



Network Healthcare Holdings Limited

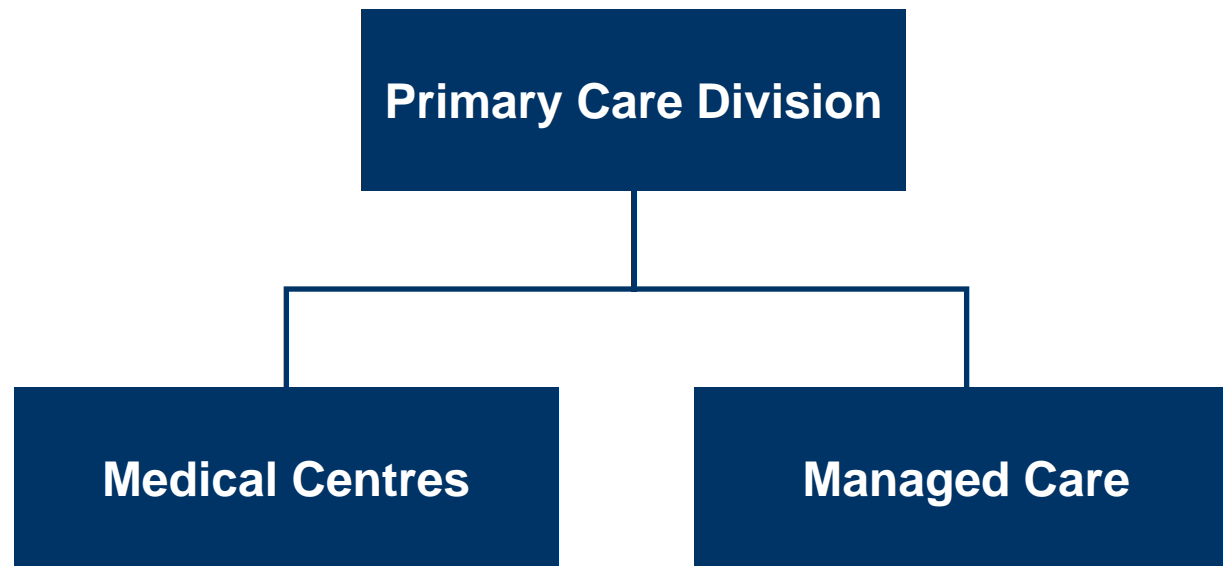
Investor Day
30 August 2007

Jacques du Plessis
CEO Primary Care, SA





Primary Care Structure



- National network providing scale
- Value proposition for patients
- Ability to capture more of the healthcare Rand
- Compelling offer for practitioners

- A compliant, contracted and accredited network
- Intellectual property to manage quality care
- An expanding product portfolio
- Gateway to access new insured lives





Primary Care Medical Centres





Competitive Advantage

- Comprehensive range of medical services, conveniently located in a single facility offering extended hours
- No administration burden for professionals whilst practitioners focus exclusively on providing patient care with professional autonomy guaranteed, backed by Clinical Governance structures
- Cross selling ability combining the benefits of economies of scale
- Technology infrastructure

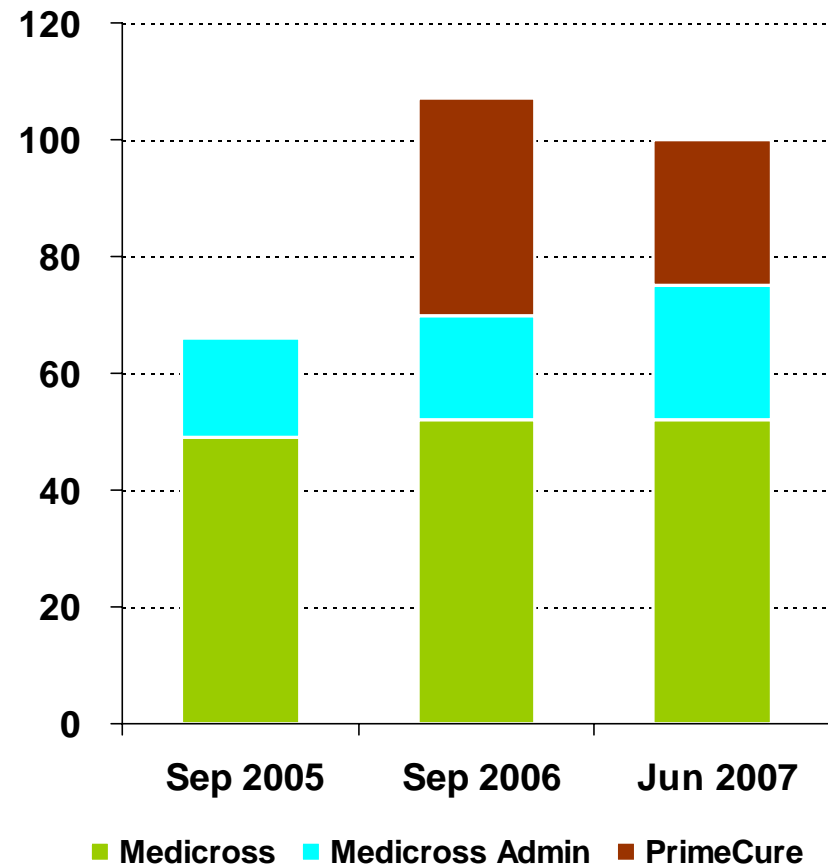




A national network providing scale

- 100 medical centres across the country
 - 75 Medicross, 25 Prime Cure
- 42 pharmacies
- 13 Day Theatres
- 648 full-time GPs & Dentists
- Capacity for 133 additional practitioners in current centres
- Centralisation and scale opportunities

