash acquired	(9)	(2 084)	(2 112)
Net cash from investing activities	299	(2 413)	(2 175)
Continuing operations	307	(2 398)	(2 147)
Discontinued operations	(8)	(15)	(28)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	3	14	48
Repurchase of shares	(3)		
Long-term liabilities (repaid)/raised	(532)	1 802	974
Short-term liabilities (repaid)/raised	(95)	235	(133)
Net cash from financing activities	(627)	2 051	889
Continuing operations	(623)	2 040	899
Discontinued operations	(4)	11	
Net (decrease)/increase in cash and cash equivalents	(375)	(391)	55
Translation effects on cash and cash equivalents of foreign entities	(21)	75	(32)
Cash and cash equivalents at beginning of the period	962	900	900
Cash flows in disposal group held for sale		(1)	39
Cash and cash equivalents at end of period	566	583	962

Group statement of recognised income and expense

Rm	Unaudited six months ended 31 March 2009	31 March 2008	Audited year ended 30 September 2008
Effect of translation of foreign entities	(116)	1 031	130
Fair value gains on investments		86	93
Effect of cash flow hedge accounting	(1 706)	(1 207)	(427)
Dividends paid	(3)		
Actuarial losses on defined benefit plans			(24)
Movement in contingency reserve			(9)
Acquisition of shares in subsidiary		5	
Movement in employee share trust reserve			30
Other reserve movements		(3)	(20)
Net loss recognised directly in equity	(1 825)	(88)	(227)
Profit for the period	1 072	361	982
Total recognised (loss)/income for the period	(753)	273	755
Attributable to:			
Ordinary shareholders	854	357	780
Preference shareholders	37	32	67
Minority interest	(1 644)	(116)	(92)
	(753)	273	755

Headline earnings

Rm	Unaudited six months ended 31 March 2009	31 March 2008	% change	Audited year ended 30 September 2008
Reconciliation of headline earnings				
Profit for the period from continuing operations	438	311	40,8	877
Less:				
Preference shareholders	(37)	(32)		(67)
Minority interest	(33)	(10)		(114)
Earnings used in the calculation of basic earnings per share from continuing operations				
	368	269	36,8	696
Adjusted for:				
Impairment of goodwill				1
Impairment of investments				1
Impairment of land and buildings	10	1		1
Reversal of impairment of property, plant and equipment				(17)
Profit on disposal of property, plant and equipment	(4)	(21)		(28)
(Profit)/loss on disposal of subsidiaries/investments		(3)		2
Tax effect of headline adjusting items	1	3		6
Minority share of headline adjusting items				10
Headline earnings from continuing operations				
	375	249		672
Earnings from discontinued operation				
	634	50		105
Adjusted for:				
Profit on disposal of property, plant and equipment		(1)		(2)
Profit on disposal of discontinued operation	(678)			
Tax effect of headline adjusting items	90			
Headline earnings from discontinued operations				
	46	49		103
Headline earnings				
	421	298	41,3	775
Headline earnings per share (cents)				
Basic				
	33,3	23,7	40,5	61,5
Continuing operations	29,7	19,8	50,0	53,3
Discontinued operation	3,6	3,9	(7,7)	8,2
Diluted				
	33,3	23,1	44,2	60,5
Continuing operations	29,7	19,3	53,9	52,5
Discontinued operation	3,6	3,8	(5,3)	8,0

Notes

1. Basis of preparation and accounting policies

The interim financial information for the six months ended 31 March 2009 has been prepared in accordance with International Financial Reporting Standards (IFRS) and are in compliance with IAS34 *Interim Financial Reporting*, the Listings Requirements of the JSE Limited and the South African Companies Act, 1973, as amended.

The accounting policies applied are consistent with those applied for the year ended 30 September 2008.

2. Acquisition of businesses

The following business combinations took effect during the period:

- 2.1 Effective 1 October 2008, the Group acquired 50% of the shares in The Thornbury Radiosurgery Centre Limited in the United Kingdom.
- 2.2 With effect from 17 October 2008, the Group acquired 100% of the shares in City Medical Limited in the United Kingdom.
- 2.3 On 31 October 2008, the Group acquired 100% of the business, excluding certain assets, of Woodlands Hospital in the United Kingdom for a nominal consideration. A lease agreement was entered into with the seller for the rental of the premises and use of the excluded assets.

