

**Opco listing could mean healthy gains for Netcare in UK**  
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There might be further expansion opportunities for Netcare in the UK if the listing of Opco, the operational division of General Healthcare Group (GHG), was successfully concluded, Richard Friedland, the chief executive at the hospital group, said yesterday.

Netcare is the controlling shareholder at GHG, the largest provider of private acute care in the UK. It bought 52.6 percent three years ago in a consortium with Apax Partners Worldwide, London & Regional Properties and funds owning the rest.

The GHG group operates through Opco, which has 57 hospitals that house 2 894 beds.

Propco, a UK-based property firm, leases the facilities to Opco under long-term leases and it will be unaffected by the listing.

Netcare's partners in the consortium have indicated they intend pursuing an initial public offering (IPO) of Opco on the London Stock Exchange as per the terms of the deal.

Notified on Monday about the plans, Netcare had not decided if it would subscribe for some shares. "We haven't made those decisions yet," he said. There is still a lot to discuss, the value, evaluations. Netcare will remain the majority shareholder of GHG.

"This is an additional platform for Netcare in the UK. It is positive and opens up opportunities to make further expansion and acquisitions. "

According to the terms of the deal that govern the relationship between the hospital group and its partners, other partners have the right at any time after three years to exit their investment, including by way of the right to call for an IPO of GHG on the bourse.

"Public markets in the UK and elsewhere. . . remain volatile. Accordingly, the other partners may elect not to proceed with the GHG listing at any stage during this process," said a Netcare.

In the year to September, Netcare UK operations grew revenue by 7.6 percent to ?832 million (R10.1 billion), while earnings before interest, tax, depreciation and amortisation rose 8.9 percent to ?213m.

**Nazeem Hendricks, an analyst at Argon Asset Management,** said the intention to list was positive as it would crystallise the value of the investment. This was because there was currently no reference point for the value in the group.

Hendricks did not think it would benefit Netcare to increase its stake in GHG because it was already a majority shareholder. "I would rather they concentrated on paying debt," he said.