MEDICLINIC
INTERNATIONAL

UNAUDITED INTERIM GROUP RESULTS

OF MEDICLINIC INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES FOR THE SIX MONTHS ENDED **30 SEPTEMBER 2012**

Incorporated in the Republic of South Africa Reg. No. 1983/010725/06 Share code: MDC ISIN code: ZAE000074142 ("Mediclinic" or "the Company")

SALIENT FEATURES

- GROUP REVENUE INCREASED BY **12%** TO **R11 734M**
- GROUP NORMALISED EBITDA **14%** HIGHER AT **R2 486M**
- GROUP NORMALISED EBITDA MARGIN INCREASED FROM **20.8%** TO **21.2%**
- NORMALISED HEADLINE EARNINGS PER SHARE INCREASED BY **45%** TO **112.1 CENTS**
- CONVERTED 102% OF NORMALISED EBITDA INTO CASH
- INTERIM DIVIDEND PER ORDINARY SHARE INCREASED TO **25.3 CENTS** (2011: 23.0 CENTS)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 6 months to 30/9/2012 R'm	Unaudited 6 months to 30/9/2011 R'm	Audited Year to 31/3/2012 R'm
ASSETS			
Non-current assets	**43 349**	43 830	42 033
Property, equipment and vehicles	**36 484**	36 019	34 808
Intangible assets	**6 614**	6 684	6 350
Investments in associates	**–**	5	1
Other investments and loans	**15**	888	662
Deferred income tax assets	**236**	234	212
Current assets	**9 196**	7 132	8 162
Inventories	**611**	600	582
Trade and other receivables	**5 166**	4 037	4 815
Current income tax assets	**15**	–	4
Derivative financial instruments	**185**	–	24
Other investments and loans	**28**	–	128
Investment in money market funds	**–**	860	510
Cash and cash equivalents	**3 191**	1 635	2 099
Total assets	**52 545**	50 962	50 195
EQUITY AND LIABILITIES			
Total equity	**12 251**	11 572	11 404
Share capital and reserves	**10 939**	10 394	10 116
Non-controlling interests	**1 312**	1 178	1 288
LIABILITIES			
Non-current liabilities	**33 949**	35 750	32 969
Borrowings	**23 235**	25 485	22 864
Deferred income tax liabilities	**5 492**	5 682	5 303
Retirement benefit obligations	**1 143**	595	823
Provisions	**265**	234	240
Derivative financial instruments	**3 814**	3 754	3 739
Current liabilities	**6 345**	3 640	5 822
Trade and other payables	**3 803**	2 711	3 460
Borrowings	**1 911**	608	1 930
Provisions	**170**	117	121
Derivative financial instruments	**66**	16	–
Current income tax liabilities	**395**	188	311
Total liabilities	**40 294**	39 390	38 791
Total equity and liabilities	**52 545**	50 962	50 195
Net asset value per ordinary share – cents	**1 735.5**	1 656.8	1 609.4

CONSOLIDATED INCOME STATEMENT

	Unaudited 6 months to 30/9/2012 R'm	Increase %	Unaudited 6 months to 30/9/2011 R'm	Audited Year to 31/3/2012 R'm
Revenue	**11 734**	12%	10 467	21 986
Cost of sales	**(6 724)**		(5 968)	(12 314)
Administration and other operating expenses	**(2 524)**		(2 320)	(5 003)
Operating profit before depreciation (EBITDA)	**2 486**	14%	2 179	4 669
Depreciation and amortisation	**(468)**		(436)	(910)
Operating profit	**2 018**		1 743	3 759
Other gains and losses	**183**		(29)	(26)
Income from associates	**-**		–	1
Finance income	**41**		43	85
Finance cost	**(820)**		(809)	(1 642)
Profit before tax	**1 422**		948	2 177
Income tax expense	**(358)**		(357)	(693)
Profit for the period	**1 064**		591	1 484
Attributable to:				
Equity holders of the Company	**894**		484	1 221
Non-controlling interests	**170**		107	263
	1 064		591	1 484
Earnings per ordinary share – cents				
– Basic	**142.0**	84%	**77.2**	194.7
– Diluted	**137.1**		**74.2**	187.3
Headline earnings per ordinary share – cents				
– Basic	**141.5**	83%	**77.2**	194.9
– Diluted	**136.6**		**74.2**	187.5
Normalised headline earnings per ordinary share – cents				
– Basic	**112.1**	45%	**77.2**	193.0
– Diluted	**108.2**		**74.2**	185.7
EBITDA RECONCILIATION:				
Operating profit before depreciation (EBITDA)	**2 486**		**2 179**	4 669
Adjusted for:				
Past service cost	**-**		**-**	(14)
Impairment of property and equipment	**-**		**-**	4
Normalised EBITDA	**2 486**	14%	**2 179**	4 659
EARNINGS RECONCILIATION:				
Profit attributable to shareholders	**894**		**484**	1 221
Re-measurements for headline earnings	**(4)**		**-**	1
Profit on sale of property, equipment and vehicles	**(4)**		**-**	(1)
Impairment of property and equipment	**-**		**-**	2
Income tax effects	**1**		**-**	–
Headline earnings	**891**	84%	**484**	1 222
Re-measurements for normalised headline earnings	**(185)**		**-**	
Unrealised gain on forward contracts	**(185)**		**-**	
Past service cost	**-**		**-**	(14)
Income tax effects	**-**		**-**	3
Normalised headline earnings	**706**	46%	**484**	1 211