From the dates of acquisition to 31 March 2009, the following amounts have been included in the Group's income statement:

Rm	Woodlands Hospital	City Medical Limited	The Thornbury Radiosurgery Centre Limited	
Revenue	40	3	4	47
Operating profit	2		1	3

The following table reflects the fair values at acquisition:

Rm	City Medical Limited	The Thornbury Radiosurgery Centre Limited
Property, plant and equipment		15
Trade and other receivables	1	
Cash and cash equivalents	1	4
Long-term debt		(15)
Trade and other payables including short-term debt	(5)	
Fair value of net assets acquired	(3)	4
Goodwill	10	3
Purchase consideration	7	7
Cash and cash equivalents in acquiree	(1)	(4)
Cash outflow on acquisition	6	3

The fair values reflected above are equal to the carrying values at acquisition.

3. Reclassification of comparative information

In line with the treatment at 30 September 2008, the option on convertible bond has been separately disclosed on the face of the balance sheet.

In addition, the following reclassifications to the 30 September 2008 balance sheet have been made:

Rm	As previously reported	Adjustments	As reclassified
Assets			
Deferred taxation	907	(218)	689
Trade and other receivables	3 500	(226)	3 274
Liabilities			
Deferred taxation	6 681	(218)	6 463
Trade and other payables	3 387	(226)	3 161

Notes (continued)

Rm	Unaudited 31 March 2009	Unaudited 31 March 2008	Audited 30 September 2008
4. Associated companies and loans			
Non-current			
Associated companies*	70	117	89
Other loans and receivables	20	8	15
	90	125	104
Current			
Loans and receivables	67	91	75
	157	216	179
*Directors' valuation of associated companies	292	181	282
5. Disposal group and assets held for sale			
Assets			
Assets in disposal group - Ampath Holdings Trust		326	295
Asset held for sale – Gerrards Cross Hospital		291	
Land and buildings held for sale	4		9
	4	617	304
Liabilities			
Liabilities in disposal group - Ampath Holdings Trust		(72)	(81)
Liabilities held for sale - Gerrards Cross Hospital		(159)	
		(231)	(81)
5.1 Discontinued operation – Ampath Holdings Trust			
Sale of our interest in Ampath Holdings Trust was completed in February 2009, following Competition Commission approval. The sale of our units and claims amounted to R1 027 million.			
Our 50% share of the discontinued operation was as follows:			
Revenue	267	263	563
Other income		2	2
Administrative and other expenses	(198)	(192)	(426)
Operating profit	69	73	139
Financial expenses	(5)	(3)	(8)
Profit before taxation	64	70	131
Taxation	(18)	(20)	(26)
Profit for the period before profit on disposal	46	50	105
Profit on disposal of discontinued operation, net of tax	588		
Profit for the period from discontinued operation	634	50	105

5. Disposal group and assets held for sale (continued)

5.1 Discontinued operation – Ampath Holdings Trust (continued)

The profit on the sale of Ampath Holdings Trust can be reconciled as follows:

Rm	
Sale of units and claims	1 027
Less:	
Carrying value	(349)
Claims settled	(174)
Net asset value	(175)
Profit on disposal	678
Less: Capital gains tax	(90)
Profit on disposal of discontinued operation, net of tax	588

Rm	Unaudited 31 March 2009	Unaudited 31 March 2008	Audited 30 September 2008
The assets and liabilities of the disposal group are as follows:			
Property, plant and equipment		56	71
Goodwill		72	72
Investments and loans		6	11
Inventories		10	10
Trade and other receivables		127	116
Cash and cash equivalents		55	15
Long-term debt		(4)	(8)
Post-retirement benefit obligation		(9)	(9)
Trade and other payables		(49)	(56)
Taxation payable		(3)	(4)
Short-term debt		(7)	(4)
The cash flows are as follows:			
Net cash from operating activities	(3)	30	(11)
Net cash from investing activities	(8)	(15)	(28)
Net cash from financing activities	(4)	11	

5.2 Asset held for sale – Gerrards Cross Hospital

Following discussions with the Office of Fair Trading, Gerrards Cross Hospital which forms part of the Nuffield Hospital Group in the United Kingdom was sold in April 2008 for R336 million (£23 million).

