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("**Mediclinic**", the "**Company**" or the "**Group**")

23 May 2019

MEDICLINIC INTERNATIONAL PLC – 2019 FULL-YEAR RESULTS AND PROPOSED FINAL CASH DIVIDEND

Group adjusted full-year financial results in line with market expectations
Hirslanden adapting to changing environment; benefited from cost-savings and efficiency initiatives
Southern Africa and Middle East revenue and EBITDA growth in local currency
Proposed final dividend maintained at 4.70 pence per share
Current trading in line with expectations; guidance remains unchanged

Mediclinic announces its results for the year ended 31 March 2019 (the "**period**" or "**FY19**"); comparative figures are drawn from the Group's results for the year ended 31 March 2018 ("**FY18**").

GROUP FINANCIAL RESULTS

- Revenue up 2% to GBP2 932m; up 4% in constant currency terms
- Adjusted EBITDA of GBP493m down 4%; down 2% in constant currency terms reflecting the impact of regulatory changes on Hirslanden
- Adjusted operating profit of GBP330m down 11%; reported operating profit of GBP81m (FY18: loss of GBP288m) reflects non-cash Hirslanden impairment charges and other exceptional items of GBP249m (FY18: GBP658m)
- Reported loss* of GBP151m (FY18: loss of GBP492m), reflecting a non-cash impairment charge on the equity investment in Spire of GBP164m (FY18: GBP109m) and Hirslanden impairment charges of GBP241m (FY18: GBP644m)
- Adjusted earnings per share in line with market expectations at 26.9 pence down 10%
- Cash conversion at 91% of adjusted EBITDA (FY18: 90%)
- Proposed final dividend maintained at 4.70 pence per share; total dividend for the year 7.90 pence per share

**Refers to loss attributable to equity holders*

Dr Ronnie van der Merwe, Chief Executive Officer of Mediclinic International, today said:
"Adjusted Group results for the 2019 financial year were in line with market expectations despite a changing regulatory environment which led to the Group's disappointing first half performance.

"Over the course of the last 18 months, all Swiss hospital operators have been affected by rapidly implemented regulatory changes related to outpatient tariff reductions and outmigration of care. We took actions to improve Hirslanden's performance, including accelerated cost-saving initiatives and the introduction of operational efficiencies. As these plans started to take effect, they moderated the financial impact of the regulatory changes in the second half of the year, with Hirslanden delivering a 16% EBITDA margin for the full year, in line with guidance.

"Throughout the year we executed against our growth strategy with investments across the continuum of care in all regions, opening several day case clinics in Switzerland and Mediclinic Southern Africa. We successfully opened Mediclinic Parkview Hospital in Dubai and integrated new investments into the Group. Mediclinic's value lies in harnessing the exceptional talent, compassion and energy of its employees and partners to ensure that our patients receive an outstanding experience in addition to cost-effective, quality care. Aligned with our Patients

First strategy, we successfully implemented initiatives to enhance clinical performance and delivered improved patient experiences while maintaining cost discipline.

"Adapting our business to the changing global healthcare environment remains a priority. We have identified selective expansion and upgrade investments across the Group and will continue optimising the delivery of the services and care we provide. In Switzerland, as part of this plan, progress continues on delivering the Hirslanden 2020 strategic project.

"I am optimistic about our future and confident that we will make further progress against our strategic objectives in the next 12 months."

GROUP STRATEGIC OVERVIEW

The strategic focus of Mediclinic and its subsidiaries is to deliver high-quality healthcare services and provide an optimal patient experience in Switzerland, Southern Africa and the Middle East. To this end, Mediclinic continued to invest in its people, clinical facilities and technology during the year. The Group's international scale enables it to unlock further value through promoting collaboration and best practice between its divisions and to extract further synergies and cost-efficiencies across a complementary service set in the continuum of care.