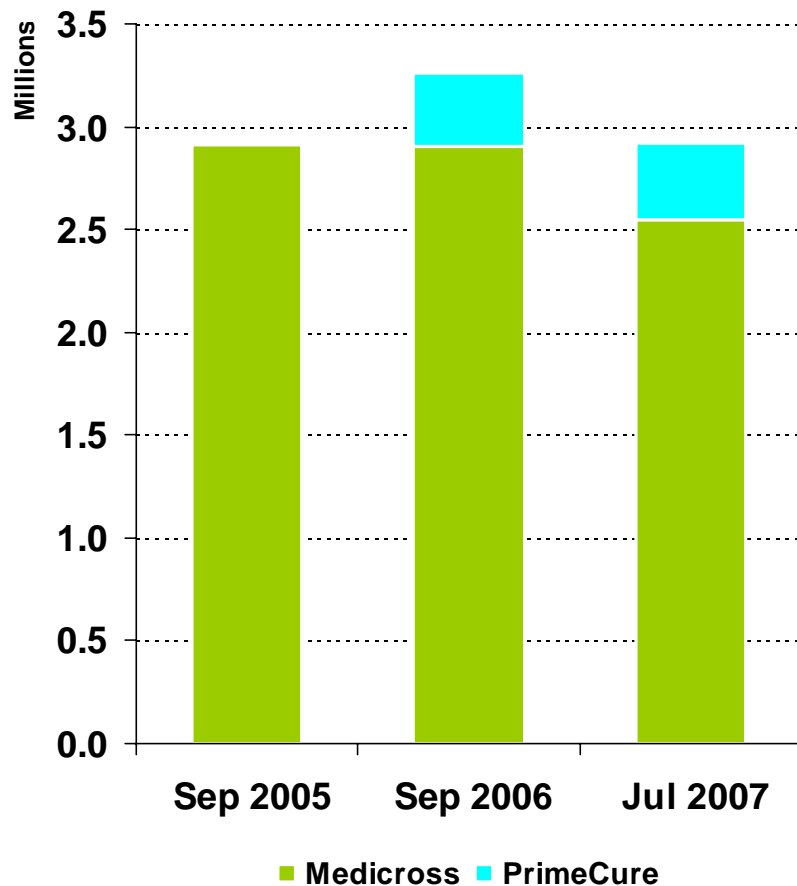
Medical centres





Over 3 million patient visits per annum

Patient visits



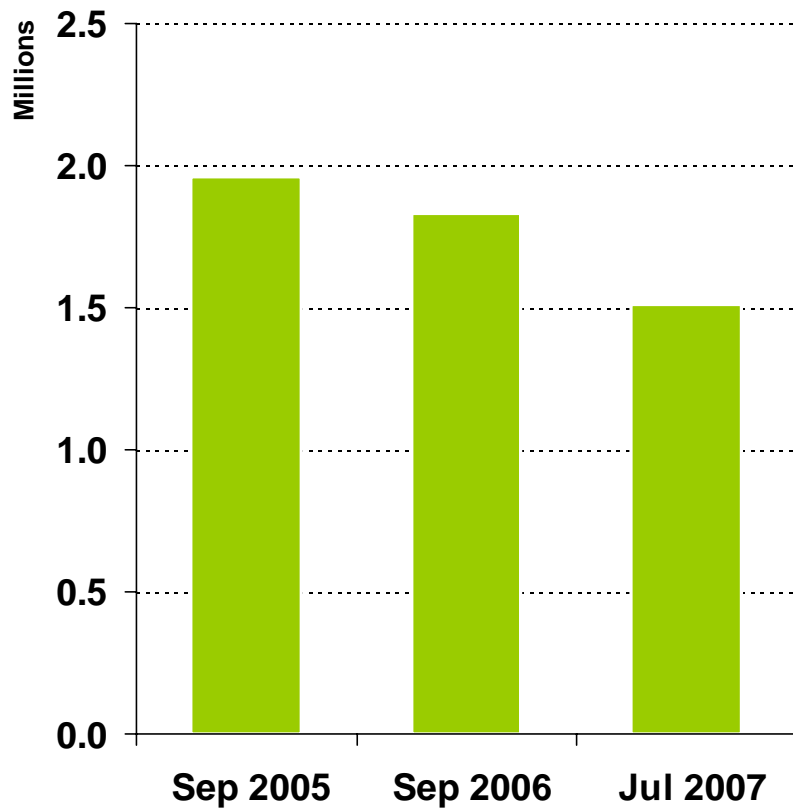
- Treating over 3 million patients/year
 - 54% of primary care patient visits are self pay in Prime Cure and 20 % in Medicross
- 2.7% growth in patient visits
 - Driven by Prime Cure acquisition and Medicross organic growth
- Cross selling trend – revenue per patient larger in centres with multiple service offerings



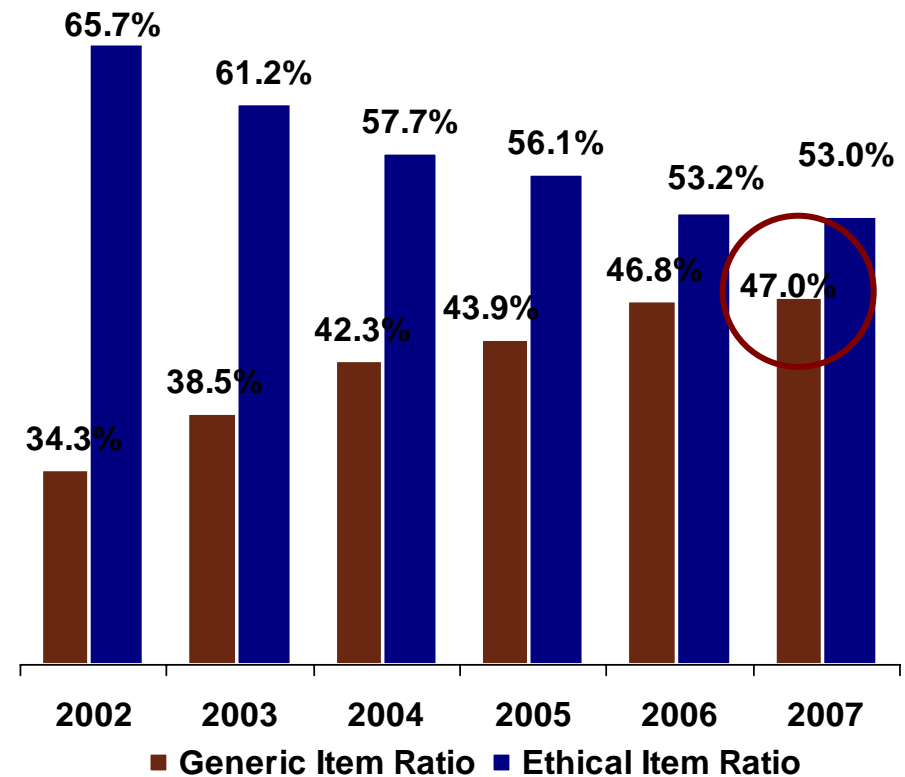


Dispensing 1,8 m scripts per annum

Retail scripts



Generic versus Ethical scripts





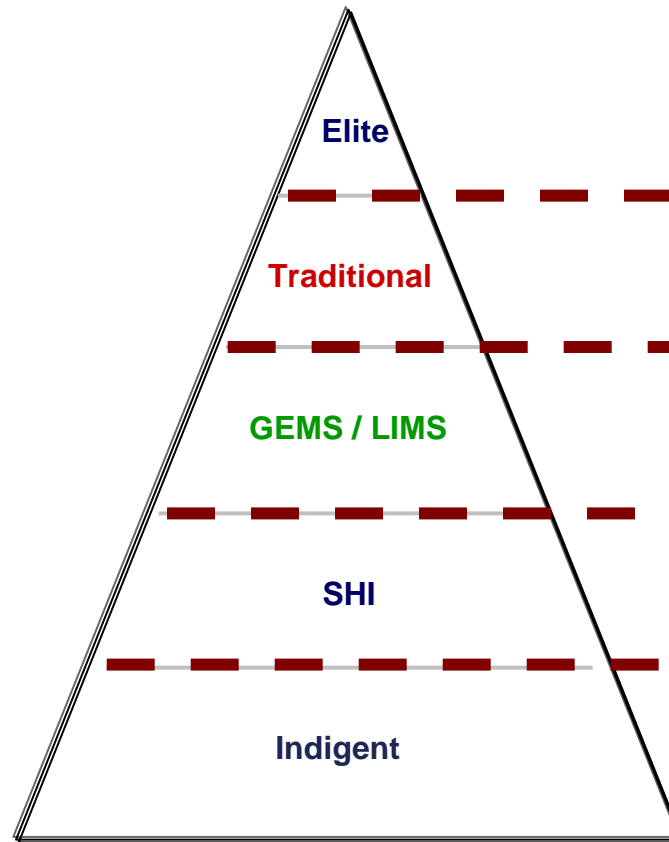
Primary Care Target Market

Total population (including dependents)

Insured (7-million)
Medicross Market

Uninsured formally employed (7 – 13 million)
Prime Cure Market

Uninsured Unemployed (25 – 28 million)



Living standard measure (number of people in LSM group and average income per month per LSM group)