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months to 30/9/2012 R'm	Unaudited 6 months to 30/9/2011 R'm	Audited Year to 31/3/2012 R'm
Profit for the period	**1 064**	591	1 484
Other comprehensive income			
Currency translation differences	**465**	2 009	1 405
Fair value adjustment to cash flow hedges (net of tax)	**12**	(1 029)	(1 126)
Actuarial gains and losses (net of tax)	**(255)**	(179)	(403)
Other comprehensive income/(loss), net of tax	**222**	801	(124)
Total comprehensive income for the period	**1 286**	1 392	1 360
Attributable to:			
Equity holders of the Company	**1 074**	1 195	1 035
Non-controlling interests	**212**	197	325
	1 286	1 392	1 360

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited 6 months to 30/9/2012 R'm	Unaudited 6 months to 30/9/2011 R'm	Audited Year to 31/3/2012 R'm
Opening balance	**11 404**	10 560	10 560
Movement in shares held in treasury	**9**	5	19
Movement in share-based payment reserve	**3**	3	6
Non-controlling interests acquired by the Group	**(9)**	–	–
Total comprehensive income for the period	**1 286**	1 392	1 360
Transactions with non-controlling shareholders	**(16)**	–	3
Gain on sale of nil-paid letters of allocation	**42**	–	–
Distributed to shareholders	**(288)**	(298)	(436)
Distributed to non-controlling interests	**(180)**	(93)	(111)
Closing balance	**12 251**	11 572	11 404
Comprising			
Share capital	**65**	65	65
Share premium	**6 066**	6 066	6 066
Treasury shares	**(261)**	(283)	(269)
Share-based payment reserve	**138**	132	135
Foreign currency translation reserve	**3 594**	3 747	3 171
Hedge reserve	**(3 211)**	(3 126)	(3 223)
Retained earnings	**4 548**	3 793	4 171
Shareholders' equity	**10 939**	10 394	10 116
Non-controlling interests	**1 312**	1 178	1 288
Total equity	**12 251**	11 572	11 404

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months to 30/9/2012 R'm	Unaudited 6 months to 30/9/2011 R'm	Audited Year to 31/3/2012 R'm
Cash flow from operating activities	**1 504**	858	2 216
Cash generated from operations	**2 540**	1 913	4 266
Net finance cost	**(758)**	(744)	(1 525)
Taxation paid	**(278)**	(311)	(525)
Cash flow from investment activities	**557**	(530)	(1 055)
Investment to maintain operations	**(299)**	(245)	(731)
Investment to expand operations	**(511)**	(318)	(742)
Proceeds on disposal of property, equipment and vehicles	**8**	11	23
Proceeds from derivative financial instruments	**24**	–	24
Insurance proceeds	**–**	20	27
Proceeds from other investments and loans	**4**	1	5
Purchases of FVTPL financial assets	**–**	(26)	(144)
Proceeds from FVTPL financial assets	**802**	18	134
Proceeds from money market funds	**1 144**	–	823
Purchases of money market funds	**(627)**	–	(507)
Interest received	**12**	9	33
Cash flow from financing activities	**(984)**	(491)	(735)
Distributions to shareholders	**(288)**	(298)	(436)
Distributions to non-controlling interests	**(180)**	(98)	(111)
Movement in borrowings	**(541)**	(102)	(214)
Proceeds from disposal of treasury shares	**65**	14	28
Treasury shares purchased	**(14)**	(9)	(9)
Acquisition of non-controlling interests	**(26)**	–	–
Proceeds on disposal of non-contolling interest	**–**	2	–
Net movement in cash, cash equivalents and bank overdrafts	**1 077**	(163)	426
Opening balance of cash, cash equivalents and bank overdrafts	**1 981**	1 447	1 447
Exchange rate fluctuations on foreign cash	**46**	160	108
Closing balance of cash, cash equivalents and bank overdrafts	**3 104**	1 444	1 981
Cash and cash equivalents	**3 191**	1 635	2 099
Bank overdrafts	**(87)**	(191)	(118)
	3 104	1 444	1 981

