



Interim Results 2009
For the 6 months to 30 Sep 2008

#### Salient Features



- Financial Performance of Hirslanden in Switzerland exceeded expectations
- Medi-Clinic Southern Africa maintained operating margins
- The City Hospital commissioned in Dubai
- Interim dividend increased by 12% to 21.6 cents

## Agenda



- Group profile
- Group financial results
- Regional overviews
- Prospects
- Questions



Group Profile

### Truly International Hospital Group



- Founded in 1983 by Remgro, still owning 43.4%
- Established leader in quality private healthcare in SA
  - Market share of c. 26%
- Controlling interest in Emirates Healthcare (UAE) (2006)
  - Leading private healthcare provider in Dubai
  - Growth opportunities in the region
- Acquisition of Hirslanden (2007)
  - Largest private hospital group in Switzerland
  - Platform for future European expansion

#### Medi-Clinic Vision



#### Aim to provide:

The most cost effective quality care possible

#### Focus on:

 Acute care, specialist orientated multi-disciplinary hospitals

#### Strive to be:

 The most respected and trusted provider of hospital services by patients, doctors and funders of healthcare

### Management Structure



# MEDI-CLINIC Group Structure

MEDI-CLINIC CORPORATION MCC



Responsible for the global strategy of the organisation

Responsible for growth and strategy within specific countries



#### **MEDI-CLINIC**

Switzerland *MCCH* 



#### MEDI-CLINIC

Southern Africa *MCSA* 





#### **MEDI-CLINIC**

Middle East MCME





# **Group Financial Results**

### Summarised Financial Results



R million	30 Sep 08	30 Sep 07	31 Mar 08
	(HY)	(HY)	(FY)
Revenue	7,496	3,228	9,579
EBITDA	1,554	661	2,060
Operating profit	1,255	575	1,721
Finance cost	724	53	685
Profit for the period	334	380	721
Headline earnings per share (cents)	51.2	89.3	144.5
Total interest-bearing debt	22,127	1,176	23,397
Total assets	39,126	5,348	41,577
Total equity	8,915	2,291	9,687
EBITDA margin	20.7%	20.5%	21.5%
Normalised debt to EBITDA <sup>1</sup>	6.9x	n/a	7.4x
Normalised EV / EBITDA <sup>1</sup>	10.7x	n/a	11.4x

### Commentary

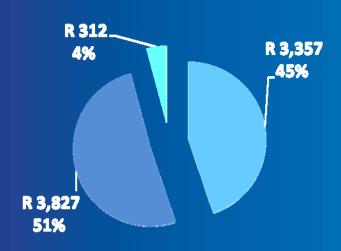


- High effective tax rate
  - Non-deductibility of interest on debt of CHF1 610 million
- Barclays Capital margin finalised
- Currency translation difference balance sheet debit of R688 million