There is a clear underlying long-term demand for Mediclinic's services which is expected to remain robust, underpinned by *inter alia* an ageing population, the growing disease burden and technological innovation. In addition, there is an increased focus on the affordability of healthcare delivery, resulting in changing care delivery models and greater regulatory intervention, the impact of which the Group is actively working to compensate. This is in line with Mediclinic's philosophy of making long-term decisions informed by its core business as well as the changing environment.

GROUP FINANCIAL SUMMARY

	2019 GBPm	2018 GBPm	% variance[4]
Revenue[1]	**2 932**	2 876	2%
Adjusted EBITDA[2]	**493**	515	(4%)
Operating profit/(loss)	**81**	(288)	128%
Reported loss[3]	**(151)**	(492)	69%
Adjusted earnings[2]	**198**	221	(10%)
Loss per share (pence)	**(20.5)**	(66.7)	69%
Adjusted earnings per share (pence)[2]	**26.9**	30.0	(10%)
Total dividend per share (pence)	**7.90**	7.90	0%
Net debt	**1 717**	1 676	2%
Cash conversion	**91%**	90%	

1 *An income statement reclassification has increased Mediclinic Southern Africa FY18 revenue and cost of sales by GBP6m. Refer to note 2 in the condensed consolidated financial statements.*
2 *The Group uses adjusted income statement reporting as non-IFRS measures in evaluating performance and to provide consistent and comparable reporting. Refer to reconciliation in the Financial Review section below.*
3 *Reported loss attributable to equity holders.*
4 *The percentage variances are calculated in unrounded pounds sterling values and not in millions.*

Adjusted results

The Group's FY19 revenue was up 2% to GBP2 932m (FY18: GBP2 876m) and adjusted EBITDA was down 4% to GBP493m (FY18: GBP515m), as expected. In constant currency terms, FY19 revenue was up 4% and adjusted EBITDA was down 2%, with the Group's adjusted EBITDA margin decreasing to 16.8% (FY18: 17.9%). The operating performance was impacted by the lower contribution from Hirslanden, offset by an improved performance in the second half of the financial year from Mediclinic Southern Africa and Mediclinic Middle East.

Adjusted depreciation and amortisation were up 12% to GBP163m (FY18: GBP145m) in line with the continued investment to upgrade and expand the asset base, supporting future growth, enhancing patient experience and clinical quality and driving efficiencies.

Adjusted operating profit was down 11% to GBP330m (FY18: GBP370m).

Adjusted net finance costs decreased by 19% to GBP57m (FY18: GBP70m), benefiting from refinancing in all divisions during the current and prior years. Adjusted taxation was GBP57m (FY18: GBP64m), with an adjusted effective tax rate for the period decreasing to 20.4% (FY18: 20.8%) reflecting a lower average tax rate in Switzerland.

Mediclinic's investment in Spire Healthcare Group plc ("**Spire**") is equity accounted. For the year ended 31 December 2018, Spire reported a profit after tax of GBP11.3m (31 December 2017: GBP16.8m). Spire's adjusted profit after tax for the year was GBP27.5m (31 December 2017: GBP57.9m). After adjusting for the amortisation of intangible assets recognised in the notional purchase price allocation of the equity investment, FY19 income from associates was GBP2.7m (FY18: GBP2.8m).

Adjusted earnings were down 10% to GBP198m (FY18: GBP221m), with adjusted earnings per share down 10% to 26.9 pence (FY18: 30.0 pence). The proposed final dividend per share is 4.70 pence (FY18: 4.70 pence), resulting in a total dividend for the year of 7.90 pence (FY18: 7.90 pence) representing a 29% pay-out ratio to adjusted earnings, in line with the Group's existing policy of 25% to 30%. Given the anticipated impact of IFRS 16 accounting changes, the Board deems it appropriate to proactively adjust the future payout ratio to 25% to 35% of adjusted earnings.

Cash flow conversion was 91% (FY18: 90%), with all three operating divisions in line with expectations. The Group continues to seek to improve cash conversion in the Middle East division through reducing debtor days.

