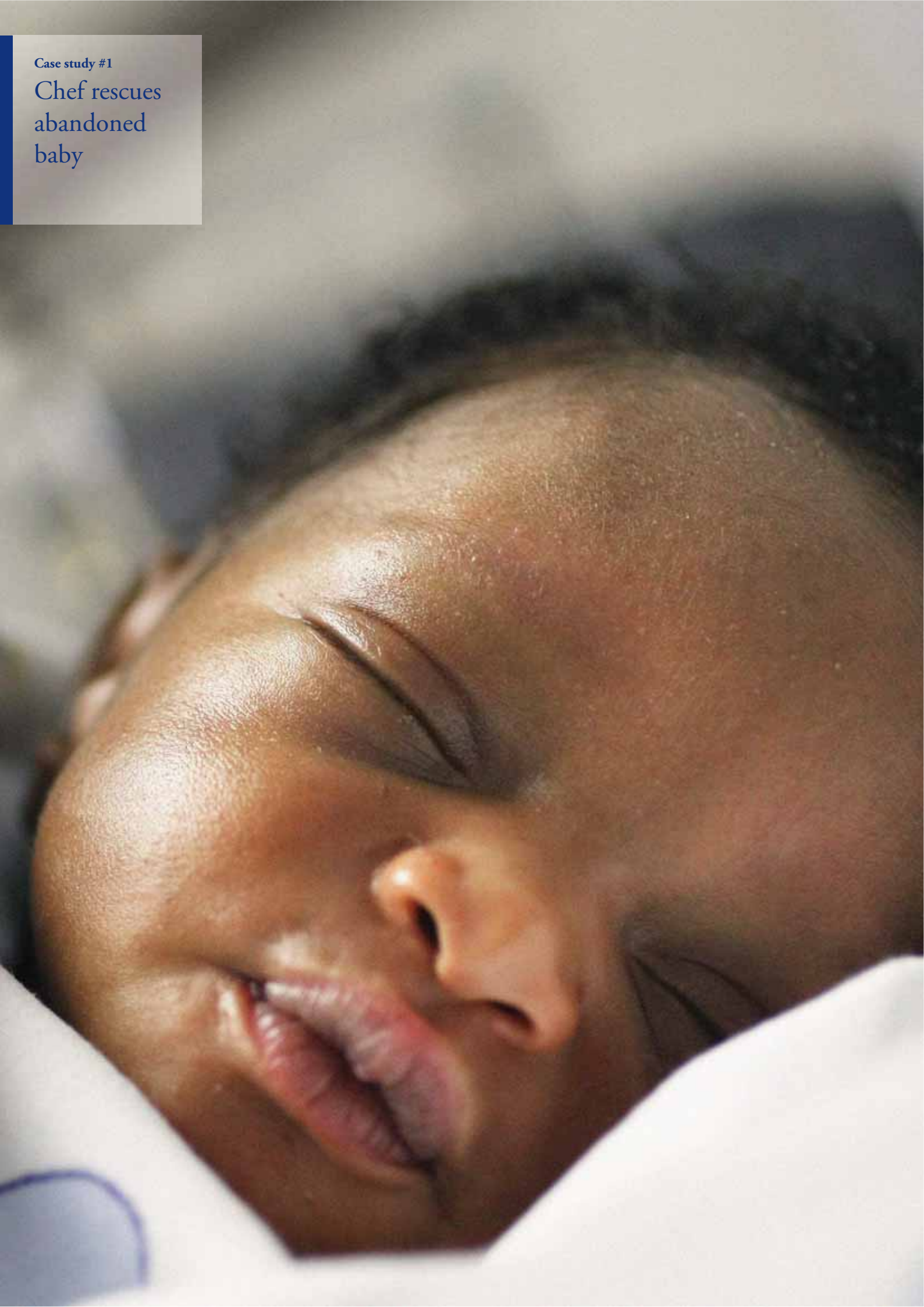


Case study #1

Chef rescues abandoned baby



Netcare's core value of **CARE** is evident in the dedication of our nurses, the expertise of our doctors and the support we provide for the wellbeing of our people. It is also seen in the efficiency at reception, the diligence of cleaning staff, and meals prepared with mindfulness and care.