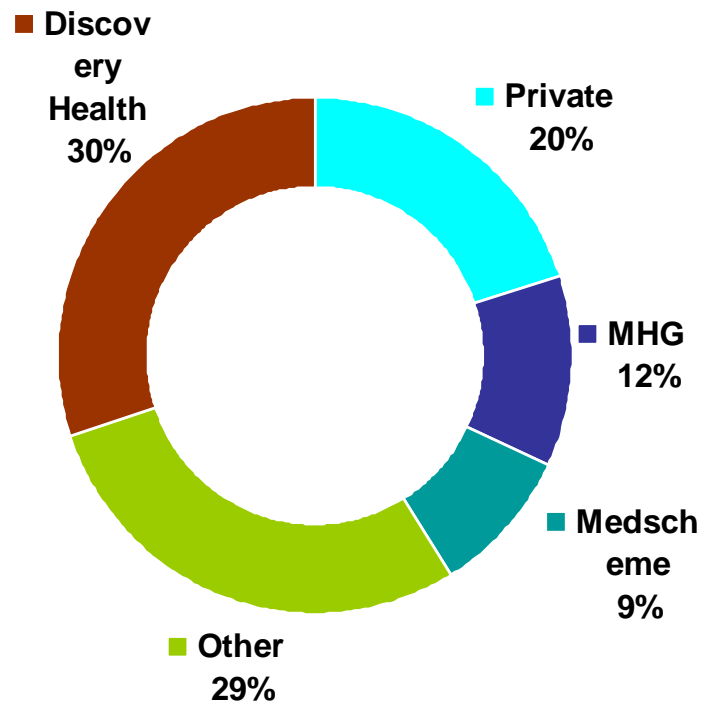
LSM 10 R14,000 +
LSM 8/9 R9,234/R12,901
LSM 6/7 R4,530/R6,971
LSM 3/4/5 R1,599/R1,923/ R2,840
LSM 1/2 R1,082/R1,253



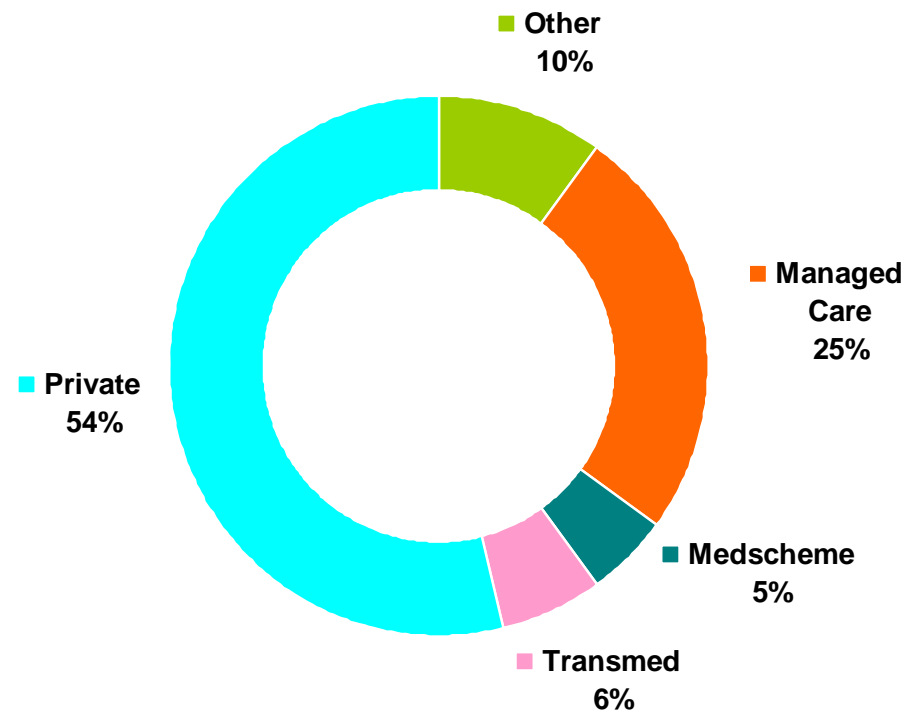


Primary care customer profile

Medicross



Prime Cure





Benefits for patients

- **Convenient, affordable with extended hours**
 - A “One-Stop-Primary-Healthcare-Shop”
 - Competitively priced services
 - Facilities are open extended hours, 7 days a week, 365 days a year
 - More locations, nationally , 6 centres 24hours
- **Wide range of services**
 - Emergency room capability
 - Additional facilities, well baby clinics
- **Adherence to internationally accepted treatment protocols and guidelines**
 - Quality assured care and service delivery
 - Profiled, ethical and caring primary care practitioners
 - Standard of care across all the facilities
 - Medical records available at facility regardless of the doctor attending





Segmented branded offerings





Primary Care offering

The purchase of a wider range of medical products and services such as pharmaceuticals (OTC, Frontshop items and nutri-ceuticals) auxiliary care, physiotherapy, dietetics, well baby clinics with demand stimulated by an increase in the self pay market

Core Offering

- Medical practitioners
- Dental practitioners
- Pathology services
- Retail pharmacy
- Emergency facilities
- X-ray imaging including ultra sound

Additional Service Offerings

- Family planning & immunisation clinics
- Well baby clinics
- Diabetes clinics and groups
- Asthma clinics
- Hypertension clinics
- Wellness Clinics

Typical Auxiliary and Specialist Services Include

- Same-day surgical centres (day-theatres)
- Optometry services
- Physiotherapy
- Dieticians
- Psychologists
- Consulting specialists



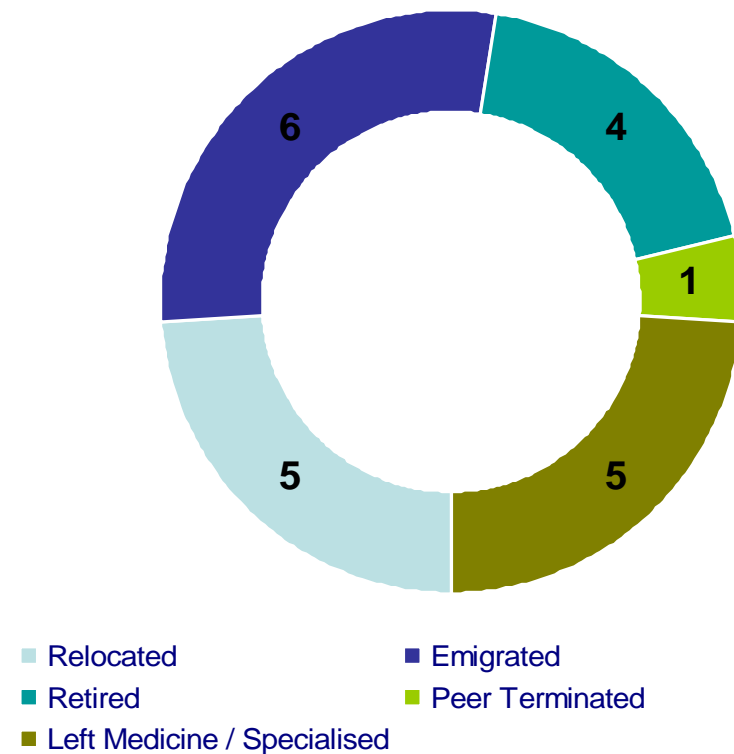


Benefits for doctors

- Limited admin burden allowing focus on patient care
- Potential for superior remuneration with limited capital investment and extended growth potential in a limited business risk environment
- Professional autonomy in a flexible working arrangement
- Benefits from economies of scale and multi-disciplinary approach of centres

37 new Doctors contracted, 21 doctors left

Number of Doctors left in 10 months to 31 July 2007





Managed Care





Competitive Advantage

- Intellectual property to deliver essential medical care cost effectively, according to evidence based medicine
- Risk based approach (Primary, Secondary and Tertiary care) facilitating appropriate care
- Contractually bound network
- Proven track record
- Public and Private hospital contractual relationship
- Unconditional MCO accreditation