SEGMENTAL REPORT

	Unaudited 6 months to 30/9/2012 R'm	Unaudited 6 months to 30/9/2011 R'm	Audited Year to 31/3/2012 R'm
Revenue			
Southern Africa	**5 130**	4 695	9 423
Middle East	**1 158**	771	1 831
Switzerland	**5 446**	5 001	10 732
	11 734	10 467	21 986
EBITDA			
Southern Africa	**1 089**	989	1 957
Middle East	**245**	120	348
Switzerland	**1 152**	1 070	2 364
	2 486	2 179	4 669
Operating profit			
Southern Africa	**958**	866	1 701
Middle East	**193**	75	250
Switzerland	**867**	802	1 808
	2 018	1 743	3 759

ADDITIONAL INFORMATION

	Unaudited 6 months to 30/9/2012 R'm	Unaudited 6 months to 30/9/2011 R'm	Audited Year to 31/3/2012 R'm
Capital commitments			
Southern Africa	**1 086**	1 227	1 427
Middle East	**31**	15	31
Switzerland	**581**	812	703
Exchange rates	**R**	R	R
Average Swiss franc (ZAR/CHF)	**8.63**	8.25	8.45
Closing Swiss franc (ZAR/CHF)	**8.85**	8.96	8.50
Average UAE dirham (ZAR/AED)	**2.23**	1.90	2.03
Closing UAE dirham (ZAR/AED)	**2.26**	2.20	2.09
Shares	**Number '000**	Number '000	Number '000
Number of ordinary shares in issue	**652 315**	652 315	652 315
Number of ordinary shares held in treasury	**(22 023)**	(24 956)	(23 758)
Number of ordinary shares in issue net of treasury shares	**630 292**	627 359	628 557
Weighted average number of ordinary shares in issue	**629 296**	626 921	627 280
Diluted weighted average number of ordinary shares in issue	**651 986**	651 921	651 921

In determining basic earnings per share and basic headline earnings per share, the weighted average number of ordinary shares in issue were taken into account.

Danie Meintjes, CEO of Mediclinic International commented:

"The Group's continued investment to improve and expand facilities in Southern Africa, Switzerland and the United Arab Emirate ("**UAE**") combined with increased patient admissions, often with more serious conditions, contributed to more bed days occupied and an increase in the average income per bed day. All three operating platforms contributed to this strong performance with an excellent contribution from the UAE. The average length of stay increased in Southern Africa and the UAE, with a slight decrease in Switzerland.

Although regulatory matters, particularly in Switzerland, create some uncertainty, we are positive about the future of our businesses. The benefit of our refinanced balance sheet places us in a favourable position to invest further in attractive growth and development opportunities across our operations."

GROUP OVERVIEW

Mediclinic is an international hospital group providing comprehensive, cost-effective, high-quality hospital services in Southern Africa, Switzerland and the UAE. Its vision is to be respected internationally and preferred locally.

We are pleased to report that the Mediclinic Group ("**the Group**") has maintained its consistent growth pattern.

Group revenue increased by 12% to R11 734m (2011: R10 467m) for the six months under review. Normalised operating income before interest, tax, depreciation and amortisation ("**normalised EBITDA**") was 14% higher at R2 486m (2011: R2 179m). The leveraging effect of the capital structure of the Group as well as the termination of Secondary Tax on Companies resulted in normalised headline earnings per share growth of 45% to 112.1 cents (2011: 77.2 cents) compared to the normalised EBITDA growth of 14%.