It was this same senses of care and compassion that led Obvious Ncube to follow the sound of a baby crying when arriving at work in September 2009. A chef at Netcare Garden City Hospital, Obvious found this newborn baby abandoned in the bushes just outside the hospital grounds, wrapped only in a jacket.

He immediately held the cold and hungry infant close to his chest to warm him as he hurried to the emergency ward. Paediatrician Daisy Mokwele quickly treated the baby for hypothermia, with his crying and kicking being a good sign that Obvious had found him in time. The baby is now well and thriving after being abandoned for six long hours.

Netcare's values call for thoughtfulness and attention that extends beyond the boundaries of job description and shift. We are justifiably proud of the care shown by Obvious.

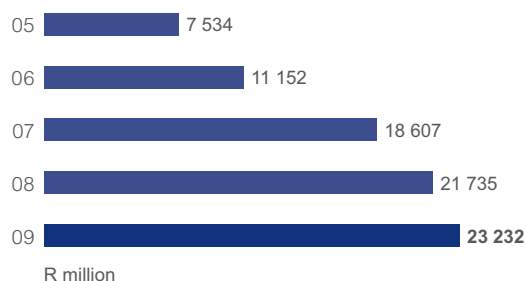
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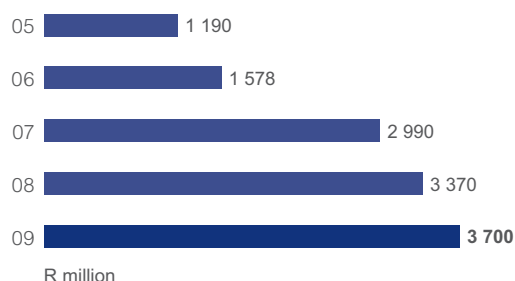
Highlights

Financial highlights

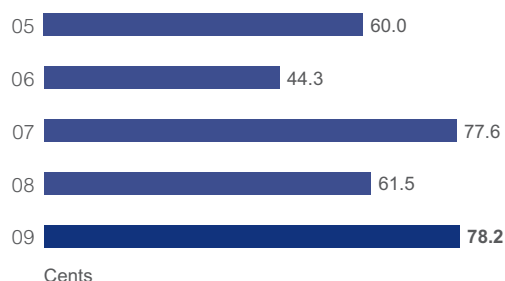
Revenue



Operating profit



Basic headline earnings per share



Group summary

Rm	2009	2008	% change
Revenue	23 232	21 735	6.9
EBITDA	4 927	4 614	6.8
Operating profit	3 700	3 370	9.8
Headline earnings ¹	988	775	27.5
Total assets	45 937	54 182	(15.2)
Cash generated from operations ¹	4 640	4 663	(0.5)
Basic earnings per share (cents) ¹	123.8	63.5	95.0
Basic headline earnings per share (cents) ¹	78.2	61.5	27.2
Capital reduction per share (cents)	38.0	32.0	18.8

¹ Including discontinued operation.

Operational highlights

4.9%

4.9% increase in patient days in SA

7.8%

7.8% growth in overall caseload in the UK

15.1%

15.1% increase in Netcare 911 total lives under management

9.0%

9.0% increase in Primary care managed lives

Strategic highlights

4

Four sites added in the UK – two hospitals, a radiosurgery centre and a primary care centre

50%

Completed sale of 50% interest in Ampath Holdings Trust

PPP

Commenced construction of Lesotho Public Private Partnership (PPP)

436 million

436 million treasury shares repurchased and cancelled

Sustainability highlights

5th

Ranked fifth in the Large Companies category of the 2009 Deloitte Best Company to Work For Survey in SA

14th

Attained 14th position in the Carbon Disclosure Project (CDP) Carbon Leadership Index in SA

11th

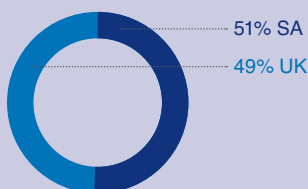
Ranked 11th overall in the Financial Mail's Top Empowerment Companies (TEC) 2009 Survey

3rd

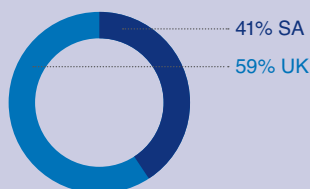
Ranked third overall in skills development and training in the TEC 2009 survey