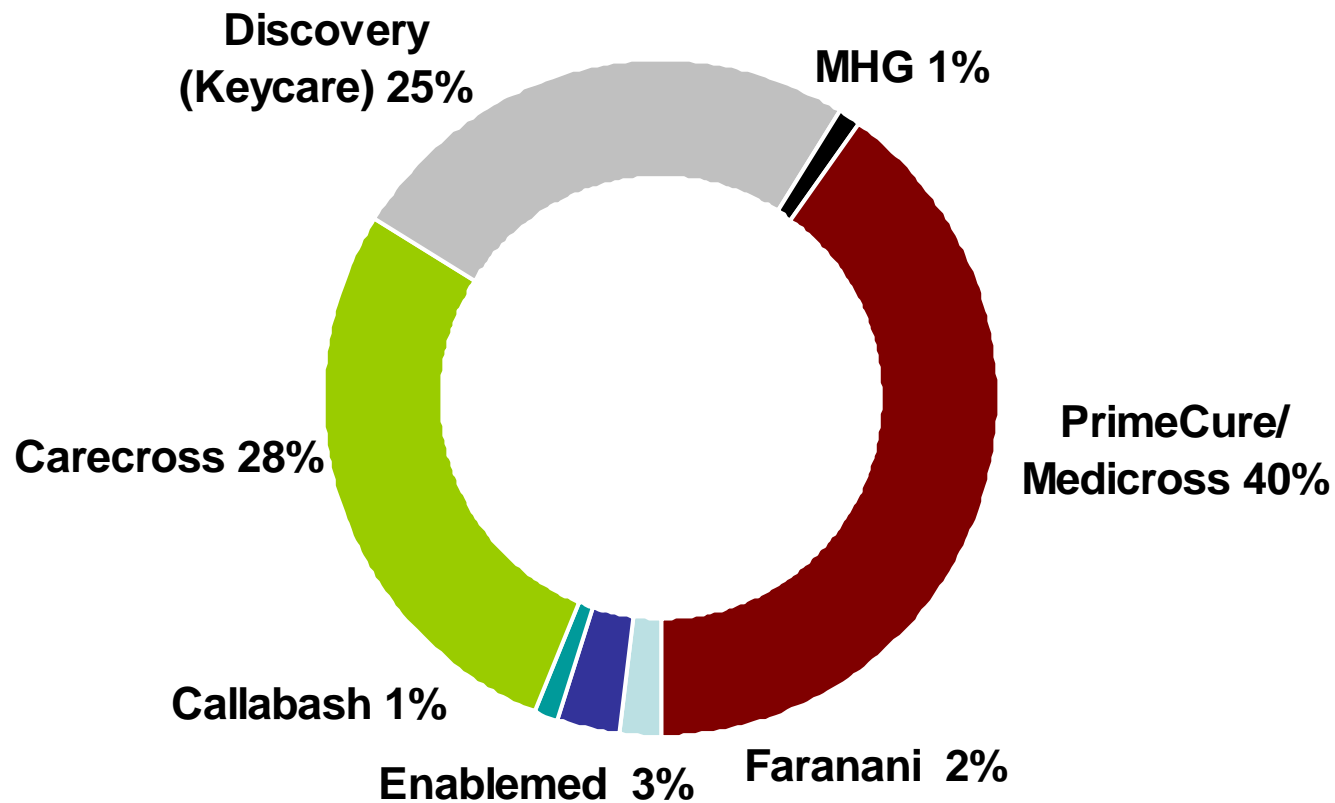




Network Medical Scheme Market

The low income medical scheme market estimated to be 450,000 lives

Market share estimates



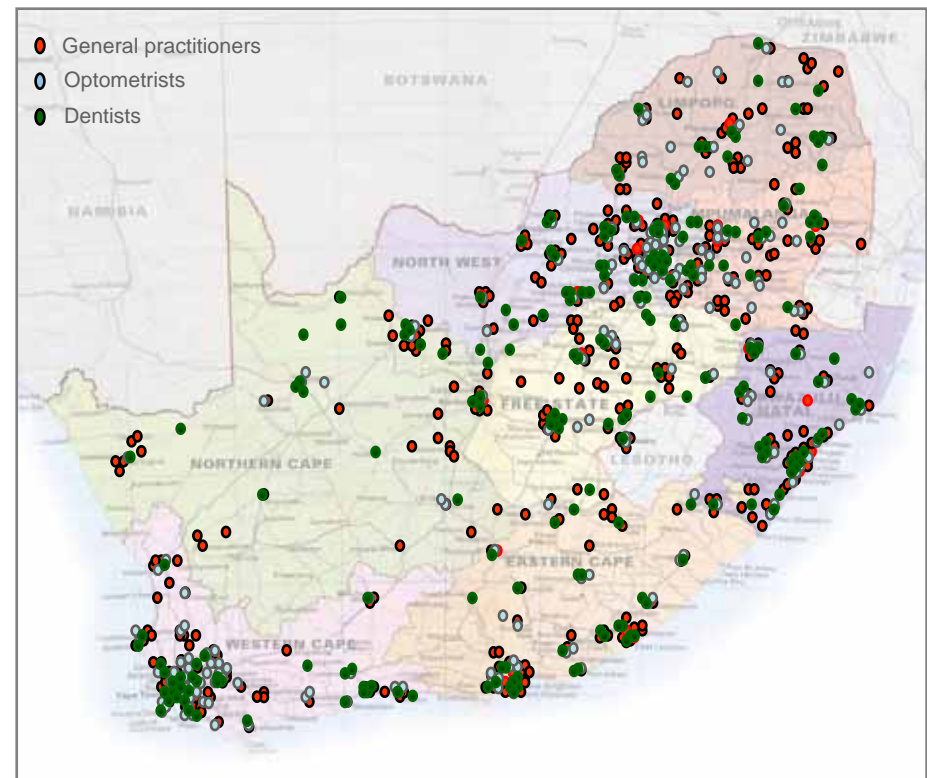
Source: Netcare estimates





Compliant and contractually bound network

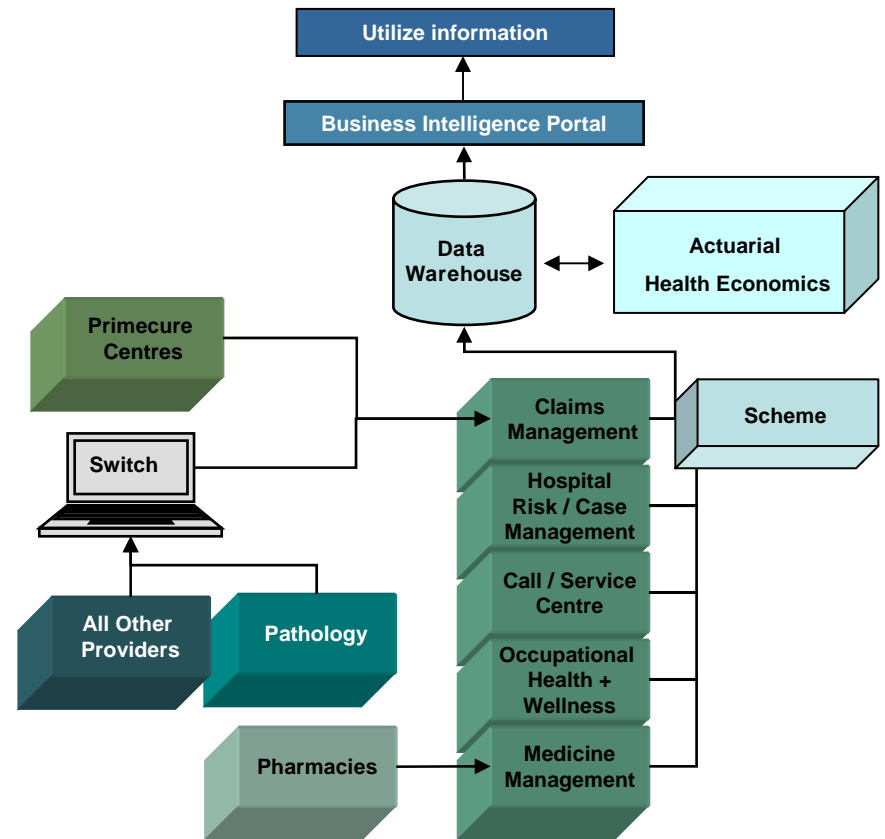
- 24 schemes with 35 options
- 3,300 contracted practitioners nationally
 - 2,450 GPs
 - 850 Dentists
- 100 Prime Cure and Medicross Medical Centres
- 3 Pathology Groups with a national reach
- National network of radiologists
- Courier pharmacy
- National pharmacy network
- Public and Private Hospitals
- > 3 000 Specialists with active relationships
- 850 Optometrists
- Allied Healthcare Providers
- Occupational Health capability





