

Netcare sees earnings drop up to 20%

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Netcare 911

Johannesburg . The operator of SA's largest private hospital group [Netcare](#) [\[JSE:NTC\]](#) announced on Friday it expects its headline earnings for the year ended September to be between 10% and 20% lower than the previous period.

The group's earnings per share is expected to be between 360% to 370% lower than a year ago.

Netcare said the fall in earnings was due to certain non-cash adjustments which had to be made during the year.

These non-cash adjustments are the result of changes in the underlying accounting assumptions related to the General Healthcare Group (GHG) portfolio of 35 UK hospital properties initially acquired in 2006 (GHG PropCo 1). Netcare said in a note.

The group said that the refinancing of the GHG PropCo 1 debt is challenged by the prevailing macro-economic environment within the UK, the state of debt markets across Europe and the negative value of GHG PropCo 1's interest rate swap contracts.

While GHG PropCo 1 will diligently seek a refinancing solution before October 2013, a solution was not in place by 30 September 2012 and will not be in place prior to the release of Netcare's FY12 Results, it said.

The group said that if it were not for the adjustment, its earnings would have shown growth.

Netcare's results will be released on or about 19 November.

-Finance24