The Group continues to follow a strategy of responsible leverage, largely using its asset base to secure cost efficient borrowings. These are incurred in the same currency as the underlying cash flows of the divisions to avoid foreign exchange fluctuation risks and debt is ring-fenced with no cross guarantees or cross defaults from one division to another. The Group successfully refinanced Mediclinic Southern Africa and Mediclinic Middle East's borrowings in August 2018 and September 2018 respectively. As Hirslanden has the highest value of fixed assets and lowest cost of borrowing across the Group, we follow a deliberate strategy of raising the majority of our funding in Switzerland. On a Group basis, leverage at the end of the period was at 3.5x and we maintain sufficient financing flexibility across the entire Group to fund continued investment in the business and incremental growth all whilst maintaining headroom to our covenants. In Switzerland, an amendment to the financing agreement was entered into in March 2019, adjusting the covenants to reflect the impact of the recent regulatory changes on the profitability of the Swiss business.

Reported results

Reported revenue was up 2% to GBP2 932m (FY18: GBP2 876m).

Depreciation and amortisation remained flat at GBP168m (FY18: GBP168m). The FY19 charge includes accelerated depreciation of GBP5m in Hirslanden relating to abandoned project costs aligned with disciplined approach to capital allocation. In the prior year, accelerated amortisation of GBP23m relating to the rebranding of the Al Noor hospitals to Mediclinic was included.

Operating profit was impacted by the following non-cash exceptional items:

- recognition of impairment charges on Hirslanden property, equipment and vehicles of GBP186m and intangible assets of GBP55m;
- accelerated depreciation of GBP5m in Hirslanden relating to abandoned project costs aligned with disciplined approach to capital allocation; and
- loss on disposal of certain non-core businesses at Mediclinic Middle East of GBP1m.

Changes in the market and regulatory environment in Switzerland affected key inputs to impairment reviews that gave rise to impairment charges recorded against property, equipment and vehicles of GBP186m and intangible assets and GBP55m, respectively.

The exceptional charges listed above reduced the operating profit in FY19 to GBP81m (FY18: operating loss GBP288m).

Net finance costs reduced by 33% to GBP57m (FY18: GBP85m). The FY18 charge included the derecognition of unamortised finance expenses of GBP19m due to the extinguishment of the original liability following the refinancing of Hirslanden's debt.

The market value of the investment in Spire was GBP169m on 30 September 2018, which was below the carrying value on 31 March 2018. An impairment test was performed at 30 September 2018 considering Spire's interim results announcement including guidance. As a result, an impairment charge of GBP164m was recorded against the carrying value of the equity-accounted investment. An updated test was performed on 31 March 2019 following release of revised guidance by Spire; no further impairment charge was required.

The Group's reported effective tax rate is significantly skewed by exceptional non-deductible expenses which include impairment of properties and trade names; impairment of the equity investment; and accelerated depreciation. A prior year adjustment relating to a change in the basis of estimating deferred tax on the Swiss properties led to the recognition of a tax credit of GBP17m.

The Group reported a loss of GBP151m (FY18: GBP492m). The loss was impacted by:

- the recognition of the above impairment charge on the equity investment in Spire of GBP164m; and
- a change in the basis of estimating deferred tax on the Swiss properties giving rise to a tax credit of GBP17m.

Group results are subject to movements in foreign currency exchange rates. Refer to the Financial Review section below for exchange rates used to convert the divisions' results and financial position to pounds sterling.

Details of the FY19 results investor and analyst audio webcast and conference call are available at the end of this report or on the Company's website at www.mediclinic.com.