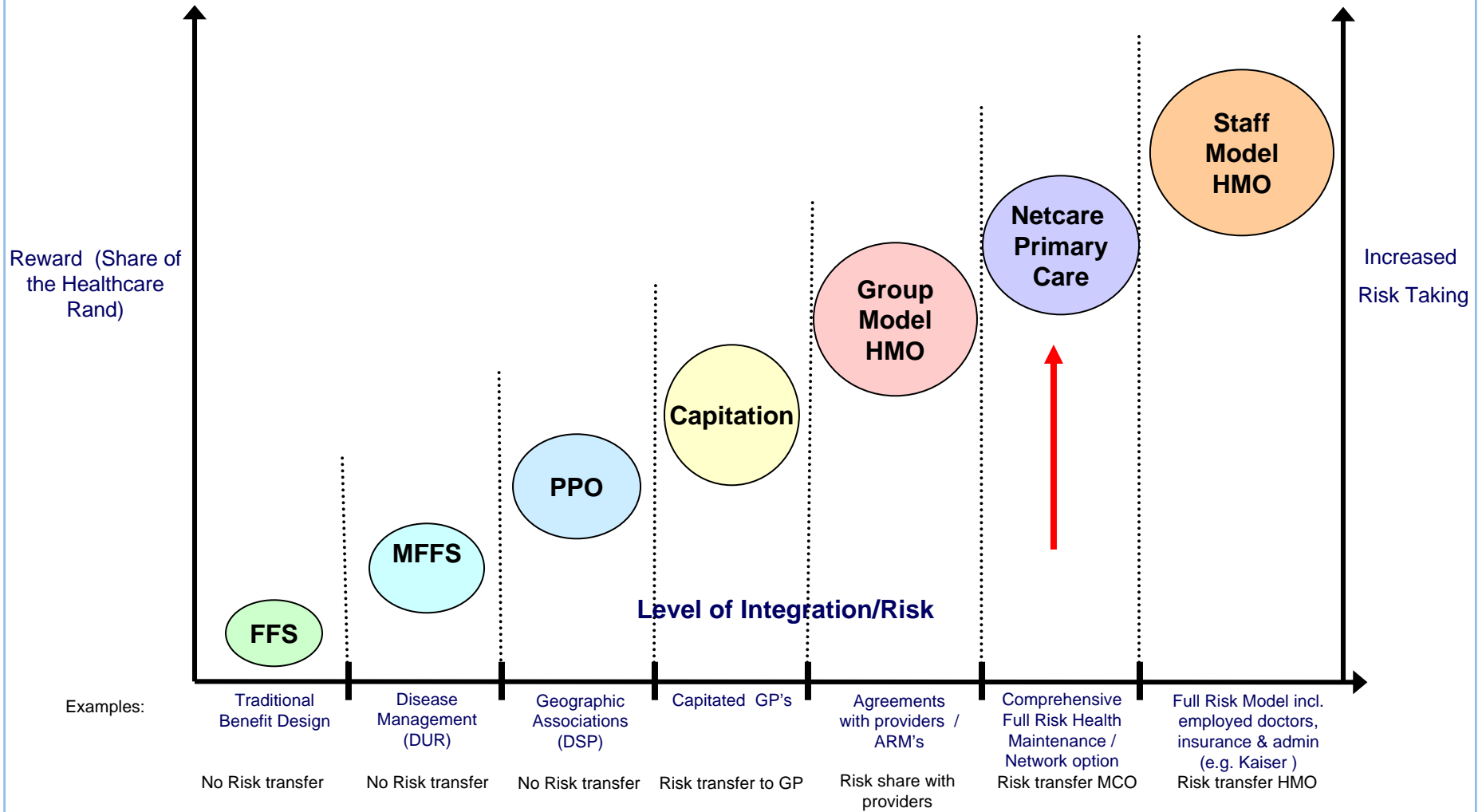
The intellectual property to manage care

- Information management
- MIP and Medcap IT technology
- 24 hour call centre
- Medical Advisors
- Claims administration and provider reimbursement
- Chronic disease management and case management
- HIV/AIDS benefit programme
- Medicine Formulary & Chronic Medicine Management
- PMB Registration
- Pre-authorisation procedures
- 24-hour medical advice line





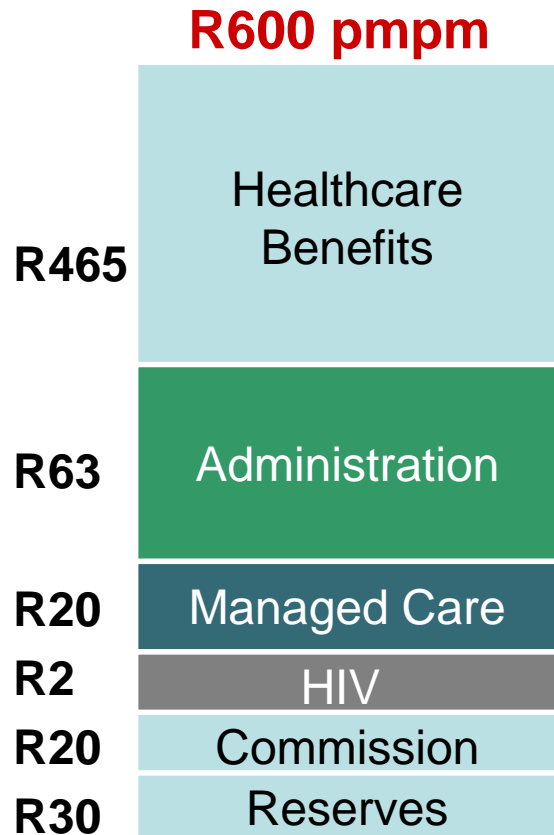
Managed Care Market Evolution



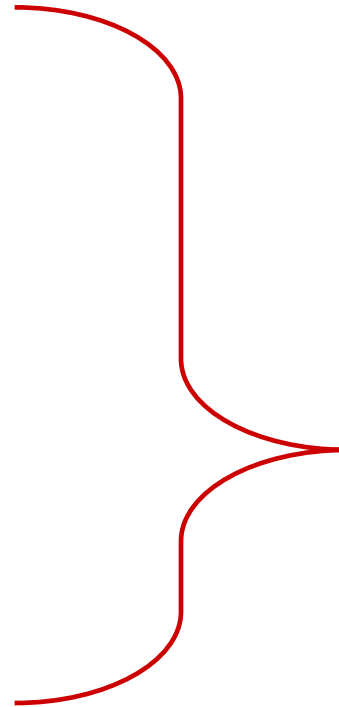
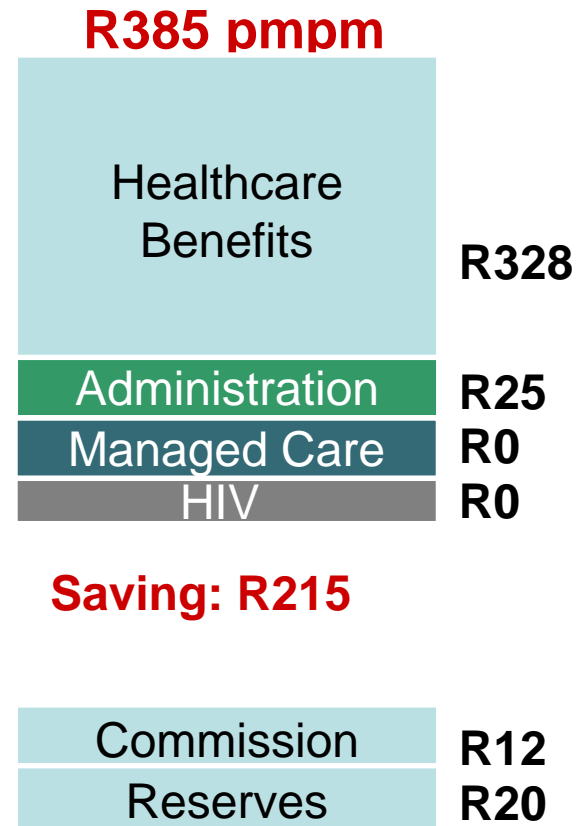