Group at a glance

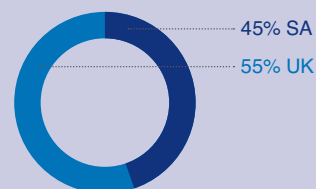
Contribution to revenue



Contribution to EBITDA



Contribution to operating profit



South Africa

Rm	2009	2008	% change
Revenue	11 832	10 385	13.9
EBITDA	2 018	1 739	16.0
EBITDA margin (%)	17.1	16.7	

United Kingdom

Rm	2009	2008	% change
Revenue	11 400	11 350	0.4
EBITDA	2 919	2 885	1.2
EBITDA margin (%)	25.6	25.4	

Hospital and Emergency services

- 54 private hospitals
- 8 766 registered beds
- 4.3% increase in patient admissions
- 194 684 dispatched Netcare 911 calls
- 239 emergency vehicles



Private hospital services

- 57 acute care private hospitals
- 2 878 registered beds
- 261 166 patient admissions
- 1 135 010 outpatients attended to



Primary care services

- 83 Medicross Health Centres
- 24 Prime Cure Clinics
- 41 Pharmacross retail pharmacies
- 3.7 million patient visits
- 256 243 managed care lives



NHS services

- 2 surgical centres
- 35 533 patients treated at Commuter Walk-in Centre



Performance against targets

		South Africa	United Kingdom ¹
Revenue growth (%)	Target 2009 Actual 2009 Objective 2010	> 10 13.9 7 – 10	5 – 7 7.6 Flat
EBITDA margin (%)	Target 2009 Actual 2009 Objective 2010	17 – 18 17.1 17 – 18	> 25 25.6 25 – 26
CFROI [®] (%) ²	Target 2009 Actual 2009	> 12.5 15.1	Not applicable for UK
Capital expenditure (Rm/£m)	Target 2009 Actual 2009 Objective 2010	700 747 800	50 47³ 55
Net debt: EBITDA (times)	Target 2009 Actual 2009 Objective 2010	< 1.8 1.9 < 1.6	< 8 8.9 < 8.5
		Group	
Cash conversion to EBITDA ratio (%)	Target 2009 Actual 2009 Objective 2010	> 90 94.2 > 90	

¹ Based on British pound figures.

² The measurement of this objective will be discontinued from 2010.

³ Including computer software disclosed with intangible assets.

Investment proposition

Sector leadership

- Largest private healthcare company in SA.
- General Healthcare Group (GHG) is the leading private acute care operator in the UK under the BMI Healthcare brand.

