

A close-up, side-profile photograph of a healthcare worker wearing extensive personal protective equipment (PPE). The worker is wearing a blue surgical cap, a white face shield with a black frame, and a white surgical mask. A black headlamp is attached to the side of the face shield. The worker is wearing blue scrubs. The background is a plain, light-colored wall.

Netcare Limited

Unaudited Interim Group Results

for the six months ended
31 March 2022

Providing **YOU** with the best and safest care.



NETCARE

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Our purpose and promise

Our purpose

Providing **YOU** with the best and safest care

Our promise

We promise to care for you, and about you, in a manner that places you and your family at the centre of everything we do. We recognise that you are an individual with unique needs and expectations. We recognise the importance of your family and loved ones in your healing process. We are here to ensure that we provide you with the best and safest care, when you need it and in a way that we would wish for our loved ones.

Our values

Our core value is **CARE**. We care about the **DIGNITY** of people and all members of the Netcare family. We care about the **PARTICIPATION** of our people and healthcare partners in everything that we do. We care about the **TRUTH** in all our actions. We are **PASSIONATE** about quality care and professional excellence. We listen with empathy and respond with acts of **COMPASSION**.

Commentary

NETCARE LIMITED

(Registration number 1996/008242/06)

JSE ordinary share code: NTC

ISIN: ZAE000011953

JSE preference share code: NTCP

ISIN: ZAE000081121

("Netcare" or the "Group")

Interim results for the six months ended 31 March 2022 ("H1 2022")

For comparative purposes, the impact of exceptional items is excluded, unless otherwise indicated.

Salient features

- 2.3% increase in Group revenue to R10 311 million
- 8.8% growth in Group normalised EBITDA demonstrating strong operating leverage
- 100 basis point improvement in normalised EBITDA margin (excluding strategic costs) to 16.8%
- 28.9% increase in adjusted HEPS to 35.2 cents
- 1.7 times net debt to annualised EBITDA ratio, strengthening from 2.0 times in March 2021
- Interim dividend declared of 20.0 cents per share

Group performance

Rm	Unaudited six months ended		% change	Year ended
	31 March 2022	31 March 2021		30 September 2021
Normalised revenue ¹	10 311	10 081	2.3	21 005
Normalised EBITDA ¹	1 625	1 493	8.8	3 193
Normalised operating profit ¹	1 043	915	14.0	2 025
Normalised profit before taxation ¹	685	542	26.4	1 284
Normalised taxation ¹	(202)	(167)	(21.0)	(380)
Normalised profit after taxation¹	483	375	28.8	904
Exceptional items:				
Lesotho PPP termination				(35)
Impairment of properties	(11)			(73)
Impact of change in corporate tax rate	(24)			
Taxation on exceptional items				(36)
Profit for the period	448	375	19.5	760
Adjusted HEPS (cents)	35.2	27.3	28.9	67.4
ROIC (%)	8.1	7.1		7.9

1. Normalised excludes the impact of exceptional items comprising property impairments and impact of change in corporate tax rate in the current reporting period, and property impairments and the termination of Lesotho Public Private Partnership in FY 2021.

Commentary continued

Note:

The accounting policies applied in preparing the unaudited interim Group financial statements are consistent in all material respects with those applied in the audited financial statements for the year ended 30 September 2021.

Overview

There has been a steady improvement in financial performance in H1 2022, when measured against the comparative six-month period ended 31 March 2021 ("H1 2021"). This is notwithstanding the disruption to the operating environment caused by the fourth COVID-19 wave, driven by the Omicron variant.

Although more transmissible, the Omicron variant was characterised by a decoupling of the direct correlation between the rate of community transmission and rate of hospitalisation. Despite the lower volumes experienced in December 2021 and January 2022, there has been strong demand for private healthcare services since the fourth wave subsided. The strong operating leverage achieved in H1 2022 is encouraging.

All of the Group's strategic projects remain on track. The rollout of the CareOn digitisation project in hospitals is progressing in line with budget and timelines, and is firmly set to achieve the expected efficiencies.

The new 427-bed Netcare Alberton Hospital (replacing the Netcare Union and Netcare Clinton hospitals) opened in April 2022, with high occupancies experienced to date. The new 36-bed Netcare Akeso Richards Bay mental health facility opened early in May 2022.

The Group's environmental sustainability strategy is delivering tangible benefits and continues to achieve national and international recognition.

Strong cash generation during the period under review has resulted in net debt remaining at comfortable levels, with a net debt to annualised EBITDA ratio of 1.7 times (H1 2021: 2.0 times), which is well within banking covenants.

The Board has resolved to continue dividend distributions, with the declaration of an interim dividend of 20.0 cents per share.

Group financial overview

Group revenue increased by 2.3% to R10 311 million (H1 2021: R10 081 million). Normalised EBITDA grew by 8.8% to R1 625 million (H1 2021: R1 493 million), and the normalised EBITDA margin, including strategic operational costs, improved to 15.8% (H1 2021: 14.8%). The improvement in margin results largely from higher occupancy levels since late January 2022, well managed costs and a reduction in COVID-19 Personal Protective Equipment ("PPE") expenditure. These factors all contributed to absorbing the negative impact of lower occupancies in December 2021 and early January 2022, during the fourth wave.

The Group incurred operational costs relating to strategic projects of R112 million (H1 2021: R96 million) during the period, with a further R161 million to be incurred in H2 2022. Pleasingly, normalised EBITDA margins, excluding the strategic costs, strengthened from 15.8% in H1 2021 to 16.8% in H1 2022.

Normalised operating profit grew by 14.0% to R1 043 million (H1 2021: R915 million) as improved activity levels and cost efficiencies translated into strong operating leverage.

Net interest paid decreased to R359 million (H1 2021: R395 million) on the back of lower average debt levels, partially offset by marginally higher interest rates.

The contribution to earnings from associates and joint ventures declined to R3 million from R19 million in H1 2021, largely due to the termination of the Lesotho Public Private Partnership in August 2021.

Normalised profit before taxation increased by 26.4% to R685 million (H1 2021: R542 million). The normalised taxation charge (excluding the deferred taxation impact of the change in the statutory corporate tax rate from 28% to 27% with effect from FY 2023) amounted to R202 million (H1 2021: R167 million), reflecting an effective tax rate of 29.5% (H1 2021: 30.8%).

Exceptional items amounted to R35 million, comprising provisions for impairment of property assets of R11 million and R24 million relating to the change in the statutory corporate tax rate.

Profit after taxation and exceptional items increased by 19.5% to R448 million (H1 2021: R375 million) and adjusted headline earnings per share ("HEPS") increased by 28.9% to 35.2 cents (H1 2021: 27.3 cents).