The Group results include a one-off net unrealised gain of R185m on foreign exchange forward contracts reported under other gains and losses in the consolidated income statement. These foreign exchange forward contracts were entered into to fix the exchange rate at which funds raised in South Africa were converted into foreign exchange to partially refinance the Swiss debt and to partially fund the acquisition of the minority interest in Emirates Healthcare.

Including this one-off item headline earnings rose by 84% to R891m (2011: R484m) and headline earnings per ordinary share increased by 83% to 141.5 cents (2011: 77.2 cents).

The average rand/Swiss franc (CHF) exchange rate was R8.63 compared to R8.25 and the average UAE dirham (AED) was R2.23 compared to R1.90 for the comparative period. These movements in the exchange rates had a positive effect on the reported results, as detailed under Hirslanden's and Emirates Healthcare's financial performance sections.

Finance cost

Included in the finance cost is an amount of R32m (2011: R40m), which is the current period's amortisation in respect of raising fees paid on the Group's local and offshore debt. These amounts are amortised over the terms of the relevant loans in line with future cash payments as prescribed in IAS 39 Financial Instruments.

Cash flow

The Group's cash flow continued to be strong. The Group converted 102% (2011: 88%) of normalised EBITDA into cash generated from operations. Cash and cash equivalents increased from R2 099m at 31 March 2012 to R3 191m at 30 September 2012.

Interest-bearing borrowings

Interest-bearing borrowings ("**debt**") increased from R24 794m at 31 March 2012 to R25 146m at 30 September 2012, mainly as a result of the change in the closing rand/CHF exchange rate. The closing rand/CHF exchange rate moved from R8.50 at 31 March 2012 to R8.85 at 30 September 2012. It is important to note that the foreign debt of the Group's Swiss and Middle

Eastern operations, amounting to R21 605m, is matched with foreign assets in the same currencies. The foreign debt also has no recourse to the Southern African operations' assets, as stipulated by the South African Reserve Bank, as well as applicable financing arrangements.

Assets

Property, equipment and vehicles increased from R34 808m at 31 March 2012 to R36 484m at 30 September 2012 and intangible assets increased from R6 350m at 31 March 2012 to R6 614m at 30 September 2012. These increases are mainly a result of the change in the closing rand/CHF and the rand/AED exchange rate, as mentioned above.

Other investments and loans decreased from R790m at 31 March 2012 to R43m at 30 September 2012, mainly due to the sale of most of the investment grade bond portfolio. The investment in money market funds was converted to cash.

Dividend

As indicated previously, the Group is moving towards a targeted dividend cover of three times based on Group headline earnings over time. The interim dividend per share is 25.3 cents (2011: 23.0 cents) and the Board will review the final dividend based on the Group's results of the full financial year.

Normalised non-IFRS financial measures

The Group uses normalised EBITDA, normalised headline earnings and normalised headline earnings per share as non-IFRS measures in evaluating performance and as a method to provide shareholders with clear and consistent reporting. These non-IFRS measures are defined as reportable EBITDA, headline earnings and headline earnings per share in terms of accounting standards, excluding one-off items.

OPERATIONS IN SOUTHERN AFRICA

MEDICLINIC SOUTHERN AFRICA

Financial performance

The Southern African group revenue increased by 9% to R5 130m (2011: R4 695m) for the six months under review. Normalised EBITDA was 10% higher at R1 089m (2011: R989m).

After incurring depreciation charges of R131m (2011: R123m), net finance charges of R152m (2011: R166m), taxation of R222m (2011: R230m) and deducting the interest of minority shareholders in the attributable income of the Southern African group amounting to R82m (2011: R76m), the Southern African operations contributed R502m (2011: R394m) to the normalised attributable income of the Group.

Business performance

The 9% revenue growth was achieved through a 4.1% increase in bed-days sold and a 5.2% increase in the average income per bed-day. Medical cases continued increasing at a higher rate than surgical cases. The number of patients admitted increased by 2.9%, while the average length of stay increased by 1.2%.

The Southern African operations' EBITDA margin increased slightly from 21.1% at 30 September 2011 to 21.2% at 30 September 2012.

The Southern African operations' cash flow continued to be strong as it converted 112% (2011: 96%) of EBITDA into cash generated from operations.

Cash and cash equivalents increased from R821m at 31 March 2012 to R893m at 30 September 2012.