Shareholder wealth creation

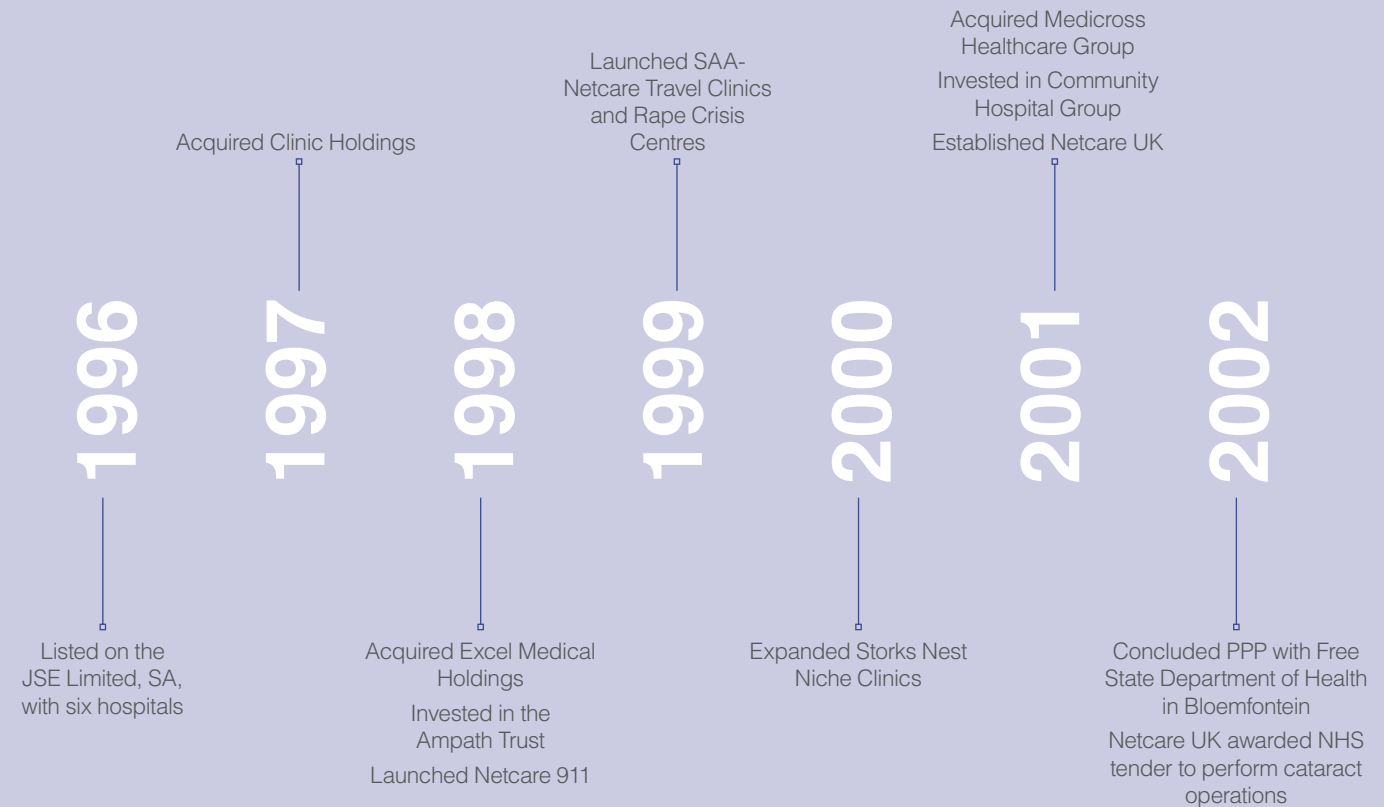
Our growth over the last five years:

- 32.5% compound annual growth in revenue;
- 30.3% compound annual growth in cash generated from operations; and
- 8.7% compound annual growth in capital reductions paid.

Human capital

- Experienced management team.
- Employer of choice.
- Significant investment in staff training.