Capital expenditure and cash flow

The Group's strong statement of financial position facilitated continued investment in core projects, with R410 million invested in capital expenditure during the period. Of this, R145 million related to expansionary projects, including the completion of the construction of the Netcare Alberton Hospital. Capital expenditure of R24 million (H1 2021: R18 million) was invested in the CareOn hospital digitisation project, which is being rolled-out within Netcare hospitals.

Working capital continues to be well managed. Inventory levels have largely normalised as the Group continues to utilise the higher-priced PPE and drugs that were acquired at the height of the first COVID-19 wave.

Cash generation remains strong and Group net debt (exclusive of IFRS 16 lease liabilities) has declined to R5.4 billion from R6.1 billion at 31 March 2021. The decrease in net debt is due to the higher operating profit, partially offset by ongoing capital expenditure and the resumption of dividend payments.

In light of increasing certainty of the impact of COVID-19 on capital requirements, the Group reduced its committed facilities by R2.1 billion. At 31 March 2022, the Group had cash resources and available undrawn committed facilities of R3.4 billion.

Financial position

	<i>Unaudited</i>		
Rm	31 March 2022	31 March 2021	30 September 2021
Assets			
Property, plant, equipment, goodwill and intangible assets	14 713	14 532	14 721
Right of use assets	3 484	3 593	3 600
Other non-current assets	1 678	1 740	1 705
Current assets	4 066	4 758	4 139
Cash and cash equivalents	1 390	2 413	1 456
Total assets	25 331	27 036	25 621
Equity and liabilities			
Total shareholders' equity	10 589	10 207	10 589
Borrowings	6 769	8 485	6 787
Lease liabilities – long and short term	4 087	3 989	4 096
Other liabilities	3 886	4 355	4 149
Total equity and liabilities	25 331	27 036	25 621

Total assets at 31 March 2022 decreased to R25 331 million from R25 621 million at September 2021. Total shareholders' equity of R10 589 million was unchanged from September 2021, which is largely attributable to the payment of ordinary and preference dividends totaling R483 million during the period.

The Group's return on invested capital improved to 8.1% from 7.1% in H1 2021.

Commentary continued

Segmental performance

Hospital and emergency services

Hospital and emergency services comprise acute and mental health hospitals, as well as emergency and ancillary services.

Rm	Unaudited six months ended		% change	Year ended
	31 March 2022	31 March 2021		30 September 2021
Normalised revenue ¹	10 008	9 794	2.2	20 422
Normalised EBITDA ¹	1 554	1 439	8.0	3 069
Normalised operating profit ¹	1 018	905	12.5	1 989
Normalised EBITDA margin ¹ (%)	15.5	14.7		15.0
Normalised operating profit margin ¹ (%)	10.2	9.2		9.7
Occupancy (full week) – acute hospital (%)	55.5	53.8		55.9
Occupancy (week day) – acute hospital (%)	59.8	57.1		59.2
Occupancy (full week) – mental health (%)	64.2	60.6		62.1
Percentage change in:				
Patient days – total	2.7			
Patient days – acute hospital	2.3			
Patient days – mental health	6.1			

1. Normalised to exclude the impact of exceptional items.

Hospital activity during December 2021 and the first three weeks of January 2022 was impacted by low COVID-19 admissions, together with reduced non-COVID-19 admissions due to sector seasonality and patient sentiment around hospitalisation, informed largely by the devastating effect of the previous Delta variant. However, after the fourth wave subsided and schools opened, the division experienced a steady ramp-up in activity in both medical and surgical cases. February and March 2022 recorded the highest level of non-COVID-19 activity since the start of the pandemic.

Notwithstanding the dilutive impact of the lower occupancy levels in December 2021 and early January 2022, full week occupancy levels within acute hospitals increased to 55.5% in H1 2022 from 53.8% in the comparative period, with average occupancy across February and March 2022 of 62.4%. Occupancy levels in our mental health facilities have shown a good recovery, improving from 60.6% in H1 2021 to 64.2% for H1 2022, with average occupancy across February and March 2022 of 78.8%.

As a result of the milder Omicron COVID-19 variant, COVID-19 patient days in H1 2022 declined by 70.3% against H1 2021. Notwithstanding this decline, total patient days for H1 2022 grew by 2.7% against H1 2021, comprising growth of 2.3% in acute hospitals and 6.1% in mental health facilities.

The shift towards the normalisation of case mix to pre-COVID-19 levels is reflected in an increase of 14.1% in theatre cases, a 0.8% decline in acute revenue per patient day and a shorter average length of stay, which declined to 4.2 days in H1 2022 from 4.7 days in H1 2021. This shift is also reflected in the surgical/medical mix, with surgical cases comprising 60.3% of total admissions, compared to 59.4% in H1 2021.

Revenue for H1 2022 increased by 2.2% compared to H1 2021, while normalised EBITDA grew by 8.0% to R1 554 million. Normalised EBITDA margins strengthened to 15.5% from 14.7% in H1 2021.

The normalised EBITDA margin within the hospital and pharmacy operations sub-segment, excluding the impact of operational costs related to strategic

projects, strengthened to 16.7% from 15.6%. The higher margin was attributable to improving occupancy levels, cost efficiencies and lower COVID-19 costs.

In line with the Group's asset light strategy, no new acute beds were commissioned during H1 2022. The Group continually reviews the assets in its portfolio and elected to close the 28-bed Ceres hospital in October 2021 and the 60-bed Bougainville hospital in February 2022. Both facilities are in the process of being sold and a related property impairment of R11 million has been recognised in the reporting period.

Netcare successfully attracted a net 50 new specialists to the Group.



Primary Care

Rm	Unaudited six months ended		% change	Year ended
	31 March 2022	31 March 2021		30 September 2021
Revenue	309	293	5.5	595
EBITDA	71	54	31.5	124
Operating profit	25	10	150.0	36
EBITDA margin (%)	23.0	18.4		20.8
Operating profit margin (%)	8.1	3.4		6.1

Revenue grew by 5.5% due to an increase of 3.1% in medical and dental consultations coupled with a 3.6% increase in occupational lives under management. This increase in activity, together with stringent cost management, resulted in EBITDA growth of 31.5% with EBITDA margins improving from 18.4% in H1 2021 to 23.0%.

Strategic projects

The digitisation of the Group's entire ecosystem across all service offerings will provide a long-term sustainable competitive advantage in delivering person-centred health and care that is digitally enabled and data-driven. Netcare continues to differentiate itself through a number of key strategic projects underpinning this goal.