### Revenue Analysis



#### Revenue HY 2009 (R'm)



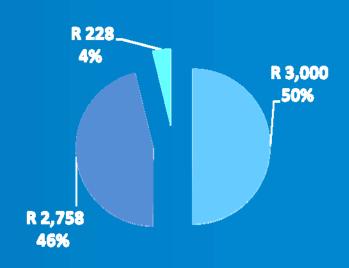
**Total: R7.5 billion** 

#### ■ Southern Africa

**■ Switzerland** 

**UAE** 

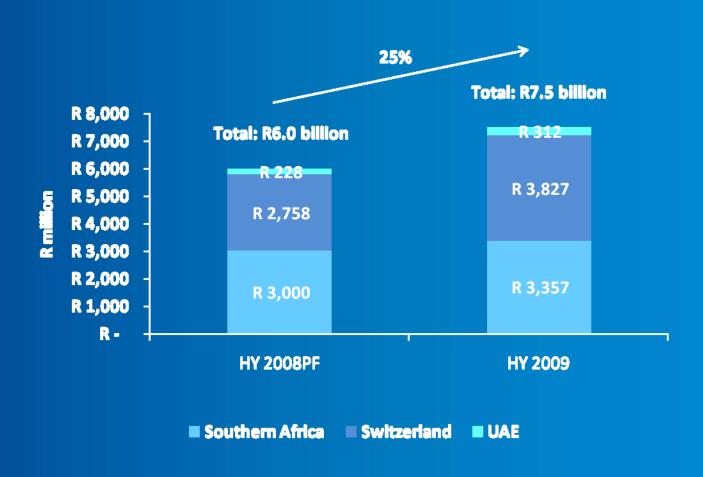
#### Revenue HY 2008PF (R'm)



**Total: R6.0 billion** 

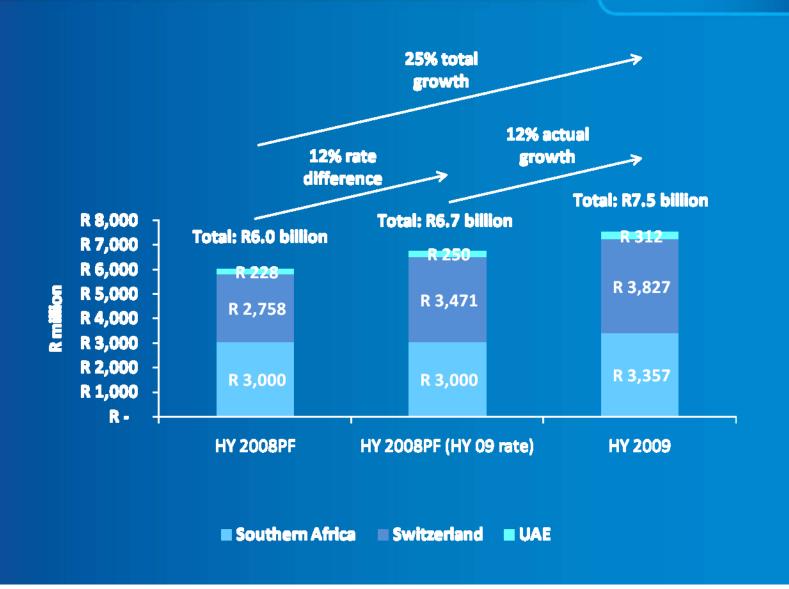
# Revenue Growth (Actual Rates)





# Revenue Growth (Constant Rates)





### **EBITDA Analysis**

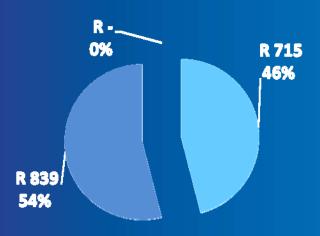
■ Southern Africa

**■ Switzerland** 

**UAE** 

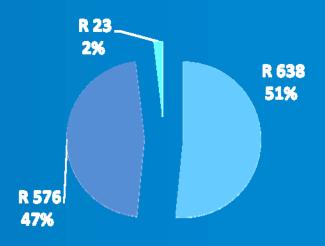






**Total: R1.6 billion** 

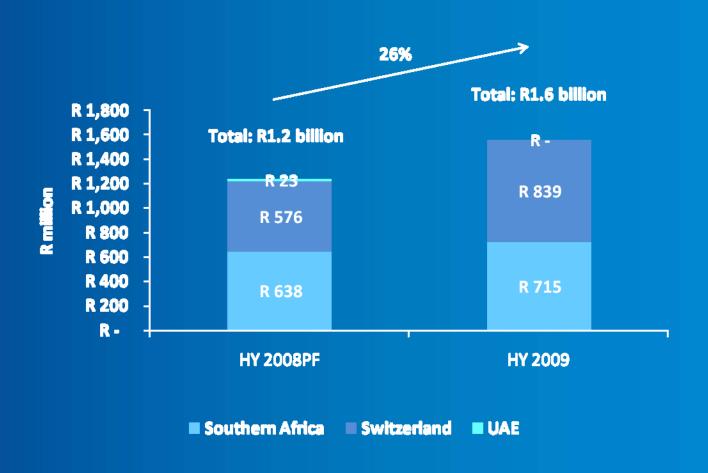
#### EBITDA HY 2008PF (R'm)