Interest-bearing borrowings decreased from R3 631m at 31 March 2012 to R3 541m at 30 September 2012.

Projects and capital expenditure

During the reporting period the Southern African operations invested R246m (2011: R145m) in capital projects and new equipment to enhance its business, as well as R124m (2011: R139m) in the replacement of existing equipment. In addition, R134m (2011: R125m) was spent on the repair and maintenance of property and equipment, charged through the income statement. For the current financial year, R651m is budgeted for capital projects and new equipment to enhance its business, R250m for the replacement of existing equipment and R274m for repairs and maintenance. Incremental EBITDA resulting from capital projects in progress or approved is budgeted to amount to R64m and R65m in 2013 and 2014 respectively.

The number of licensed hospital beds increased from 7 378 to 7 408 during the six months under review.

During the past six months building projects were completed at:

- Mediclinic Muelmed (30 additional beds), and
- Mediclinic Legae (new emergency centre).

The following building projects in progress should be completed during the next six months:

- Mediclinic Limpopo (15 additional beds and upgrade),
- Mediclinic Nelspruit (2 theatres and upgrade),
- Mediclinic Swakopmund (14 additional beds and upgrade),
- Mediclinic Louis Leipoldt (upgrade),
- Mediclinic Hoogland (4 additional beds, new doctors consulting block and upgrade),
- Mediclinic Milnerton (10 additional beds),
- Mediclinic Otjiwarongo (2 additional beds), and
- Mediclinic Kloof (additional consulting rooms).

The following building projects in progress should be completed during the 2014 financial year:

- Mediclinic Pietermaritzburg (new cardiology unit, 80 additional beds, consulting rooms and upgrade),
- Mediclinic Windhoek (27 additional beds and consulting rooms),
- Mediclinic Stellenbosch (upgrade),
- Mediclinic Newcastle (10 additional beds),
- Mediclinic Victoria (14 additional beds and consulting rooms), and
- Wits Donald Gordon Medical Centre (upgrade).

Furthermore, the following approved projects will start during the next 12 months:

- New hospital in Centurion (174 beds),
- Mediclinic Howick (22 additional beds and upgrade), and
- Marapong Private Hospital (relocating hospital).

The number of licensed beds is expected to increase from 7 408 to 7 489 during the next six months.

Regulatory environment

Mediclinic continues to engage with all stakeholders on the most appropriate mechanisms for achieving universal coverage and promoting access to affordable high-quality healthcare with regard to the proposed National Health Insurance ("**NHI**") scheme.

The Department of Health has announced a tender process for projecting the costs of fully implementing the first 10 NHI pilot sites. The pilot sites are aimed at improving primary healthcare at the district level and were initiated by a R1bn conditional grant from Treasury. It is anticipated that the results from this costing model will provide pragmatic estimates of the likely costs of providing primary care in the future.

OPERATIONS IN SWITZERLAND

HIRSLANDEN

Financial performance

Hirslanden's revenue increased by 9% (4% at constant foreign exchange rates) to R5 446m (CHF631m) (2011: R5 001m (CHF606m)) for the six months under review. Normalised EBITDA was 8% higher (3% higher at constant foreign exchange rates) at R1 152m (CHF133m) (2011: R1 070m (CHF129m)).

After incurring depreciation charges of R285m (CHF33m) (2011: R268m (CHF33m)), net finance charges of R625m (CHF72m) (2011: R605m (CHF73m)) and tax of R135m (CHF16m) (2011: R128m (CHF15m)), Hirslanden contributed R107m (CHF12m) (2011: R69m (CHF8m)) to the attributable income of the Group.

Business performance

Inpatient admissions increased by 2.9% during the reporting period, while the average length of stay decreased slightly and the average income per bed-day increased by 2.5%.

Corrective action in the Berne hospitals has delivered improved results in line with expectations.

The normalised EBITDA margin of the group decreased slightly from 21.4% at 30 September 2011 to 21.2% at 30 September 2012.

Hirslanden converted 94% (2011: 79%) of normalised EBITDA into cash generated from operations.

Cash and cash equivalents increased from R588m (CHF69m) at 31 March 2012 to R773m (CHF87m) at 30 September 2012.

Interest-bearing borrowings increased from R20 722m (CHF2 438m) at 31 March 2012 to R21 461m (CHF2 425m) at 30 September 2012, mainly because of the increase in the closing rate of the rand/CHF exchange rate.