In H1 2022, the Group invested capital expenditure of R71 million and incurred operational costs of R112 million on various strategic projects.

A major focus of these projects is to provide electronic medical records ("EMR") across all divisions of Netcare. The CareOn hospital EMR has been successfully implemented at 14 Netcare hospitals to date (comprising approximately 2 500 beds) since the start of the project in 2020. In addition, over 8 000 healthcare professionals have been trained, comprising nurses, doctors, allied health professionals and pharmacists. The project remains on track for 20 hospitals to be completed by the end of 2022, with the full implementation across the entire hospital portfolio scheduled for completion by the end of 2023.

Similarly, good progress has been made on the digitisation of Akeso, National Renal Care ("NRC") and Medicross, which is expected to be fully implemented by the end of 2022. NRC has also launched a comprehensive renal care App, providing patients with electronic access to their records following each dialysis treatment.

Commentary continued

Promoting access to healthcare

NetcarePlus continues to gain momentum and launched dental vouchers, pre-paid Ear, Nose and Throat (ENT) procedures and GapCare (a range of three gap cover products underwritten by Hollard) during the period under review.

Empowering enterprise supplier development

Netcare has established an administration and logistics company, Netcare Diagnostics, which supports a new black female owned pathology service provider, through the provision of equipment and specialised infrastructure, logistics, administration, finance and operational support. The first stage rollout of blood gas analysers at Netcare's Intensive Care and High Care units has been completed, with 113 analysers in operation by the end of March 2022.

Netcare has also established a 51% black female owned dosimetry services business, which offers services to enhance the protection of healthcare professionals exposed to radiation. These services have been implemented across Netcare's facilities as well as being offered to external clients.

Environmental sustainability

Since the implementation of Netcare's environmental sustainability strategy in 2013, absolute Scope 1 and Scope 2 emissions have been reduced by 8%, with a 28% reduction in the intensity of Scope 2 emissions per bed. Energy intensity per bed has been reduced by 28%, and is ahead of the initial 10-year target.

Bolder targets have been set for 2030, with a primary target to reduce Scope 2 emissions to zero by 2030 and to reduce Scope 1 and 2 emissions by a combined 84%. The Group's 2030 strategy aims to achieve 100% utilisation requirements from renewable sources, with zero waste to landfill and a 20% reduction of impact on water sources.

For the second consecutive year, Netcare achieved the distinction of being the only healthcare institution in the world to win gold medals in all four categories of Greenhouse Gas Reduction (Energy), Renewable Energy, Climate Resilience and Climate Leadership, in the latest global Health Care Climate Challenge Awards. The awards are

organised by Global Green and Healthy Hospitals (GGHH), an initiative of Health Care Without Harm (HCWH). The GGHH network comprises over 1 500 members in 75 countries representing the interests of over 60 000 hospitals and health centres.

In addition, Netcare was recently awarded the Commercial Corporate Company of the Year Award in South Africa by the Southern African Energy Efficiency Confederation (SAEEC) for outstanding accomplishments in developing, organising, managing and implementing its corporate energy management program.

These awards solidify the Group's standing in the global and local community of environmentally conscious healthcare institutions across all continents.

KwaZulu-Natal floods

Netcare 911 provided significant support, and participated collaboratively with multiple agencies in the search, rescue and retrieval operations during the devastating floods in KwaZulu-Natal. Disruptions to power, water and oxygen supply at Netcare's various facilities were well managed.

During this time our thoughts and prayers remain with the people of KwaZulu-Natal who have seen lives lost, people injured and extensive damage to property, leaving many without homes amidst catastrophic heavy rainfall and floods.

Update on H2 2022 trading

Despite several public holidays in April 2022, patient admissions in the acute hospital division continued to increase for the first two weeks leading up to the Easter holiday weekend. However, activity slowed in the last two weeks of the month. Acute hospital patient days for April 2022 increased by 8.1% against April 2021. The average full week occupancy for April 2022 was 57.7% and 62.0% on weekdays, while occupancy for the month of May 2022 to-date is 63.3% for full week and 68.7% for week days.

Similarly, we continue to see strong demand in Akeso with occupancy of 67.9% during April 2022 and 71.4% for May 2022 to date.

Outlook

We are encouraged by the continued improvement in performance. However, the outlook for the remainder of the 2022 financial year largely depends on the evolution of the COVID-19 pandemic and the various potential scenarios that may emerge. The new Omicron sub-variants (BA.4 and BA.5) that have recently emerged are currently driving an increase in COVID-19 positive cases in South Africa. While the impact of these sub-variants appears to be mild thus far, reflected in relatively low hospitalisation and lower mortality, it may weigh on patient sentiment and could affect activity in the short term.

In addition, the possibility of further waves of COVID-19 does exist. However, in the absence of a new highly transmissible and virulent variant of the virus, and against the background of increasing levels of immunity from natural infection and vaccination, there may be a reduction in the severity of such potential waves should the serial mutation of the Omicron variant continue. Should this scenario eventuate, allowing South Africa to move from a pandemic to a more stable endemic state in which outbreaks are not overly disruptive and are largely controlled by significant and frequent vaccination, recovery in activity over time to pre COVID-19 levels can reasonably be foreseen.

A further factor that is beginning to emerge is the effect of Long COVID, which refers to a wide range of physical and mental health symptoms that subsequently present in patients who have previously contracted COVID-19. Medical experts have noted over 200 conditions and long term effects to date. This wide spectrum of clinical conditions may influence future demand for medical services, including primary care, dialysis, acute care and mental health.

The macro-environment continues to be impacted by global supply chain constraints, higher inflationary pressures and rising interest rates. These factors are likely to worsen, prolonging supply chain bottlenecks and placing increasing pressure on prices. As a precautionary measure, Netcare has brought forward the procurement of IT equipment for CareOn, to ensure that the project is not impacted by any undue delays resulting from supply chain problems, or elevated prices.

In addition, the instability of the national electricity grid in South Africa remains a key risk, as frequent power outages necessitate an increasing reliance on diesel powered generators, where prices are escalating. The national shortage of nurses is a further risk and the attraction and retention of scarce skills remains a critical imperative for the business.



Commentary continued

Guidance

In the absence of further severe COVID-19 waves in H2 2022, we expect total patient day growth for FY 2022 to be between 2.0% and 3.0%, which translates into overall Group revenue growth of between 3.0% and 4.0% against FY 2021.