The assets and liabilities of the hospital held for sale are as follows:

Property, plant and equipment	267
Inventories	5
Trade and other receivables	19
Trade and other payables	(11)
Financial liability – Derivative financial instruments	(2)
Short-term debt	(146)

Notes (continued)

Rm	Unaudited 31 March 2009	Unaudited 31 March 2008	Audited 30 September 2008
6. Operating profit			
After charging:			
Depreciation and amortisation	652	602	1 244
Operating lease charges	197	173	345
7. Financial income			
Dividends received	1		1
Fair value gain on cross-currency swap contracts		186	136
Fair value gain on interest rate swaps			8
Interest received	65	64	134
	66	250	279
8. Financial expenses			
Foreign exchange losses (net)		199	156
Fair value loss on interest rate swaps	2	5	
Interest paid	1 316	1 231	2 550
	1 318	1 435	2 706
9. Commitments			
Capital commitments	951	814	753
South Africa	401	353	258
United Kingdom	550	461	495
Operating lease commitments	3 345	5 926	4 496
South Africa	1 115	425	1 460
United Kingdom	2 230	5 501	3 036
10. Contingent liabilities (guarantees and suretyships)			
South Africa	601	104	253
United Kingdom	109	129	118
	710	233	371

The Group has guaranteed R410 million covering the obligations of pathologists to a banking institution following the sale of Ampath.

Segment report

Rm	Unaudited six months ended 31 March 2009	31 March 2008	% change	Audited year ended 30 September 2008
INCOME STATEMENT				
Revenue	11 619	10 343	12,3	21 735
South Africa	5 616	4 907	14,4	10 385
Hospitals and Emergency services	4 873	4 275	14,0	9 020
Primary care	743	632	17,6	1 365
United Kingdom	6 003	5 436	10,4	11 350
EBITDA	2 474	2 186	13,2	4 614
South Africa	927	803	15,4	1 739
Hospitals and Emergency services	943	751	25,6	1 735
Primary care	(16)	52	(130,8)	4
United Kingdom	1 549	1 368	13,2	2 885
Capital items	(2)	15		(10)
South Africa	(1)	17		20
United Kingdom	(1)	(2)		(30)
Operating profit	1 822	1 584	15,0	3 370
South Africa	756	636	18,9	1 401
Hospitals and Emergency services	781	593	31,7	1 414
Primary care	(25)	43	(158,1)	(13)
United Kingdom	1 068	933	14,5	1 979
Capital items	(2)	15		(10)
South Africa	(1)	17		20
United Kingdom	(1)	(2)		(30)
Net interest paid	1 251	1 167	7,2	2 416
South Africa	272	249	9,2	518
United Kingdom	979	918	6,6	1 898
BALANCE SHEET				
Total assets	50 505	58 518	(13,7)	54 182
South Africa	11 245	11 135	1,0	10 878
United Kingdom	39 260	47 383	(17,1)	43 304
Debt net of cash	30 361	36 834	(17,6)	32 589
South Africa	4 255	6 051	(29,7)	4 837
United Kingdom	26 106	30 783	(15,2)	27 752
CASH FLOW				
Cash generated from operations	1 788	1 579	13,2	4 663
South Africa	778	422	84,4	1 974
United Kingdom	1 010	1 157	(12,7)	2 689

The segment report excludes the disposal group and assets held for sale, except for the cash flow.

Salient Features

	Unaudited Six months ended 31 March 2009	31 March 2008	Audited Year ended 30 September 2008
Share statistics			
<i>Ordinary shares</i>			
Total shares in issue (million)	1 263	1 260	1 262
Weighted average number of shares (million)	1 262	1 260	1 261
Diluted weighted average number of shares (million)	1 264	1 292	1 280
Market price per share (cents)	799	855	825
Currency conversion guide (R:£)			
Closing exchange rate	13,64	16,08	14,76
Average exchange rate for the period	14,73	14,40	14,65



You're in safe hands

Executive Directors: Dr RH Friedland (Chief Executive Officer), VE Firman (Chief Financial Officer), IM Davis, Dr VLJ Lithakanyane

Non-executive Directors: SJ Vilakazi (Chairman), Dr APH Jammine, JM Kahn, MJ Kuscus, HR Levin, Adv KD Moroka SC, Dr AA Ngcaba, MI Sacks, N Weltman

Company Secretary: J Wolpert **Registered Office:** 76 Maude Street (corner West Street), Sandton 2196, Private Bag X34, Benmore 2010

Sponsors: Nedbank Capital, a division of Nedbank Limited.
Registration number: 1951/000009/06,
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Note regarding forward-looking statements: The company advises investors that any forward looking statements or projections made by the company, including those made in this announcement, are subject to risk and uncertainties that may cause actual results to differ materially from those projected.

Factors that may affect the Group's operations are described under "Risk Factors" on the investor relations website www.netcareinvestor.co.za



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Investor Relations

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