OPERATIONAL RESULTS

Hirslanden

- Revenue up 2% to CHF1 778m
- Adjusted EBITDA down 10% to CHF285m
- Adjusted EBITDA margin of 16.0% (FY18: 18.3%)
- Adjusted EBITDA converted to cash of 97% (FY18: 81%)
- Customary seasonality in the second half of the year and additional cost-saving and efficiency initiatives delivered improved sequential financial performance
- Disappointing performance at Hirslanden where recent regulatory changes have significantly impacted the tariff environment and inpatient insurance mix; affected key inputs to the impairment review giving rise to impairment charges on Hirslanden property, equipment and vehicles of GBP186m and trade names of GBP55m
- Continue to take actions to improve the financial performance through securing revenue growth, reducing costs and driving operational and portfolio efficiencies; additional medium-term actions include improving service differentiation across insurance categories, medical practitioner recruitment initiatives and advancing the outpatient delivery model
- Combination of Hirslanden Clinique La Colline and Clinique des Grangettes to strengthen the leading market position of Hirslanden in the attractive Geneva market, consolidated from 1 October 2018
- Amendment to the financing agreement was entered into in March 2019, adjusting the covenants to reflect the impact of the recent regulatory changes on the profitability of the business

Mediclinic Southern Africa

- Revenue up 5% to ZAR15 960m
- Adjusted EBITDA up 4% to ZAR3 385m
- Adjusted EBITDA margin of 21.2% (FY18: 21.3%)
- Adjusted EBITDA converted to cash of 96% (FY18: 103%)
- Stable EBITDA margin was supported by excellent operational performance despite weak patient volumes, reflecting current macro environment
- In line with the strategy to expand across the continuum of care, Mediclinic Southern Africa completed the acquisition of Welkom Medical Centre in August 2018 and the investment in Intercare day case clinic, sub-acute and specialist hospital business in November 2018 while opening the new Mediclinic Newcastle day case clinic in October 2018; six further day case clinics expected to open in FY20 and FY21

Mediclinic Middle East

- Revenue up 7% to AED3 262m (FY18: AED3 050m; adjusted to reflect pro forma FY18 revenue following adoption of IFRS 15)
- Adjusted EBITDA up 7% to AED425m benefiting from operating leverage; adjusted EBITDA margin of 13.0% (FY18: 13.0%; reflecting IFRS 15 pro forma adjusted for disallowances reclassified to revenue)
- Excluding the loss associated with the start-up of Mediclinic Parkview Hospital, adjusted EBITDA margin improved to 14.1%
- Adjusted EBITDA converted to cash of 70% (FY18: 74%)
- Excluding Parkview Hospital, Mediclinic Middle East delivered gradual improvement in revenue and EBITDA margin expansion as benefits from business and operational alignment initiatives in Abu Dhabi materialise; despite the lack of tariff increases in 2018 and 2019, continued growth in underlying revenue and a gradual improvement in EBITDA margin over the medium term can be expected
- Good performance from Mediclinic Parkview Hospital in Dubai, which opened in September on time and within budget; the hospital will be a key contributor to the growth of the division as it ramps up over the coming years

HIRSLANDEN

	2019	2018	Variance %
Inpatients (000's)	**107**	103	4%
Movement in revenue per admission	**(2.2%)**	(2.5%)	
Revenue (CHFm)	**1 778**	1 735	2%
Adjusted EBITDA (CHFm)	**285**	318	(10%)
Adjusted EBITDA margin	**16.0%**	18.3%	
Expansion capex (CHFm)	**55**	47	17%
Maintenance capex (CHFm)	**40**	82	(51%)
Adjusted EBITDA converted to cash	**97%**	81%	
Average GBP/CHF exchange rate	**1.30**	1.29	
Revenue (GBPm)	**1 368**	1 349	1%
Adjusted EBITDA (GBPm)	**219**	247	(11%)

Financial review

As at the end of the reporting period, Hirslanden operated 18 hospitals, two day case clinics and three outpatient clinics with a total of 1 916 inpatient beds and 10 442 employees (8 303 full-time equivalents). It is the largest private acute care hospital group in Switzerland servicing approximately one third of inpatients treated in Swiss private hospitals. Hirslanden accounted for 47% of the Group's revenue (FY18: 47%) and 44% of its adjusted EBITDA (FY18: 48%).