In addition to the R112 million of operational costs spent in H1 2022 relating to implementation of strategic projects, a further R161 million is planned for the remainder of the year, which will weigh on the overall EBITDA margin for FY 2022. As the past two years have shown, it is extremely difficult to forecast the impact of COVID-19 on activity and case mix. The business will remain focused on optimising the cost efficiencies realised in the first half, and in the absence of further virulent COVID-19 waves and/or abnormal inflation the underlying EBITDA margins (excluding strategic costs) of the operating divisions are expected to strengthen in line with improving occupancies.

Total capital expenditure for FY 2022 of R1.4 billion remains on schedule, including the investment in strategic projects and the new 72-bed Akeso facility in Gqeberha, which is planned for completion in FY 2023.

The strength of the statement of financial position and the underlying businesses, should allow the continuation of dividend payments and position Netcare to return to pre COVID-19 profitability over the medium term.

Acknowledgement

We express our thanks and appreciation to our staff and doctors for their unwavering commitment and dedication in supporting our core purpose of delivering the best and safest care and enabling us to achieve our Group's strategic and operational goals.



Dividend

Declaration of dividend number 23

Notice is hereby given of the declaration of a gross interim dividend of 20.0 cents per ordinary share in respect of the period ended 31 March 2022. The dividend has been declared from income reserves and is payable to shareholders recorded in the register at the close of business on Friday, 8 July 2022. The number of ordinary shares (inclusive of treasury shares) in issue at the date of this declaration is 1 439 090 009. The dividends will be subject to a local dividend withholding tax at a rate of 20%, which will result in a net interim dividend to those shareholders not exempt from paying dividend withholding tax of 16.0 cents per ordinary share and 20.0 cents per ordinary share for those shareholders who are exempt from dividend withholding tax.

The Board has confirmed by resolution that the solvency and liquidity test as contemplated by the Companies Act 71 of 2008 has been duly considered, applied and satisfied.

The salient dates applicable to the dividends are as follows:

Last day to trade cum dividend	Tuesday, 5 July 2022
Trading ex-dividend commences	Wednesday, 6 July 2022
Record date	Friday, 8 July 2022
Payment date	Monday, 11 July 2022

Share certificates may not be dematerialised nor rematerialised between Wednesday, 6 July 2022 and Friday, 8 July 2022, both dates inclusive.

On Monday, 11 July 2022, the dividends will be electronically transferred to the bank accounts of all certificated shareholders. Holders of dematerialised shares will have their accounts credited at their participant or broker on Monday, 11 July 2022.

Netcare Limited's tax reference number is 9999/581/71/4.

The normalised information contained in this announcement is the responsibility of the directors of Netcare, has been prepared for illustrative purposes only and, because of its nature, may not fairly present Netcare's financial position.

The information presented above has not been reviewed or reported on by Netcare's external auditors.

On behalf of the Board

Thevendrie Brewer
Chairperson

Richard Friedland
Chief Executive Officer

Keith Gibson
Chief Financial Officer

Sandton

19 May 2022

Condensed Group statement of profit or loss

Rm	Notes	Unaudited six months ended		Year ended
		31 March 2022	31 March 2021	30 September 2021
Revenue¹		10 311	10 081	21 200
Cost of sales		(5 273)	(5 078)	(10 748)
Gross profit		5 038	5 003	10 452
Other income		183	143	330
Administrative and other expenses		(4 094)	(4 181)	(8 518)
Impairment of financial assets		(95)	(50)	(188)
Operating profit	2	1 032	915	2 076
Investment income		57	52	116
Finance costs	3	(416)	(447)	(903)
Other financial (losses)/gains – net		(2)	3	1
Attributable (losses)/earnings of associates		(11)	6	(147)
Attributable earnings of joint ventures		14	13	33
Profit before taxation		674	542	1 176
Taxation	4	(226)	(167)	(416)
Profit for the period		448	375	760
<i>Attributable to:</i>				
Owners of the parent		415	351	730
Preference shareholders		19	20	39
Profit attributable to shareholders		434	371	769
Non-controlling interest		14	4	(9)
		448	375	760
Cents				
Basic earnings per share		30.7	26.3	54.6
Diluted earnings per share		30.6	26.1	54.3

1. Refer to the segment report on page 18 for detail on the disaggregation of revenue.

Condensed Group statement of comprehensive income

Rm	Unaudited six months ended		Year ended
	31 March 2022	31 March 2021	30 September 2021
Profit for the period	448	375	760
Items that will not subsequently be reclassified to profit or loss	(6)	—	(25)
Remeasurement of defined benefit obligation	—	—	1
Fair value adjustment on equity investments	(6)	—	(26)
Items that may subsequently be reclassified to profit or loss	26	51	75
Effect of cash flow hedge accounting	36	70	104
Amortisation of cash flow hedge accounting reserve	26	62	103
Change in the fair value of cash flow hedges	10	8	1
Taxation on items that may subsequently be reclassified to profit or loss	(10)	(19)	(29)
Other comprehensive income for the period	20	51	50
Total comprehensive income for the period	468	426	810
<i>Attributable to:</i>			
Owners of the parent	435	402	780
Preference shareholders	19	20	39
Non-controlling interest	14	4	(9)
	468	426	810

Condensed Group statement of financial position

		Unaudited		
Rm	Notes	31 March 2022	31 March 2021	30 September 2021
ASSETS				
Non-current assets				
Property, plant and equipment		12 906	12 719	12 915
Right of use assets		3 484	3 593	3 600
Goodwill		1 606	1 606	1 606
Intangible assets		201	207	200
Equity-accounted investments, loans and receivables	5	656	777	643
Financial assets	6	60	50	63
Deferred lease assets		10	18	12
Deferred taxation		952	895	987
Total non-current assets		19 875	19 865	20 026
Current assets				
Loans and receivables	5	123	154	132
Financial assets	6	3	1	4
Inventories ¹		610	924	640
Trade and other receivables		3 218	3 343	3 251
Taxation receivable		112	336	112
Cash and cash equivalents		1 390	2 413	1 456
Total current assets		5 456	7 171	5 595
Total assets		25 331	27 036	25 621
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital		4 297	4 297	4 297
Treasury shares		(3 556)	(3 851)	(3 557)
Other reserves		458	847	413
Retained earnings		8 727	8 242	8 780
Equity attributable to owners of the parent		9 926	9 535	9 933
Preference share capital and premium		644	644	644
Non-controlling interest		19	28	12
Total shareholders' equity		10 589	10 207	10 589
Non-current liabilities				
Long-term debt	7	4 963	6 437	4 936
Long-term lease liabilities		3 559	3 530	3 588
Financial liabilities	6	10	56	32
Post-employment healthcare benefit obligations		519	485	503
Provisions		27	38	42
Deferred taxation		238	317	309
Total non-current liabilities		9 316	10 863	9 410
Current liabilities				
Trade and other payables		2 997	3 202	3 207
Short-term debt	7	1 805	2 040	1 851
Short-term lease liabilities		528	459	508
Financial liabilities	6	32	62	38
Taxation payable		63	195	18
Bank overdrafts		1	8	—
Total current liabilities		5 426	5 966	5 622
Total equity and liabilities		25 331	27 036	25 621

1. Inventories include R122 million relating to personal protective equipment of which R70 million (March 2021: R188 million; September 2021: Rnil) is expected to be recovered more than 12 months after the reporting period.