Netcare history

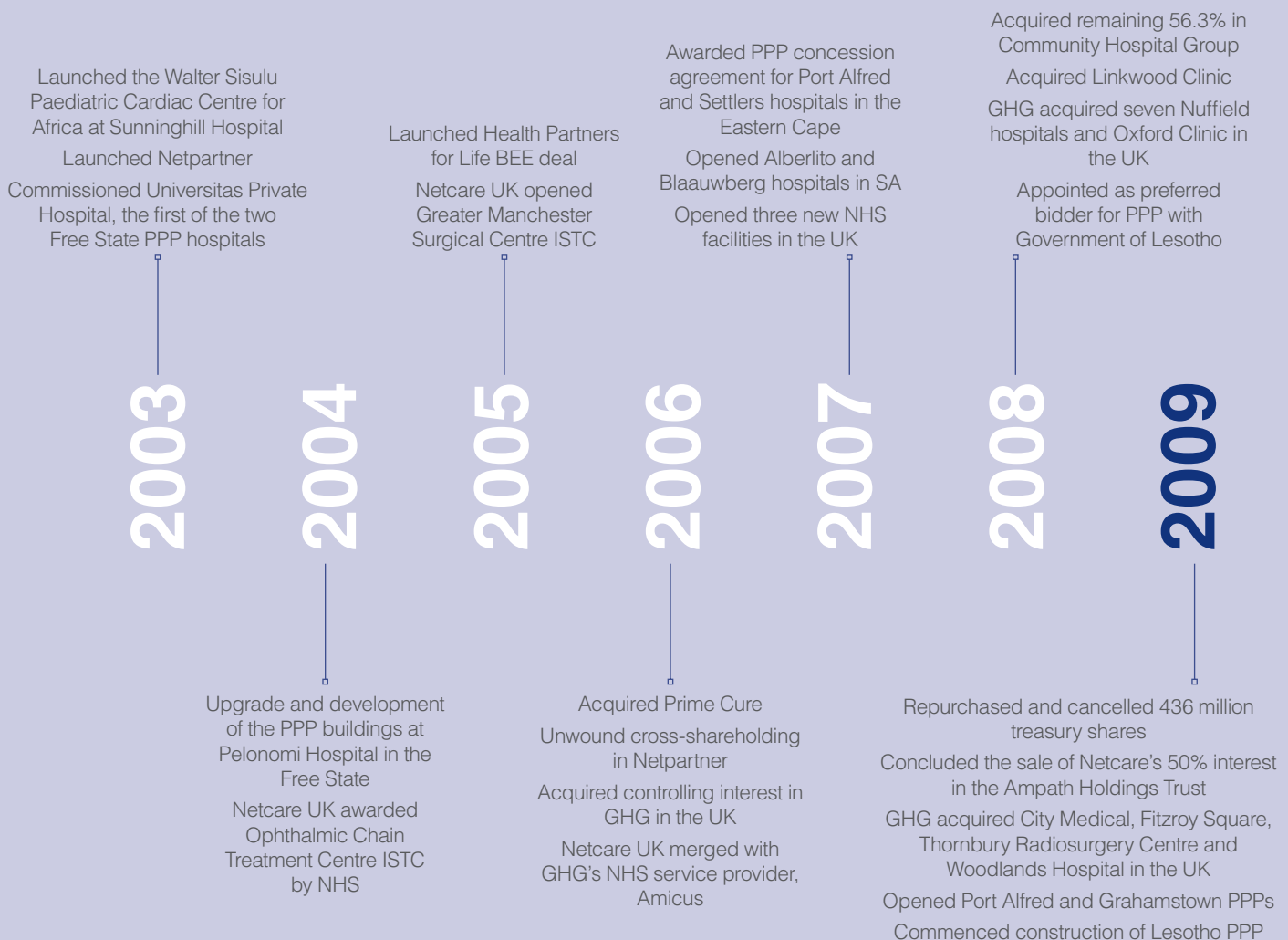


Corporate governance and compliance

- Compliant with King II and JSE Listings Requirements.
- Included in the JSE SRI Index.
- Board structure has a strong independent component.

Sustainability

- Committed to development of products for low-income earners and affordable healthcare.
- Continued focus on black economic empowerment (BEE).
- Active social investment programme.
- Commitment to minimising environmental impact.



Our essence

Our core purpose

Helping care for the health of humankind.

Our long-term goal

To become the leading African healthcare group best known for:

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

Our vision

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

Our values

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



The creative, passionate and innovative drive to do things better than before – to develop and implement successful healthcare solutions for all.



The crucial element in building relationships that work. Open communication with honesty and integrity is essential.



The foundation of our business. The professional, ethical patient care and services we offer at every level of the organisation.



An acknowledgement of the uniqueness of individuals. A commitment to care with the qualities of respect and understanding.



The willingness and desire to work in productive and creative partnerships with others and the commitment to communicate.

Our strategy

Netcare has a clear strategic focus which underpins our core purpose and vision. We embrace six strategic pillars:

Strategic pillar

Objective

Organisational growth

- Identifying opportunities for growth within our existing operations.
- Engaging with government in SA on further partnership initiatives.
- Becoming a provider of choice to the NHS in the UK.
- Expanding our network of hospitals and multi-disciplinary facilities.

Operational excellence

- Focusing on excellence.
- Enhancing operational efficiency.
- Containing costs without compromising quality.
- Developing affordable healthcare services.

Our achievements in 2009

- Acquired Woodlands Hospital in Darlington, UK, adding 38 beds.
- Acquired Fitzroy Square in the UK, with eight consulting rooms as well as a major and minor operating centre.
- Acquired Thornbury Radiosurgery Centre, a joint venture between GHG and the Centre's consultants.
- Acquired City Medical, a consultation and general surgery centre in central London, UK.
- Commenced construction of the 425-bed Lesotho Hospital PPP.
- Opened Port Alfred and Grahamstown Hospital PPPs.

- A further six hospitals received International HAQU (UK) accreditation.
- Netcare Sunninghill Hospital awarded Diamond Arrow Award (top PMR Africa Award in the Private Hospital Leaders and Achievers category) for doing the most in their sector to stimulate economic growth and development of the City of Johannesburg.
- Netcare Milpark Hospital in SA was voted best private hospital in The Star's Readers Choice 2009 awards.
- 12 BMI hospitals listed in the Nursing Times Top 100 for 2009.