**Total: R1.2 billion** 

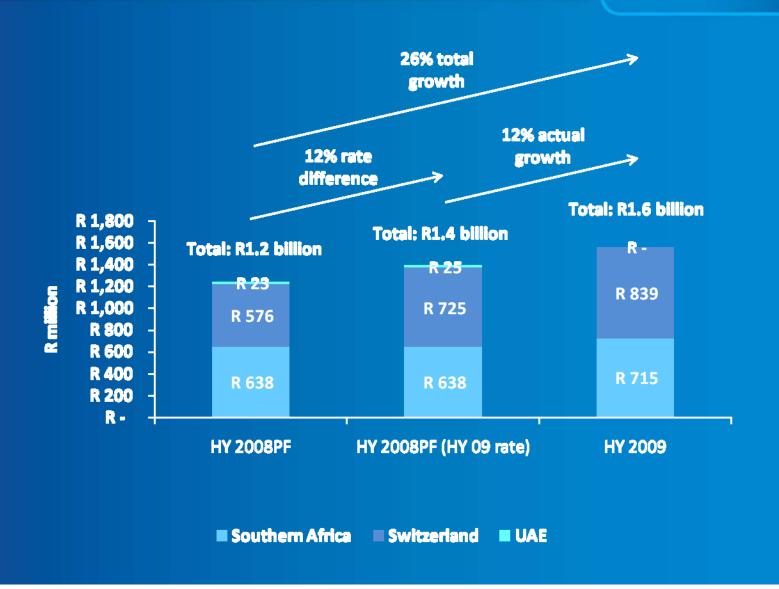
### EBITDA Growth (Actual Rates)





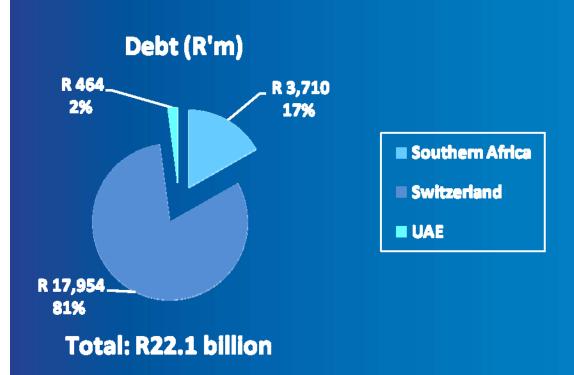
### EBITDA Growth (Constant Rates)



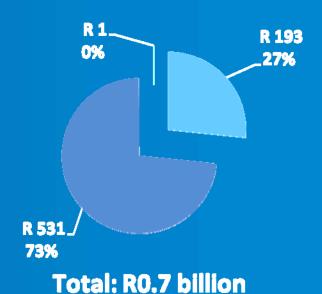


#### **Debt and Finance Cost**





#### **HY Finance Cost (R'm)**



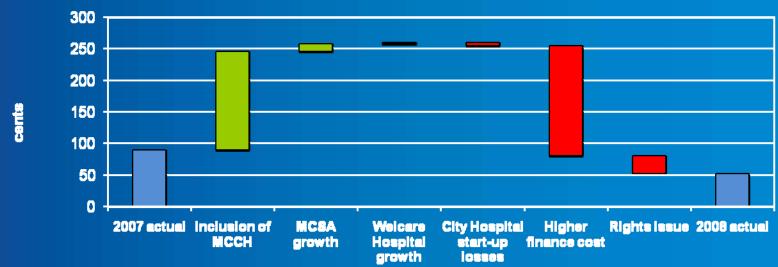
- Barclays Capital margin finalised
- Interest of R10.5 million capitalised against The City Hospital project costs
- MCME debt expected to increase to AED290 million by year end