Condensed Group statement of cash flows

Rm	Unaudited six months ended		Year ended
	31 March 2022	31 March 2021	30 September 2021
Cash flows from operating activities			
Cash received from customers	10 267	9 809	20 702
Cash paid to suppliers and employees	(8 762)	(8 269)	(16 908)
Cash generated from operations	1 505	1 540	3 794
Interest paid on debt	(190)	(215)	(441)
Interest paid on lease liabilities	(189)	(184)	(371)
Taxation paid	(227)	(305)	(618)
Ordinary dividends paid by subsidiaries	(7)	(12)	(19)
Ordinary dividends paid	(457)	—	—
Preference dividends paid	(19)	(20)	(39)
Distribution to beneficiaries of the HPFL B-BBEE ¹ trusts	(4)	(1)	(1)
Net cash from operating activities	412	803	2 305
Cash flows from investing activities			
Payment for acquisition of interest in associate	—	—	(12)
Payment for acquisition of interest in joint venture	—	—	(9)
Payments for acquisition of property, plant and equipment	(410)	(466)	(1 132)
Payments for additions to intangible assets	—	(7)	(12)
Proceeds on disposal of property, plant and equipment and intangible assets	22	18	36
(Payments for)/proceeds from investments and loans	(38)	9	(105)
Interest received	57	52	116
Dividends received	3	21	92
Net cash from investing activities	(366)	(373)	(1 026)
Cash flows from financing activities			
Proceeds on disposal of treasury shares	1	—	1
Debt raised	834	1 000	1 000
Debt repaid	(857)	(392)	(2 108)
Payment for acquisition of non-controlling interests	—	—	(1)
Proceeds from issue of shares to non-controlling interests	—	—	9
Payment of principal elements of lease liabilities	(91)	(79)	(170)
Net cash from financing activities	(113)	529	(1 269)
Net (decrease)/increase in cash and cash equivalents	(67)	959	10
Cash and cash equivalents at the beginning of the period	1 456	1 446	1 446
Cash and cash equivalents at the end of the period	1 389	2 405	1 456
Consisting of			
Cash on hand and balances with banks ²	1 390	2 413	1 456
Bank overdrafts	(1)	(8)	—
	1 389	2 405	1 456

1. Health Partners for Life Broad-based Black Economic Empowerment.

2. Includes restricted cash balances of R381 million (March 2021: R356 million; September 2021: R356 million).

Condensed Group statement of changes in equity

Rm	Ordinary share capital	Treasury shares	Cash flow hedge accounting reserve
Balance at 1 October 2020	4 297	(3 851)	(106)
Share-based payment reserve movements	—	—	—
Preference dividends paid	—	—	—
Ordinary dividends paid	—	—	—
Distributions to beneficiaries of the HPFL B-BBEE trusts ¹	—	—	—
Other reserve movements	—	—	—
Total comprehensive income for the period	—	—	51
Profit for the period	—	—	—
Other comprehensive income	—	—	51
Balance at 31 March 2021	4 297	(3 851)	(55)
Sale of treasury shares	—	2	—
Transfer ²	—	292	—
Share-based payment reserve movements	—	—	—
Preference dividends paid	—	—	—
Ordinary dividends paid	—	—	—
Other reserve movements	—	—	—
Tax recognised in equity	—	—	—
Changes in equity interest in subsidiaries	—	—	—
Total comprehensive income for the period	—	—	24
Profit for the period	—	—	—
Other comprehensive income	—	—	24
Balance at 30 September 2021	4 297	(3 557)	(31)
Share based payment reserve	—	—	—
Preference dividend paid	—	—	—
Dividends paid	—	—	—
Distributions to beneficiaries of the HPFL B-BBEE trusts ¹	—	—	—
Tax recognised in equity	—	—	—
Sale of treasury shares	—	1	—
Total comprehensive income for the period	—	—	26
Profit for the period	—	—	—
Other comprehensive income	—	—	26
Balance at 31 March 2022	4 297	(3 556)	(5)

1. Health Partners for Life Broad-based Black Economic Empowerment.

2. Transfer of treasury shares and share-based payment reserve in respect of vested shares.

Share-based payment reserve	Retained earnings	Equity attributable to owners of the parent	Preference share capital and premium	Non- controlling interest	Total share- holders' equity
889	7 894	9 123	644	32	9 799
12	—	12	—	—	12
—	—	—	(20)	—	(20)
—	—	—	—	(12)	(12)
—	(1)	(1)	—	—	(1)
1	(2)	(1)	—	4	3
—	351	402	20	4	426
—	351	351	20	4	375
—	—	51	—	—	51
902	8 242	9 535	644	28	10 207
—	—	2	—	—	2
(471)	179	—	—	—	—
14	—	14	—	—	14
—	—	—	(19)	—	(19)
—	—	—	—	(7)	(7)
(1)	(4)	(5)	—	4	(1)
—	(1)	(1)	—	—	(1)
—	10	10	—	—	10
—	354	378	19	(13)	384
—	379	379	19	(13)	385
—	(25)	(1)	—	—	(1)
444	8 780	9 933	644	12	10 589
19	—	19	—	—	19
—	—	—	(19)	—	(19)
—	(457)	(457)	—	(7)	(464)
—	(4)	(4)	—	—	(4)
—	(1)	(1)	—	—	(1)
—	—	1	—	—	1
—	409	435	19	14	468
—	415	415	19	14	448
—	(6)	20	—	—	20
463	8 727	9 926	644	19	10 589