Extracting efficiencies in healthcare

Traditional scheme



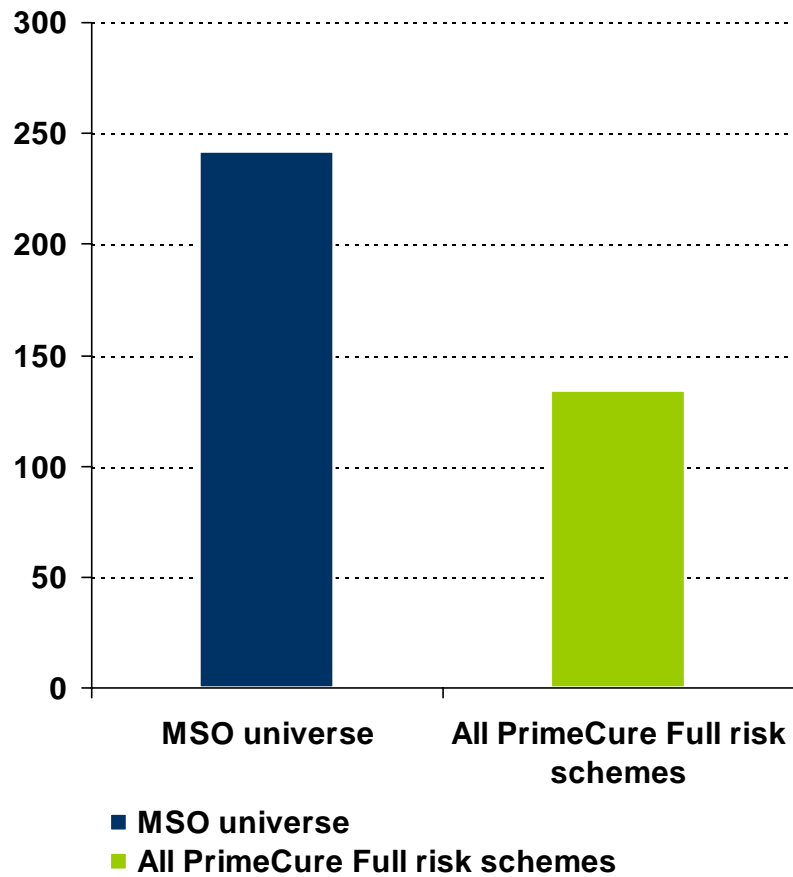
PrimeCure scheme



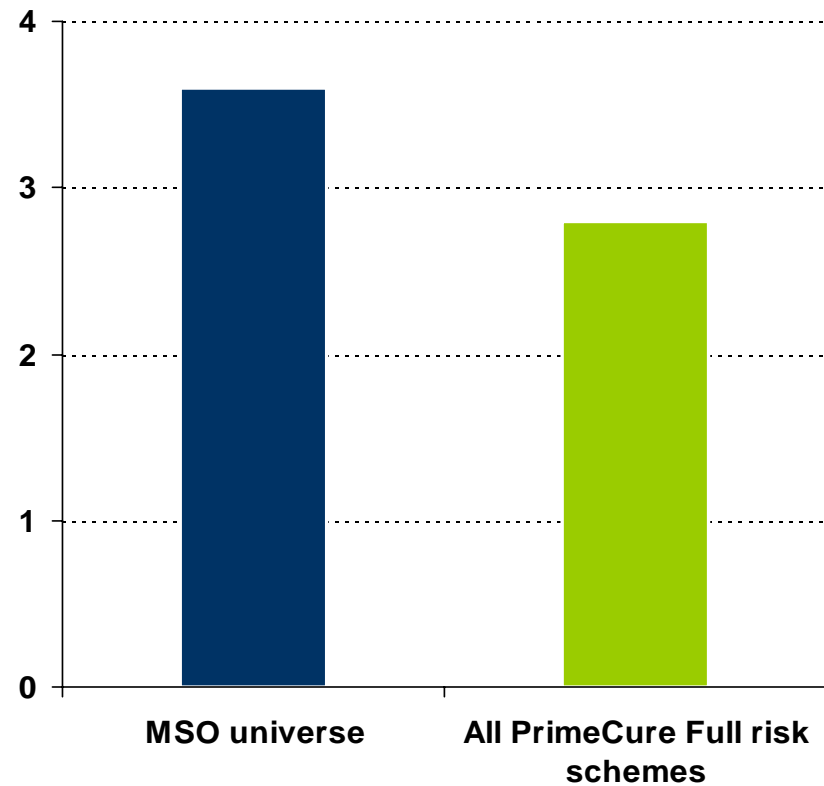


Successfully managing hospital admissions

Admissions per thousand



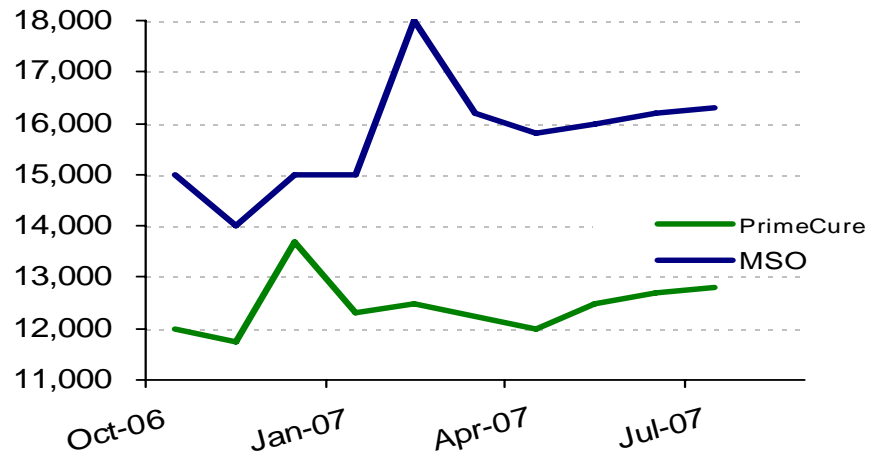
Average length of stay



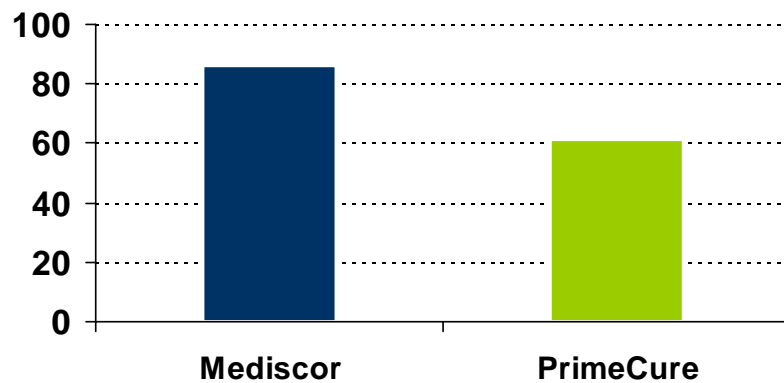


Lowering the cost of admissions

Cost per admission

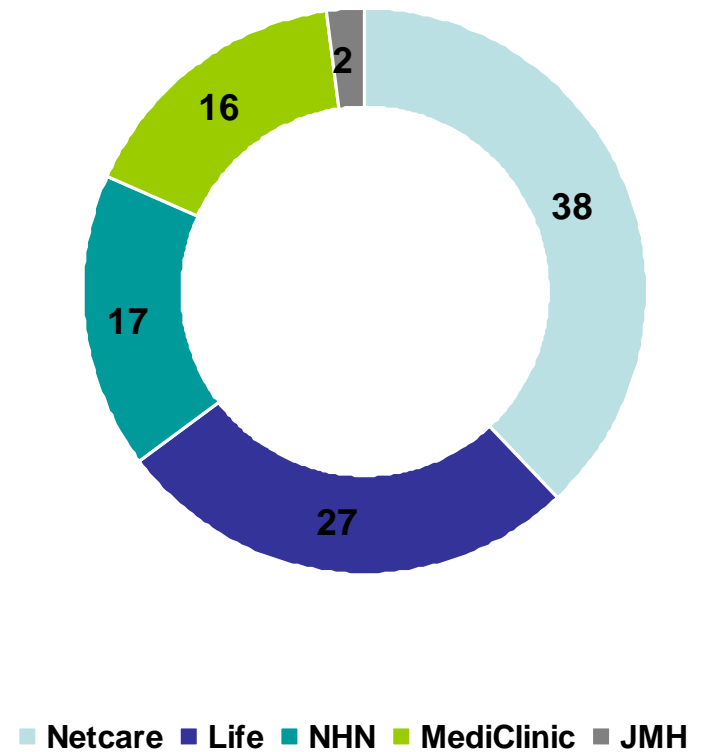


Total average medicine cost per line item



PrimeCure hospital admissions

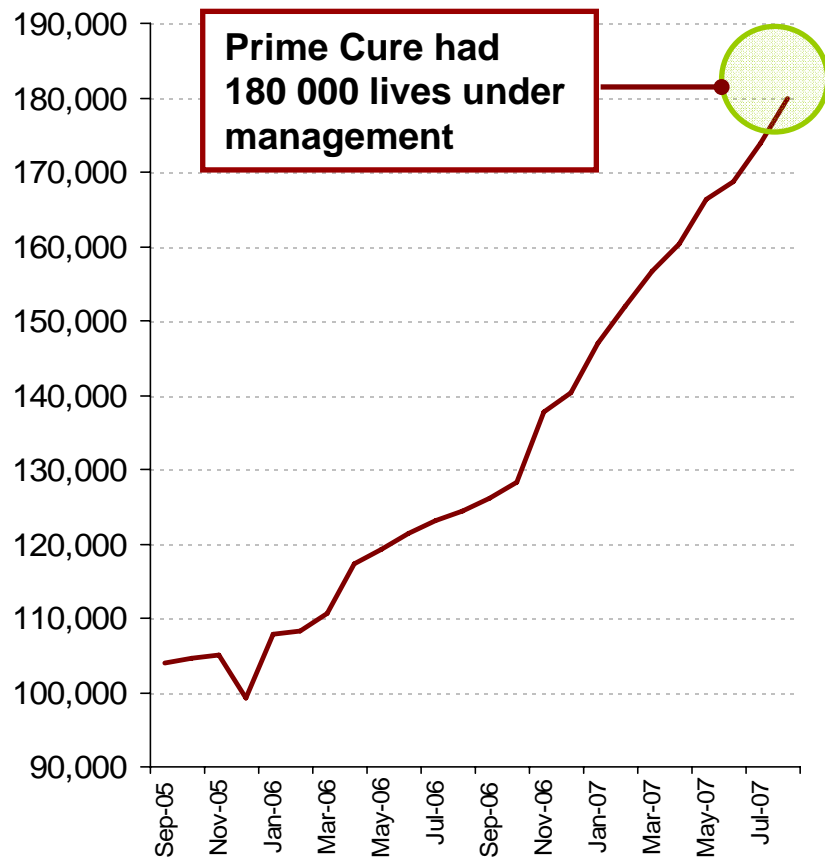
Market share of PrimeCure admissions for 10 months to July 2007



