

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.