Headline earnings

Rm	Unaudited six months ended		Year ended
	31 March 2022	31 March 2021	30 September 2021
Reconciliation of headline earnings			
Profit for the period	448	375	760
<i>Adjusted for:</i>			
Dividends paid on shares attributable to the Forfeitable Share Plan and HPFL B-BBEE ¹ Trust units	(5)	—	—
Preference shareholders	(19)	(20)	(39)
Non-controlling interest	(14)	(4)	9
Profit for the purposes of basic and diluted earnings per share	410	351	730
<i>Adjusted for:</i>			
Recognition of impairment of property, plant and equipment in operating profit and equity accounted earnings	19	2	75
Reversal of impairment of property, plant and equipment	(4)	—	—
Net loss on disposal of property, plant and equipment and intangibles	1	2	5
Recognition of impairment of intangible assets in operating profit and equity accounted earnings	—	1	13
Tax effect of headline adjusting items	—	(1)	(1)
Headline earnings	426	355	822

1. Health Partners for Life Broad-based Black Economic Empowerment.

	Unaudited six months ended		Year ended
	31 March 2022	31 March 2021	30 September 2021
Rm			
Adjusted headline earnings			
Headline earnings	426	355	822
<i>Adjusted for:</i>			
Ineffectiveness losses on cash flow hedges	—	—	1
De-designation of portion of hedging instrument	—	—	1
Fair value gains on derivative financial instruments	(3)	(3)	(3)
Amortisation of cash flow hedge accounting reserve	5	7	14
Reversal of loan impairment	—	(11)	(11)
Recognition of loan impairment	19	18	9
Net impact of Lesotho PPP ¹ termination	—	—	35
Tax rate change	24	—	—
Tax effect of adjusting items	(1)	(1)	32
Adjusted headline earnings	470	365	900
Cents			
Headline earnings per share	31.9	26.6	61.5
Diluted headline earnings per share	31.7	26.4	61.2
Adjusted headline earnings per share	35.2	27.3	67.4
Diluted adjusted headline earnings per share	35.0	27.2	67.0

1. Public Private Partnership

Adjusted headline earnings per share is a measurement used by the chief operating decision maker as a key measure of sustainable earnings from trading operations. The calculation of adjusted headline earnings per share excludes non-trading and/or non-recurring items, and is based on the adjusted profit attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the year. The presentation of adjusted headline earnings is not an IFRS requirement, nor a JSE Listings Requirement.

Adjusted headline earnings represent headline earnings which have been adjusted for specific items of a non-trading and/or non-recurring nature, and could include the following:

- Gains or losses on financial instruments;
- Impairments and reversal of impairments on loans;
- Acquisition costs;
- Regulatory inquiry costs;
- Onerous lease provisions;
- Significant restructuring costs;
- New business development costs;
- Realisation of reserves through profit or loss;
- B-BBEE transaction costs;
- Changes in tax rates;
- Other non-trading items; and
- Other non-recurring items.

Condensed segment report

Rm	Hospital and pharmacy operations	Non-acute services	Hospital and emergency services	Primary Care	Inter-segment elimination ¹	Total
31 March 2022						
Statement of profit or loss						
Revenue	9 381	627	10 008	309	(6)	10 311
EBITDA²	1 470	73	1 543	71	—	1 614
Operating profit	1 022	(15)	1 007	25	—	1 032
Additional segment information						
Impairment of property, plant and equipment	(15)	—	(15)	(4)	—	(19)
Reversal of impairment of property, plant and equipment	2	2	4	—	—	4

1. Relates to revenue earned in the Hospital and emergency services segment.

2. Earnings before interest, tax, depreciation and amortisation.

Hospital and emergency services

This segment is further disaggregated into Hospital and pharmacy operations, covering our private acute hospital network and day clinics, and non-acute services. The non-acute services include emergency medical services, the operation of private mental health clinics, the sale of healthcare products and vouchers and cancer care services.

Primary Care

This segment offers comprehensive primary healthcare services, employee health and wellness services and administrative services to medical and dental practices.

Rm	Hospital and pharmacy operations	Non-acute services	Hospital and emergency services	Primary Care	Inter-segment eliminaton ¹	Total
31 March 2021						
Statement of profit or loss						
Revenue	9 259	535	9 794	293	(6)	10 081
EBITDA²	1 398	41	1 439	54	—	1 493
Operating profit	948	(43)	905	10	—	915

1. Relates to revenue earned in the Hospital and emergency services segment.

2. Earnings before interest, tax, depreciation and amortisation.

The March 2021 segment report has been restated to reflect the impact of strategic new businesses into non-acute services. These were previously reflected under Hospital and pharmacy operations.

Rm	Hospital and pharmacy operations	Non-acute services	Hospital and emergency services	Primary Care	Inter-segment eliminaton ¹	Total
30 September 2021						
Statement of profit or loss						
Revenue²	19 465	1 152	20 617	595	(12)	21 200
EBITDA³	3 040	80	3 120	124	—	3 244
Depreciation and amortisation	(896)	(184)	(1 080)	(88)	—	(1 168)
Operating profit	2 144	(104)	2 040	36	—	2 076
Additional segment information						
Impairment of property, plant and equipment	(57)	(16)	(73)	—	—	(73)

1. Relates to revenue earned in the Hospital and emergency services segment.

2. Hospital and pharmacy operations includes R195 million relating to revenue recognised on the Lesotho Public Private Partnership termination.

3. Earnings before interest, tax, depreciation and amortisation.

Notes to the condensed unaudited interim Group financial statements

1. Basis of preparation and accounting policies

The condensed unaudited interim Group financial statements for the six months ended 31 March 2022 have been prepared in compliance with the Listings Requirements of the JSE Limited, the requirements of International Accounting Standards (IAS) 34: *Interim Financial Reporting*, the South African Institute of Chartered Accountants Financial Reporting Guidelines as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act, No. 71 of 2008.

All accounting policies and methods of computation applied in the preparation of these results are in accordance with IFRS. All policies are consistent in all material respects with those applied in the audited financial statements for the year ended 30 September 2021.

The interim results have not been reviewed or audited by the Group's independent external auditors, Deloitte & Touche.

These condensed unaudited interim financial statements were compiled under the supervision of Mr KN Gibson (CA)SA, Group Chief Financial Officer.

Rm	Unaudited six months ended		Year ended
	31 March 2022	31 March 2021	30 September 2021
2. Operating profit	1 032	915	2 076
After including:			
Depreciation and amortisation	(582)	(578)	(1 168)
Depreciation and amortisation – excluding items below	(380)	(389)	(779)
Depreciation of right of use assets	(198)	(184)	(378)
Amortisation of cash flow hedge accounting reserve	(4)	(5)	(11)
Impairment of property, plant and equipment	(19)	—	(73)
Reversal of impairment of property, plant and equipment	4	—	—
Impairment of financial assets	(95)	(50)	(188)
Movements in expected credit losses and bad debts related to trade and other receivables	(76)	(43)	(157)
Impairment of loans	(19)	(18)	(31)
Reversal of impairment of loans	—	11	—
Operating lease charges	(91)	(92)	(184)
Net loss on disposal of property, plant and equipment	(1)	(2)	(5)

Operating profit is defined as the profit generated from the core business activities of the Group. Operating profit is derived after general and administrative expenses, including impairment of financial assets, have been deducted from gross profit and other income. Operating profit excludes investment income, and is stated before finance costs and other net financial gains/losses are added/deducted. Due to their nature, these items are not classified as being part of the core operating activities of the Group.