### Headline Earnings Per Share



	30 Sep 08	30 Sep 07	% change
Headline earnings (R million)	287	322	-11%
Weighted number of shares in issue (mil)	559.4	360.0	55%
Headline earnings per share (cents)	51.2	89.3	-43%





- Dividend per share increased by 12% to 21.6 cents in line with Southern African performance
  - Dividend cover reduced to 2.4x

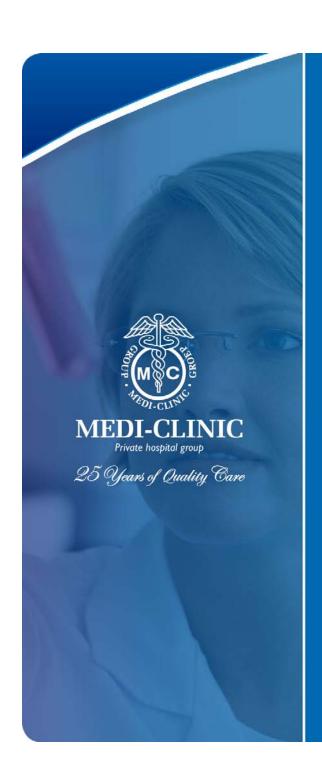
#### **Cash Conversion**



Group converted 117% of EBITDA into cash from operations



Regional Overview



Medi-Clinic Southern Africa

# Established Leader in Quality Care



At 30 September 2008	
Hospitals	51
Beds	6 800
Admitting specialists	1 675
Employees	12 850



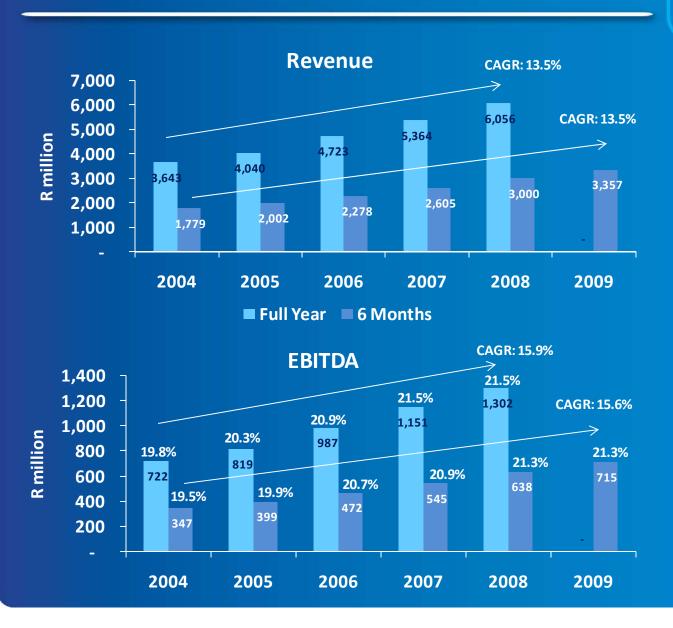
### MCSA Financial Results



R million	30 Sep 08	30 Sep 07	% change
Revenue	3,357	3,000	12%
EBITDA	715	638	12%
Operating profit	631	565	12%
Finance cost	193	48	>100%
R million	30 Sep 08	31 Mar 08	% change
R million  Total interest-bearing debt	30 Sep 08 3,710	31 Mar 08 3,699	% change 0%
Total interest-bearing debt	3,710	3,699	0%
Total interest-bearing debt	3,710	3,699	0%