Physician partnerships

- Attracting and retaining the best physicians.
- Developing physician networks and assisting physicians in their professional development.
- Creating and maintaining facilities and equipment to ensure best clinical outcomes.

- Attracted 131 new physicians to South African facilities.
- Services rated 75% satisfactory by specialists with privileges in SA.
- Research confirms BMI is "The Consultants' Choice", with more consultants choosing to work at our hospitals than any other independent provider.
- A primary care team established within BMI to build strong relationships with GPs.
- "GP hotline" launched in the UK for easy referrals of patients to a BMI hospital.

Best and safest patient care

- Ensuring patients receive the best and safest care.
- Removing the variability of service offerings and increasingly defining clinical pathways under a clinical governance programme.
- Defining clinical protocols.

- New patient satisfaction scorecards at SA hospitals and emergency departments, with current rating of 88% patient satisfaction.
- First transcatheter aortic valvular implantation procedures completed at Netcare Sunninghill Hospital in SA.
- The Craniofacial programme, a joint initiative with the Vodacom Foundation based at Netcare Sunninghill Hospital, was the Hospital Association of SA's national winner in the National Awards of Excellence.
- GHG one of first independent operators to publish "Quality Accounts" to communicate patient satisfaction levels, clinical outcomes and infection control.
- 99% of UK patients would recommend BMI hospitals.

Growing with passionate people

- Attracting and retaining skills.
- Providing training and development opportunities.
- Recognising and rewarding performance.
- Being an employer of choice.

- 3 949 nurses and paramedics trained in SA.
- 334 management staff completed Management Development Programmes in SA.
- Fifth place in the Large Companies category of the Deloitte Best Company to Work For Survey.
- Netcare ranked third overall in skills development and training in the Top Empowerment Companies (TEC) 2009 survey.
- New programme created for Health Care Assistants in the UK, which blends classroom and practical training. Over 1 000 days of clinical training were delivered through this programme.
- Delivered over 2 000 days of management, leadership and commercial development programmes for middle management in the UK.

Accelerating transformation

- Embracing transformation and normalisation.
- Fulfilling the requirements of the Broad-based Black Economic Empowerment (B-BBEE) Codes of Good Practice.
- Supporting Netcare's BEE strategy.

- Most empowered company in JSE health sector and 11th overall in TEC 2009 survey.
- Maintained Level 3 B-BBEE accreditation (dti) and Empowerdex AA rating.
- 64.7% of SA employees are black and 52.4% are black women.
- Significant increase in BEE procurement to 80.7%.
- Netcare SA's corporate social investment is 4.2% of profit after taxation from continuing operations.
- PPP projects in the Eastern Cape with the Department of Health and the private consortium Nalithemba are underway.

Board of directors



Executive directors

1. RH (Richard) Friedland (48)

Group Chief Executive Officer

Qualifications: BvSc, MBBCh, Dip Fin Man, MBA
Appointed: 15 May 1997

Prior to joining Netcare, Richard was Operations Director of Medicross responsible for overall operations and establishing the medical centres on a national basis. He joined Netcare early in 1997 as Chief Operating Officer to lead the transformation and re-engineering of the businesses. He established Netcare UK and was CEO of the Netcare International Division from 2002 until August 2005. He was appointed CEO of the Netcare Group on 1 September 2005.

2. VE (Vaughan) Firman (46)

Group Chief Financial Officer

Qualification: BAcc, CA(SA), HDip Tax Law
Appointed: 12 February 2009

Vaughan joined Netcare in January 2004 and was appointed Financial Director of Netcare SA in June 2006. He was appointed as a director and Chief Financial Officer of Netcare on 12 February 2009. Prior to joining Netcare, he held senior financial positions with Southern Sun and Barloworld Limited.

3. IM (Ingrid) Davis (56)

Group Pharmacy and Procurement Director

Qualifications: Dip Pharm (MPS)
Appointed: 6 November 1999
Resigning: 31 December 2009

Ingrid has more than 20 years experience as a qualified pharmacist in the private hospital industry. Besides being the Group Pharmacy Director, she is also responsible for managing various hospitality and allied divisions within the Group.