Operating profit only includes profit from entities which are controlled by the Group in accordance with IFRS 10: *Consolidated Financial Statements*, and excludes amounts from entities where we share control or have significant influence. The Group therefore does not include its share of earnings/losses of associates and joint ventures in operating profit, as there is no control over the investing, financing and operating decisions of these entities.

Revenue, income or expense items that would otherwise be presented within gross profit or operating profit, are separately disclosed and appropriately described when, by virtue of their nature or amount, they require separate disclosure on the statement of profit or loss.

Notes to the condensed unaudited interim Group financial statements continued

	<i>Unaudited six months ended</i>		<i>Year ended</i>
	31 March 2022	31 March 2021	30 September 2021
Rm			
3. Finance costs			
Interest on bank loans and other	(51)	(102)	(189)
Interest on promissory notes	(148)	(134)	(284)
Interest expense on lease liabilities	(189)	(184)	(371)
Total funding finance costs	(388)	(420)	(844)
Amortisation of cash flow hedge accounting reserve	(1)	(2)	(3)
Post-employment benefit plan finance costs	(27)	(25)	(56)
	(416)	(447)	(903)
4. Taxation			
South African normal and deferred taxation			
Current year	(195)	(165)	(431)
Rate change	(24)	—	—
Prior years	(2)	—	15
	(221)	(165)	(416)
Foreign normal and deferred taxation			
Current year	(1)	(2)	—
Prior years	(4)	—	—
Total taxation per the statement of profit or loss	(226)	(167)	(416)
	<i>Unaudited</i>		
	31 March 2022	31 March 2021	30 September 2021
Rm			
5. Equity-accounted investments, loans and receivables			
Non-current			
Associated companies	218	394	239
Joint ventures	202	207	185
Other loans and receivables	236	176	219
	656	777	643
Current			
Loans and receivables	123	154	132
Total equity-accounted investments, loans and receivables	779	931	775

Rm	Level	Unaudited		
		31 March 2022	31 March 2021	30 September 2021
6. Financial assets/liabilities				
Non-derivative financial assets				
Investment in Cell Captive	2	—	—	4
Investment in equity instruments ¹	3	53	43	59
Derivative financial assets				
Interest rate swaps	2	10	8	4
		63	51	67
Included in:				
Non-current assets		60	50	63
Current assets		3	1	4
		63	51	67
Non-derivative financial liability				
Investment in Cell Captive	2	6	3	—
Derivative financial liabilities				
Interest rate swaps	2	12	69	40
Inflation rate swaps	2	13	24	19
Written put option over non-controlling interest	3	11	10	11
Contingent purchase consideration ²	3	—	12	—
		42	118	70
Included in:				
Non-current liabilities		10	56	32
Current liabilities		32	62	38
		42	118	70

1. The Group designates investments in equity instruments held at fair value through other comprehensive income.

2. In the prior year this amount related to ICAS Employee and Organisation Enhancement Services Southern Africa Proprietary Limited and was settled in May 2021.

Investment in equity instruments

The valuations are based on the estimated liquidation values determined for the net assets on the balance sheet of each entity. The main objective of these entities is the investment in start-up businesses. Given the difficulty in obtaining reliable forward-looking cash flow forecasts for these types of new businesses, it is challenging to determine a reliable fair value for the underlying investments, and therefore a liquidation basis approach to the valuation has been adopted.

Written put option over non-controlling interest

The fair value is driven by the annual rent of the entity in which shares will be purchased when the option is exercised, divided by an appropriate yield. The fair value of the put option is therefore directly impacted by fluctuations in the annual rent of the entity.

Notes to the condensed unaudited interim Group financial statements continued

6. Financial assets/liabilities continued

Analysis of movements in swap instruments

31 March 2022

Rm	Interest rate swaps	Inflation rate swaps	Total
Recognised in profit or loss			
Fair value movements ¹	(2)	—	(2)
Reclassification into profit or loss ²	(21)	(5)	(26)
	(23)	(5)	(28)
Recognised in other comprehensive income			
Fair value movements	10	—	10
Reclassification into profit or loss ²	21	5	26
	31	5	36
Cash flow hedge reserve			
Gross	1	6	7
Deferred tax	—	(2)	(2)
Net	1	4	5

1. Amounts included in Other financial (losses)/gains – net in the statement of profit or loss.

2. Amounts included in interest and depreciation.

31 March 2021

Rm	Interest rate swaps	Inflation rate swaps	Total
Recognised in profit or loss			
Reclassification into profit or loss ¹	(55)	(7)	(62)
	(55)	(7)	(62)
Recognised in other comprehensive income			
Fair value movements	8	—	8
Reclassification into profit or loss ¹	55	7	62
	63	7	70
Cash flow hedge reserve			
Gross	59	17	76
Deferred tax	(16)	(5)	(21)
Net	43	12	55

1. Amounts included in interest and depreciation.

6. Financial assets/liabilities continued

Analysis of movements in swap instruments continued

30 September 2021

Rm	Interest rate swaps	Inflation rate swaps	Total
Recognised in profit or loss			
De-designation of a portion of a hedging instrument ¹	(1)	—	(1)
Hedge ineffectiveness ¹	(1)	—	(1)
Reclassification into profit or loss ²	(88)	(14)	(102)
	(90)	(14)	(104)
Recognised in other comprehensive income			
Fair value movements	1	—	1
Reclassification into profit or loss	89	14	103
	90	14	104
Cash flow hedge reserve			
Gross	32	11	43
Deferred tax	(9)	(3)	(12)
Net	23	8	31

1. Amounts included in other financial losses – net in the statement of profit or loss.

2. Amounts included in interest and depreciation.

Fair value hierarchy

Financial instruments measured at fair value are grouped into the following levels based on the significance of the inputs used in determining fair value:

- Level 1: Fair value is derived from quoted prices (unadjusted) in active markets for identical instruments.
- Level 2: Fair value is derived through the use of valuation techniques based on observable inputs, either directly or indirectly.
- Level 3: Fair value is derived through the use of valuation techniques using inputs not based on observable market data.

