

NETCARE LIMITED
(Registration number 1996/008242/06)
JSE ordinary share code: NTC
ISIN: ZAE000011953
JSE preference share code: NTCP
ISIN: ZAE000081121
("Netcare")

COMPETITION TRIBUNAL APPROVES NETCARE'S ACQUISITION OF AKESO

On 21 November 2016, Netcare announced the proposed acquisition of Akeso Clinics (Akeso) ("the Transaction"), a group of 12 dedicated mental healthcare facilities, comprising 811 beds and located in various parts of South Africa, including Cape Town, George, Johannesburg, Pretoria, Nelspruit, Umhlanga and Pietermaritzburg.

The Transaction was subject to various regulatory approvals, including the approval of the Competition Tribunal ("the Tribunal"). Following numerous constructive engagements, a joint proposal by the merging parties and the Competition Commission was made to the Tribunal that the Transaction be approved subject to certain conditions, including Netcare's disposal of the Netcare Rand Hospital and the Netcare Bell Street Hospital.

On 16 March 2018 the Tribunal approved the merger, and the Transaction will accordingly be implemented.

The Transaction's purchase consideration totals R1.3 billion and Netcare will utilise existing resources in making this payment.

Akeso was established during 2008 following the acquisition of the Crescent Clinic in Randburg. Akeso opened its first greenfield hospital in Pietermaritzburg in March 2011, followed by Akeso Alberton in September 2011 and Akeso Parktown in March 2012. It acquired Akeso Kenilworth in March 2013, Akeso Stepping Stones (Kommetjie) in September 2014, Akeso Montrose (Bishops Court) in March 2015 and Akeso George in November 2015. It has subsequently opened new hospitals in Milnerton in September 2015, Umhlanga in December 2015 and Nelspruit in June 2017. The newly constructed facility in Arcadia opened on 31 January 2018. Akeso has grown from 85 beds in 2011 to its current 811 beds.

The Akeso management team has made an important contribution to the provision of a multi-disciplinary approach to mental health and psychiatric care in South Africa and, strategically, this is an ideal fit for the Netcare business. Akeso's co-founder, Allan Sweidan, will continue to manage the business within Netcare.

Netcare does not currently have bespoke or dedicated mental health or psychiatric facilities and has recognised the growing demand for the treatment of mental health conditions. The Transaction provides Netcare with an excellent and established platform from which to expand its mental health offering. The Transaction will enable Netcare to invest in a successful model, which has been developed by Akeso and to assist in expanding the footprint of the Akeso group.

Johannesburg
19 March 2018
Sponsor
Deutsche Securities (SA) Proprietary Limited