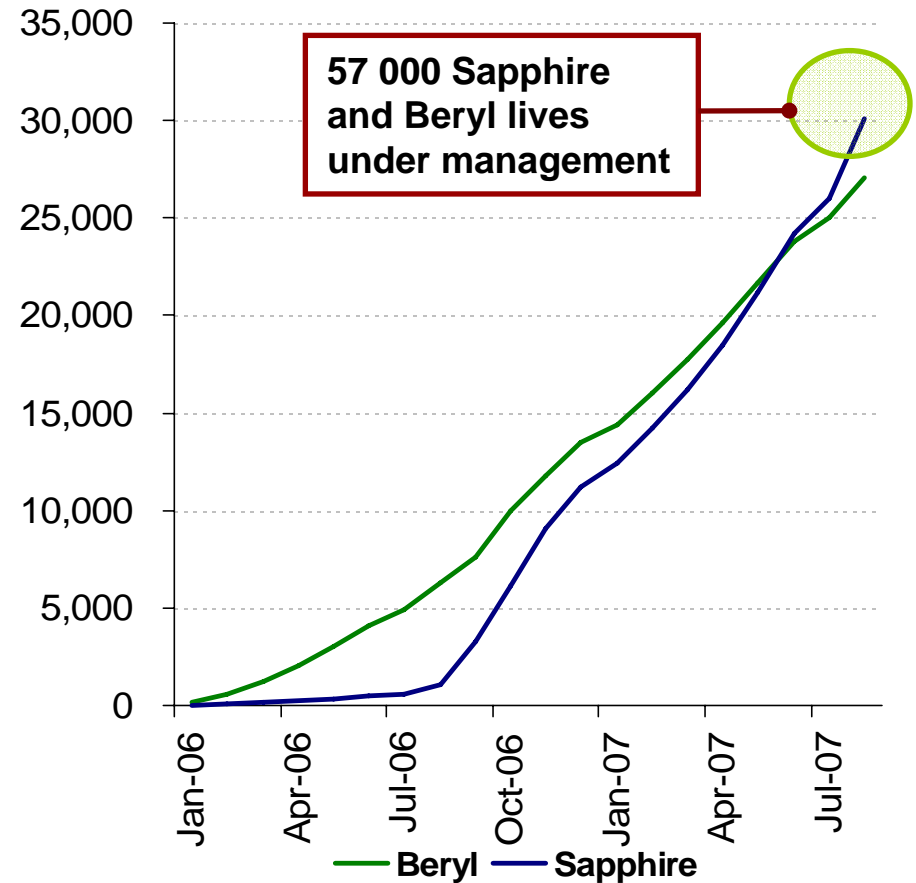


Growing lives under management

Prime Cure total lives under management



PrimeCure GEMS lives under management

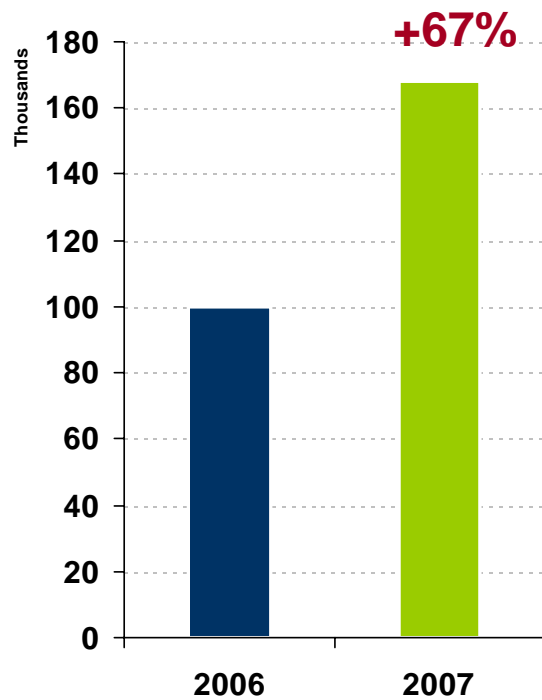




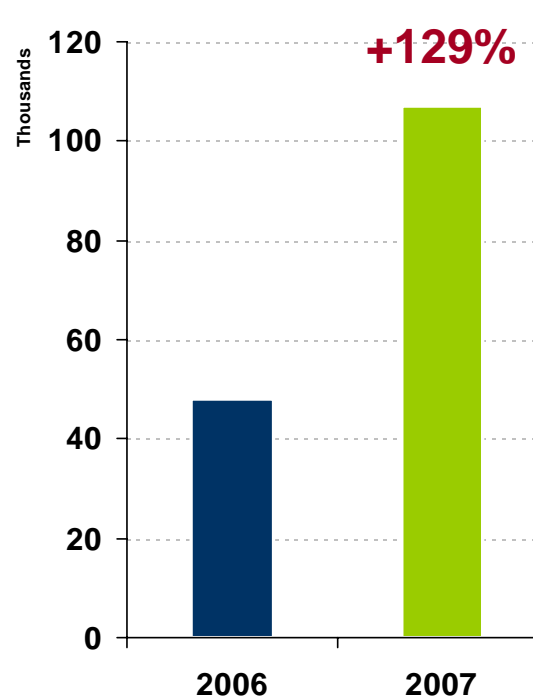
Growth from product extension

Product extension include specialist and hospital risk

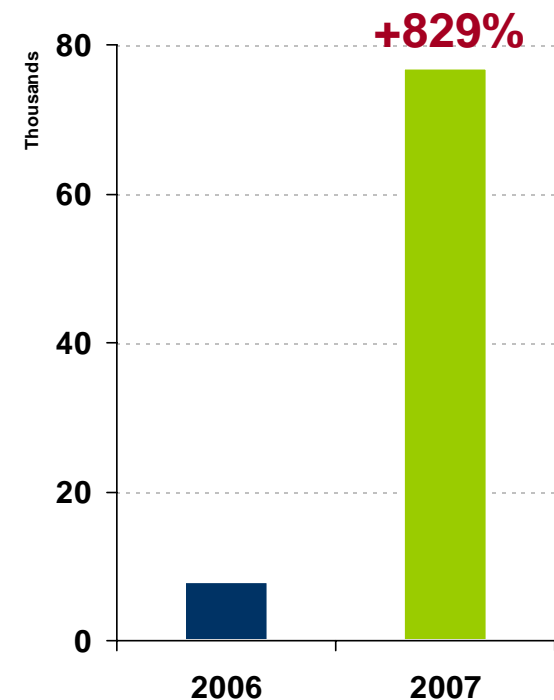
Growth in Primary Care



Growth in Specialist Care



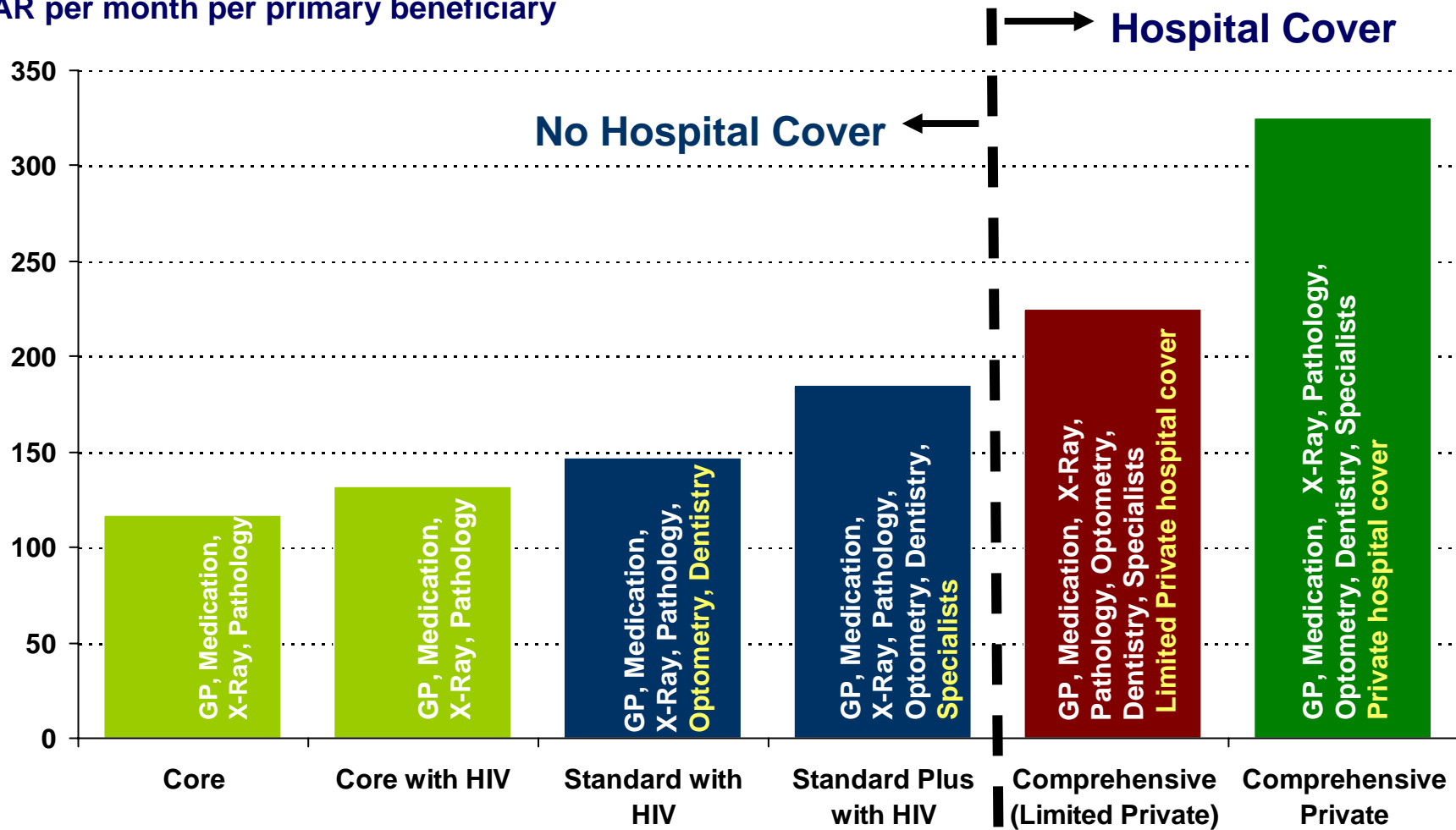
Growth in Hospital Care





An expanding product portfolio

ZAR per month per primary beneficiary





Factors Impacting Results Outlook





Factors impacting results

- PrimeCure consolidated for 12 months versus 8 months in 2006
- Closure of 12 sites impacting on patient visits and increased costs in terms of terminating expenses
- Total patient visit growth of 2.7%
- Sub optimal tariff increase of 4,95%
- Operational savings from centralisation full benefit only 2008

South Africa: Ancillary healthcare services

Six months ended R million	31 Mar 2007	31 Mar 2006	%
Revenue	468	334	40
EBITDA	47	36	30
EBITDA margin	10	11	





Operational outlook for primary care division

- Expansion opportunities
 - Maximizing number of doctors in existing facilities, 20 % remaining capacity
 - Medical centre development in the next 3 years, Prime Cure 10 sites, Medicross 9 sites
- Broadening of services: Aesthetic clinics
- Improve day theatre capacity utilisation
- Growth in managed lives – increase product range and product extensions
- Woolworths and Edcon project
- SAP implementation will drive further operational earnings
- Specialists practice management



Strategic Outlook

- Reversal of GP disintermediation
- Enabling legislation will drive growth (LIMS, revision of PMB)
- True GP gate keeping will increase in prominence
- Treatment of chronic diseases will revert to primary practioners
- Emerging market will access primary care first

Top 10 chronic diseases