The Group has no financial instruments measured at fair value categorised as Level 1. There were no transfers between categories in the current period.

Notes to the condensed unaudited interim Group financial statements continued

Rm	Unaudited		
	31 March 2022	31 March 2021	30 September 2021
7. Debt			
Long-term debt	4 963	6 437	4 936
Short-term debt	1 805	2 040	1 851
Total debt	6 768	8 477	6 787
Comprising:			
Unsecured liabilities			
Bank loans	1 488	2 627	1 502
Promissory notes and commercial paper in issue	5 275	5 845	5 280
Other	5	5	5
	6 768	8 477	6 787

Maturity profile¹

Rm	Total	<1 year	1 – 2 years	2 – 3 years	3 – 4 years	>4 years
31 March 2022	7 663	2 128	2 154	1 692	94	1 595
31 March 2021	9 350	2 453	3 594	2 027	1 276	—
30 September 2021	7 417	2 178	2 314	1 681	1 244	—

1. This maturity analysis includes the contractual undiscounted cash flows, represented by gross commitments, including finance charges. These amounts are different to those reflected in the statement of financial position, which are based on discounted cash flows.

Rm	Unaudited		
	31 March 2022	31 March 2021	30 September 2021
8. Commitments			
Authorised and contracted for			
Property, plant and equipment	627	582	518
Intangible assets	1	5	—
Equity investments	77	122	83
Authorised but not yet contracted for			
Property, plant and equipment	746	640	1 228
Intangible assets	—	7	—
Capital expenditure commitments	1 451	1 356	1 829

Rm	<i>Unaudited</i>		
	31 March 2022	31 March 2021	30 September 2021
9. Contingent liabilities			
Guarantee covering the obligation of an associate company	—	11	—
Guarantees in favour of municipalities and other beneficiaries	23	25	24

10. Related parties

Government Employee Pension Fund

At 31 March 2022 and 30 September 2021, the Government Employee Pension Fund (GEPF) held more than 20% of the voting rights in Netcare Limited, and are therefore presumed to have significant influence.

The Group has the following balances with the GEPF as at 31 March 2022, with detail of the associated transactions also included:

Rm	<i>Unaudited</i>	
	31 March 2022	30 September 2021
Right of use asset	10	11
Lease liability – long term	(10)	(11)
Lease liability – short term	(3)	(3)
Depreciation on right of use asset	(1)	(2)
Interest on lease liability	(1)	(1)

Notes to the condensed unaudited interim Group financial statements continued

11. Going concern

Since the emergence of COVID-19 in South Africa in early March 2020, trading circumstances have changed dramatically, resulting in increased levels of uncertainty prevalent in the global and domestic economies, the healthcare sector and Netcare specifically. This heightened uncertainty has predicated a need to consider, in line with remodelled existing forecasts, the going concern assertion applicable to the Group.

Netcare achieved an improved performance in the six months ended 31 March 2022, despite the impact of highly transmittable COVID-19 variants and rolling waves which affected the Group's ability to recover to pre-pandemic levels. Netcare remains in a healthy financial position with acceptable levels of gearing as reflected by its net debt to EBITDA coverage of 1.7 times. Cash balances and available committed undrawn facilities amount to R3.4 billion which will ensure the availability of liquidity for the foreseeable future. The forecast prepared for the 2022 year represents a recovery period as the impact of COVID-19 waves continue to affect profitability, and the Group's strategic projects gather momentum. However, improved profitability and cash generation is expected, with a return to pre-COVID-19 profitability levels expected thereafter within the five-year forecast period. On this basis the Board is confident in the ability of the Group to continue as a going concern for the foreseeable future.

12. Events after the reporting period

Shareholders are advised that an ordinary dividend of 20.0 cents per share has been declared by the Board of Netcare Limited on 19 May 2022.

The directors are not aware of any other matters or circumstances arising since the end of the reporting period, not otherwise dealt with in the Group's unaudited interim financial statements, which significantly affect the financial position at 31 March 2022 or the results of its operations or cash flows for the period then ended.

Salient features

	Unaudited		
	31 March 2022	31 March 2021	30 September 2021
Share statistics			
Ordinary shares			
Shares in issue (million)	1 439	1 439	1 439
Shares in issue net of treasury shares (million)	1 337	1 336	1 337
Weighted average number of shares (million)	1 337	1 336	1 336
Diluted weighted average number of shares (million)	1 342	1 343	1 344
Market price per share (cents)	1 610	1 425	1 620

Corporate information

Netcare Limited

Registration number: 1996/008242/06
(Incorporated in the Republic of South Africa)
JSE ordinary share code: NTC
ISIN: ZAE000011953
JSE preference share code: NTCP
ISIN: ZAE000081121
("Netcare" or the "Company")

Registered office

76 Maude Street (corner West Street),
Sandton 2196, Private Bag X34
Benmore 2010

Executive directors

RH Friedland (Chief Executive Officer)
KN Gibson (Chief Financial Officer)

Non-executive directors

T Brewer (Chair), MR Bower, B Bulo,
L Human, D Kneale, MJ Kuscus, T Leoka,
KD Moroka, R Phillips

Company Secretary

Charles Vikisi

Sponsor

Nedbank Corporate and Investment Banking,
a division of Nedbank Limited
135 Rivonia Road
Sandown, 2196

Transfer secretaries

4 Africa Exchange Registry (Pty) Ltd
Cedar Woods House
Ballywoods Office Park
33 Ballyclare Drive
Bryanston
Tel: 011 100 8352

Investor relations

ir@netcare.co.za

Disclaimer

Certain statements in this document constitute 'forward-looking statements'. Forward-looking statements may be identified by words such as 'believe', 'anticipate', 'expect', 'plan', 'estimate', 'intend', 'project', 'target', 'predict' and 'hope'. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, involve known and unknown risks, uncertainties and other facts or factors which may cause the actual results, performance or achievements of the Group, or the healthcare sector to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future performance and are based on assumptions regarding the Group's present and future business strategies and the environments in which it operates now and in the future. No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements.

Any forward-looking information contained in this announcement/presentation has not been reviewed or reported on by the company's external auditors.

Forward-looking statements apply only as of the date on which they are made, and Netcare does not undertake other than in terms of the Listings Requirements of the JSE Limited, to update or revise any statement, whether as a result of new information, future events or otherwise.

The normalised information has been prepared for illustrative purposes only, is the responsibility of the directors, has not been reviewed or reported on by the external auditors and, because of its nature, may not fairly represent Netcare's financial position.

www.netcare.co.za

Investor relations: ir@netcare.co.za