#### Consistent Growth Profile

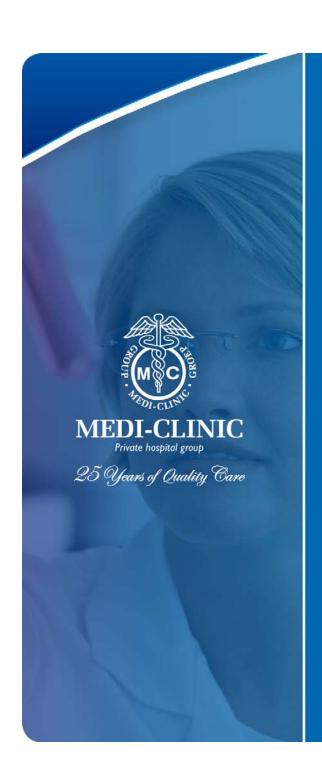




### Commentary



- 12% revenue growth comprises
  - 3.3% increase in bed days sold
  - 8.3% increase in average income per bed day
  - 0.4% change in profile
- Expansion and upgrades
  - 140-bed Cape Gate Medi-Clinic scheduled for completion in 2010
  - Extensive expansion and upgrade projects
- Regulatory environment



Medi-Clinic Switzerland

# Largest Group in Switzerland



At 30 September 2008	
Hospitals	13
Beds	1 334
Admitting specialists	1 400
Employees	4 100



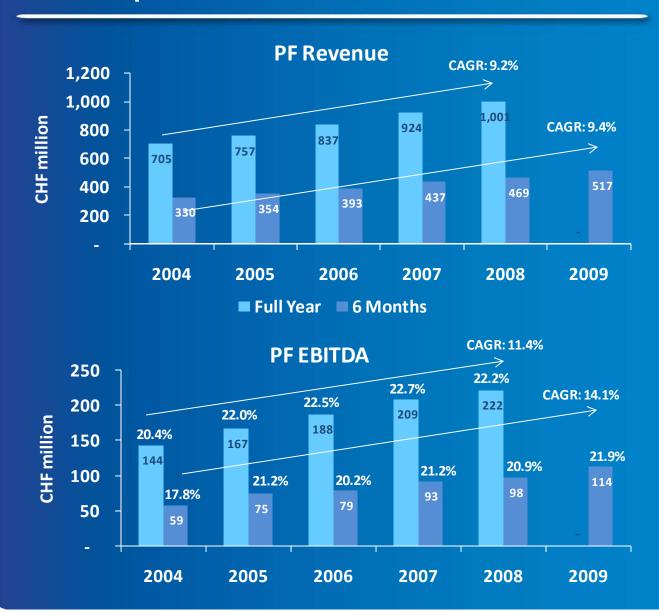
### MCCH Financial Results



CHF million	30 Sep 08	30 Sep 07	% change
Revenue	517	469PF	10%
<b>EBITDA</b>	114	98PF	16%
Operating profit	87	n/a	n/a
Finance cost	72	n/a	n/a
CHF million	30 Sep 08	31 Mar 08	% change
CHF million  Total interest-bearing debt	30 Sep 08 2,394	31 Mar 08 2,393	% change 0.0%
	· · · · · · · · · · · · · · · · · · ·		
Total interest-bearing debt	2,394	2,393	0.0%
Total interest-bearing debt	2,394	2,393	0.0%

### Impressive Growth Profile





#### Commentary



- Seasonality of revenue and income
- Inpatient admissions increased by 5.7% and day surgery admissions by 12.6%
- Continued integration
- Changes in management
  - Dr Olé Wiesinger replaced Dr Robert Bider as CEO
  - Exco enlarged from 3 to 6

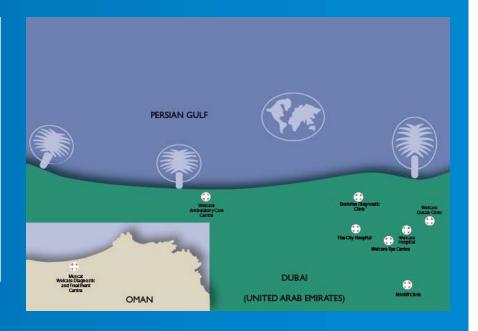


Medi-Clinic Middle East

# Leading in Dubai



At 30 September 2008	
Hospitals	2
Beds	330
Ambulatory surgery centre and clinics	5
Doctors	160
Employees	1 150