Projects and capital expenditure

During the reporting period Hirslanden invested R243m (CHF28m) (2011: R136m (CHF16m)) in capital projects and new equipment to enhance its business, as well as R160m (CHF19m) (2011: R99m (CHF12m)) in the replacement of existing equipment. In addition, R138m (CHF16m) (2011: R132m (CHF16m)) was spent on the repair and maintenance of property and equipment, charged through the income statement. For the current financial year CHF73m is budgeted for capital projects and new equipment, CHF52m for the replacement of existing equipment and CHF34m for repairs and maintenance. Incremental EBITDA resulting from capital projects in progress or approved is budgeted to amount to CHF6m and CHF12m in 2013 and 2014 respectively.

The number of fully operational inpatient beds remained constant at 1 479 during the period under review.

The major new building at Klinik Hirslanden has been under construction in Zurich since November 2010. During the reporting period the building project was running on schedule. It is expected that the commissioning of the new building (with an additional 72 inpatient beds and 8 ICU beds) will take place in 2013 during the European Spring.

Regulatory environment

The implementation of the revised Swiss Health Insurance Act (KVG), as of 1 January 2012, introduced Diagnosis Related Grouping ("**DRG**") based reimburse-ment, revised funding rules and new cantonal hospital lists.

Thirteen of the fourteen Hirslanden hospitals achieved the declared aim of being listed in their home canton. The exception, Klinik Im Park, continues to operate successfully in the private and semi-private patient market.

Regarding DRG-based reimbursement, base rates are still preliminary and may ultimately be fixed at a lower value. Some cantonal regulations that listed hospitals have to comply with, have not been enacted yet which may have a limiting effect on the business activities of Hirslanden.

OPERATIONS IN UNITED ARAB EMIRATES

EMIRATES HEALTHCARE

Financial performance

Revenue increased by 50% (28% at constant foreign exchange rates) to R1 158m (AED519m) (2011: R771m (AED406m)) for the six months under review. Normalised EBITDA increased by 104% (74% at constant exchange rates) to R245m (AED110m) (2011: R120m (AED63m)) and the EBITDA margin increased from 15.6% to 21.2%.

After incurring depreciation charges of R52m (AED23m) (2011: R45m (AED24m)), net finance charges of R17m (AED7m) (2011: R14m (AED8m)) and the sharing of minority shareholders in the attributable income of Emirates Healthcare amounting to R87m (AED39m) (2011: R30m (AED15m)), Emirates Healthcare contributed R89m (AED41m) (2011: R31m (AED16m)) to the attributable income of the Group.

Business performance

During the reporting period excellent growth was achieved by all business units. Inpatient hospital admissions increased by 17% (2011: 25%), while hospital outpatient consultations and visits to the emergency units increased by 11% (2011: 15%). Clinic outpatient consultations increased by 22% (2011: 87%).

The number of licensed hospital beds remained constant at 336 beds during the period under review.

Emirates Healthcare converted 99% (2011: 97%) of EBITDA into cash generated from operations.

Cash and cash equivalents decreased from R325m (AED155m) at 31 March 2012 to R117m (AED52m) at 30 September 2012, mainly as a result of interest-bearing borrowings which decreased from R439m (AED210m) at 31 March 2012 to R319m (AED141m) at 30 September 2012.

Projects and capital expenditure

During the reporting period Emirates Healthcare invested R21m (AED9m) (2011: R8m (AED4m)) in capital projects and new equipment to enhance its business as well as R15m (AED7m) (2011: R6m (AED3m)) in the replacement of existing equipment. In addition, R17m (AED8m) (2011: R15m (AED8m)) was spent on the repair and maintenance of property and equipment, charged through the income statement. For the next six months, AED14m is budgeted for capital projects and new equipment to enhance its business, AED33m for the replacement of existing equipment and AED18m for repairs and maintenance.

EVENTS AFTER THE REPORTING PERIOD AND TRADING STATEMENT

Significant events occurred between 30 September 2012 and 6 November 2012 which are not reflected in the condensed group interim financial statements. Details of a number of corporate activities were released on SENS over the past number of months and a summarised SENS announcement released on 17 October 2012. The announcements reported on:

- the successful completion of the comprehensive, elective refinancing of the Group's debt with new long-term, committed debt facilities across the Group's platforms and the successful conclusion of a R5 billion rights offer, and
- the conclusion of the acquisition of the minority interest in Emirates Healthcare.