4. VLJ (Victor) Litlhakanyane (45)

Group Stakeholder Relations Director

Qualifications: MBChB, M Med (Radiotherapy), MBA
Appointed: 1 December 2004

Prior to assuming an executive directorship at Netcare, Victor was the Superintendent General, Department of Health, Free State province. He is registered with the Health Professional Council of SA as a medical practitioner and radiation oncology specialist, and is a member of the Council of the University of the Free State and the College of Radiation Oncologists. In addition, he serves as a technical adviser to the World Health Organisation World Alliance for Patient Safety.

Non-executive directors

5. SJ (Jerry) Vilakazi (48)*

Chairman

Qualifications: BA (Unisa), MA (Thames Valley), MA (London) and MBA (California Coast University)
Appointed: 1 June 2008

Jerry is Chief Executive Officer of Business Unity South Africa. He was previously Managing Director of the Black Management Forum, executive director of the South African Institute of Chartered Accountants, Public Service Commissioner, Chief Director for strategic planning at the Department of Home Affairs, and Deputy Director, affirmative action, in the Department of Public Service and Administration. He is also Chairman of the Mpumalanga Gaming Board and a director of BMF Investment Company, Computershare and ExecuPrime.

6. APH (Azar) Jammine (60)*

Nominations Committee Chair

Qualifications: BSc (Hons), BA (Hons), MSc, PHD
Appointed: 14 December 1998

Azar has been a director and Chief Economist of Econometrix since 1985 and is a non-executive director of Federated Employers Mutual, AMB Holdings, Iron Fireman and General Healthcare Group in the UK.



7. JM (Meyer) Kahn (70)*

Risk Committee Chair

Qualifications: BA (Law), MBA, DCom (hc), SOE
Appointed: 14 April 2000

Meyer is currently the Chairman and former group Managing Director of SABMiller Plc. He served two and a half years as Chief Executive of the South African Police Service. He is also a director of various other companies and trustee of numerous organisations.

8. MJ (Martin) Kuscus (54)*

Quality Assurance and Clinical Risk Audit Committee Chair

Qualifications: BA Cur, Dip Company Direction, EDP (Harvard)
Appointed: 1 July 2008

Martin is an independent businessman active in the resource, technology and financial services industry. Prior to this, he served as President and CEO of the South African Bureau of Standards for five years. His career in Health Services and Provincial Government Finance spans almost three decades. In 2004, he was appointed as a Commissioner on the Financial and Fiscal Commission. In 2006, he was elected to the Council for the International Standards Organisations (ISO) and is also a member of the PRI Board,

a UN Global Compact Initiative on Responsible Investment. He was also Chairperson of the Board of Trustees for the Government Employees Pension Fund until July 2009.

9. HR (Hymie) Levin (64)

Audit Committee Chair

Qualifications: BCom, LLB, LLM, HDip Tax Law, HDip Co Law
Appointed: 16 November 1996

Hymie is a specialist corporate and tax lawyer. He is the Senior Partner of HR Levin Attorneys and his experience spans more than 30 years. He is also a non-executive director of various JSE-listed companies.

10. KD (Kgomotso) Moroka (55)*

Board Transformation Committee Chair

Qualifications: BProc, LLB (Wits)
Appointed: 23 July 2006

Kgomotso is a practising advocate in Gauteng. She is a member of the Judicial Services Commission and a trustee of the Nelson Mandela Children's Fund. Her current non-executive directorships include SAB Limited, Schindler Lifts (SA) and Standard Bank Group.

11. AA (Andile) Ngcaba (53)*

Qualifications: MCom, Hon Doctorate Commerce
Appointed: 23 July 2006

Andile was appointed as Executive Chairman of Dimension Data SA and Africa in 2004, where he currently leads the development of that group's African and Middle East growth strategies.

12. MI (Motty) Sacks (66)

Qualifications: CTA, CA(SA), AICPA (ISR)
Appointed: 30 October 1996

Motty acted as an independent corporate adviser for 30 years prior to his appointment as Chairman of Netcare. He retired as Chairman of Netcare in 2008. He has served and continues to serve as a non-executive director of a number of listed companies and empowerment committees. He is also an officer of the International Association of Political Consultants.

13. N (Norman) Weltman (60)

Qualifications: BCom (Hons), CA(SA)
Appointed: 3 November 1999

Norman has been with the Group since 1993. He became non-executive director with effect from 1 September 2008. He has over 15 years of experience in the healthcare industry and previously served as the Chairman of the Hospital Association of SA (HASA).

* Independent directors.