### MCME Financial Results



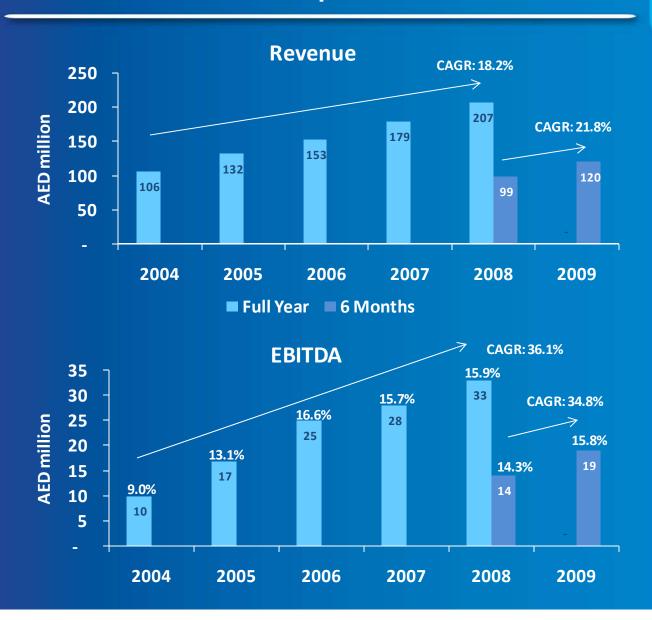
AED million	30 Sep 08	30 Sep 07	% change
Revenue	147	118	24%
EBITDA	-	12	-100%
Operating profit	-7.0	5	>100%
Finance cost	0.6	3	-76%

AED million	30 Sep 08	31 Mar 08	% change
Total interest-bearing debt	206	98	110%
Total assets	809	713	13%

EBITDA margin	0.0%	10.0%
Interest cover	n/a	2x

# Welcare: Exceptional Growth

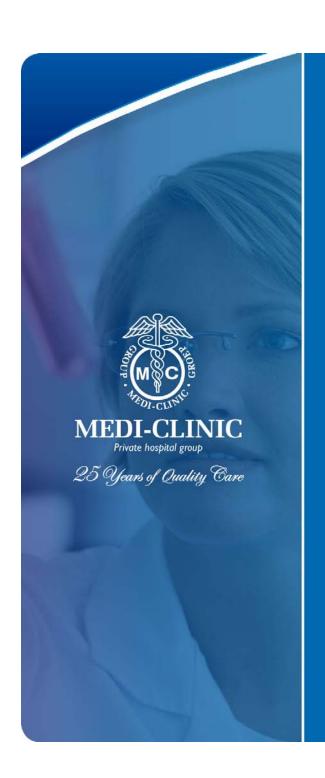




### Commentary



- The City Hospital commissioned on 15 October 2008
  - Passed a rigorous international accreditation process
  - Start-up operating losses of R36 million as anticipated
  - Substantial risk remains in the unpredictability of occupancy levels during the start-up period
- Welcare Hospital and three clinics in full operation exceeded expectations



Prospects

#### **Prospects**



- Truly international business
  - More than 50% of revenues and operating profits derived offshore
- Three well-defined platforms for growth established within the group
- Knowledge in measurement of clinical data to be applied on an international level
- Continued integration of Hirslanden
  - Synergies to be extracted
  - Benchmarking
  - Integrated international group



Q & A Opportunity

#### Disclaimer



All statements other than those of historical facts included in this presentation are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, commodity price volatility, currency fluctuations, increased production costs, political and operational risks in the countries in which we operate, governmental regulation and judicial outcomes. The Company gives no guarantees or warranties that any of the future events, expectations or results referred to in the forward-looking statements will happen or materialize. The Company also does not undertake any obligation to release publicly any revisions to any "forward-looking" statement" to reflect events and circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.