The Group's results for the year ending 31 March 2013 will show a reduction of more than 20% in earnings and headline earnings per share compared to those reported for the year ended 31 March 2012, due to one-off charges relating to the refinancing of the Swiss and South African debt which occurred in October 2012 and thus in terms of section 3.4(b) of the JSE Listings Requirements the Group is required to issue a trading statement. The following one-off items will be excluded in calculating normalised headline earnings and normalised headline earnings per share:

- derecognition of the mark-to-market liability relating to the Swiss interest rate swap of CHF418m,
- accelerated amortisation charges of Swiss capitalised financing expenses of CHF18m,
- breakage charges of R55m relating to existing South African debt, and
- realised gain of R574m on foreign exchange forward contracts.

However, as it is quite early in the annual reporting period, the Group cannot, with reasonable certainty accurately quantify its results for the year ending 31 March 2013. A further trading statement for the year ending 31 March 2013 will be issued in April or May 2013. The forecasted financial information on which this trading statement is based has not been reviewed or reported on by the Company's external auditors.

CHANGES TO THE BOARD OF DIRECTORS

The following changes to the Board of Mediclinic occurred during the reporting period, as previously announced:

- Mr Jannie Durand, Chief Executive Officer of Remgro, was appointed as a non-executive director with effect from 7 June 2012 in the place of Mr Thys Visser who tragically passed away on 26 April 2012.
- Ms Zodwa Manase and Prof. Wynand van der Merwe (both independent non-executive directors), as well as Mr Joe Cohen and Dr Mamphela Ramphele (both non-executive directors) retired as directors of the Company at the annual general meeting on 26 July 2012. These vacancies have been filled with the appointment of Mr Alan Grieve and Ms Nandi Mandela (both independent non-executive directors), as well as Mr Trevor Petersen (non-executive director) as directors of the Company with effect from 13 September 2012. Mr Petersen is currently not regarded as independent in terms of the JSE Listings Requirements due to him being a partner of the Company's external auditors, PwC, within the last three years. This three-year period will expire at the end of December 2012, whereafter Mr Petersen will be regarded as independent.
- Dr Edwin Hertzog retired as an executive director with effect from 31 August 2012, but he remains on the Board of Mediclinic as non-executive Chairman.

PROSPECTS

Mediclinic is uniquely positioned in Southern Africa, Switzerland and the UAE to participate in the growth of quality healthcare with market leading facilities and services in strong market share positions.

The Group's refinanced balance sheet places it in a favourable position to invest further in attractive growth and development opportunities across its operations.

BASIS OF PREPARATION

The accounting policies applied in the preparation of these condensed group interim financial statements, which are based on reasonable judgements and estimates, are in accordance with International Financial Reporting Standards (IFRS) and are consistent with those applied in the audited annual financial statements for the year ended 31 March 2012, with the exception of the change in segmental reporting. The segmental report was changed after the composition of the Group's reportable segments was reconsidered. The condensed group interim financial statements have been prepared in terms of IAS 34 Interim Financial Reporting as well as in compliance with the Companies Act 71 of 2008 and the Listings Requirements of the JSE Limited. The preparation of the condensed group interim financial statements was supervised by the Chief Financial Officer, Mr CI Tingle (CA(SA)).

DIVIDEND TO SHAREHOLDERS

Notice is hereby given that the directors have declared an interim gross cash dividend of 25.3 cents (21.505 cents net of dividend withholding tax) per ordinary share. The dividend has been declared from income reserves and no secondary tax on companies credits have been utilised. A dividend withholding tax of 15% will be applicable to all shareholders who are not exempt therefrom. The Company's issued share capital at the declaration date is 826 957 325 ordinary shares.

The salient dates for the dividend will be as follows:

Last date to trade cum dividend	Friday, 30 November 2012
First date of trading ex dividend	Monday, 3 December 2012
Record date	Friday, 7 December 2012
Payment date	Monday, 10 December 2012

Share certificates may not be dematerialised or rematerialised from Monday, 3 December 2012 to Friday, 7 December 2012, both days inclusive

Signed on behalf of the board of directors:

E DE LA H HERTZOG
Chairman

D P MEINTJES
Chief Executive Officer

Stellenbosch

6 November 2012

EXPERTISE YOU CAN TRUST.

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