The entire Swiss healthcare environment, both public and private, has been affected by a number of regulatory changes over the last 18 months. The greatest impact to Hirslanden's financial performance resulted from the rapidly implemented national outpatient tariff ("**TARMED**") reductions and the outmigration of identified clinical treatments transferring from an inpatient to an outpatient tariff across all cantons. The outmigration of care, which commenced in July 2017, continued to unfold during 2018 and culminated with the Federal list and its more restrictive exclusion criteria being implemented from 1 January 2019. As previously communicated, Hirslanden designed and implemented actions to adapt the business to the new operating environment to mitigate the financial impact of outmigration. These actions helped to moderate the financial impact in the second half of FY19 and, combined with the benefits from the Hirslanden 2020 strategic project, is expected to support Hirslanden's operating performance over the medium term.

Including the contributions from Klinik Linde (consolidated from 1 July 2017) and Clinique des Grangettes (consolidated from 1 October 2018), Hirslanden revenue increased 2% to CHF1 778m (FY18: CHF1 735m). Inpatient revenue was up 2%. Outpatient revenue, which contributed some 19% to total revenue in the period, was up 7% reflecting the contribution from Clinique des Grangettes and additional cases from the outmigration of certain treatments to an outpatient tariff offset by the TARMED tariff reduction. Inpatient revenue per case was down 2.2% as a result of the less favourable insurance mix (proportion of general insured patients FY19: 48.7% compared to FY18: 47.9%). The average length of stay decreased by 2.4% to 4.5 days while occupancy rates were 70.4% (FY18: 73.3%).

Revenue contribution in FY19 from Klinik Linde and Clinique des Grangettes was CHF127m (FY18: CHF52m). Underlying inpatient admissions at Hirslanden (excluding Klinik Linde and Clinique des Grangettes) were flat on the prior year as the hospitals admitted additional patients to compensate for capacity created by fewer inpatient cases due to the outmigration of care.

With cost savings and efficiency gains, the significant effect of the tariff reductions and less favourable insurance mix resulted in adjusted EBITDA declining 10% to CHF285m (FY18: CHF318m). In line with revised earnings guidance, the FY19 adjusted EBITDA margin was lower at 16.0% (FY18: 18.3%). Given the significant decline in EBITDA margin in the first half of the year to 14.3% (1H18: 17.4%), actions taken moderated the financial impact of the regulatory changes in the second half of the year with the EBITDA margin at 17.6% (2H18: 19.1%).

Adjusted depreciation and amortisation increased by 13% to CHF124m (FY18: CHF110m), reflecting the incorporation of Klinik Linde, Clinique des Grangettes and ongoing fixed asset investments. Adjusted operating profit decreased by 22% to CHF161m (FY18: CHF208m).

Adjusted net finance costs decreased by 11% to CHF51m (FY18: CHF57m). This was mainly as a result of the refinancing, including the redemption of an interest rate swap agreement which was completed in October 2017. An amendment to the financing agreement was entered into in March 2019, adjusting the covenants to reflect the impact of the recent regulatory changes on the profitability of the business. There was no change to the interest margin of the debt facility.

Hirslanden contributed GBP80m to the Group's adjusted earnings (representing 40%), compared to GBP106m (representing 48%) in the prior year.

Hirslanden converted 97% (FY18: 81%) of adjusted EBITDA into cash generated from operations.

In line with the requirements of IFRS, non-financial assets are considered for impairment when impairment indicators are identified at an individual cash-generating unit ("**CGU**") level. In Switzerland, the changes in the market and regulatory environment continued to affect key inputs to the review and gave rise to impairment charges recorded against properties and trade names at the half year of GBP43m and GBP55m respectively, with an additional GBP143m against property equipment and vehicles at the year-end (FY18: impairment charges on property and intangible assets of GBP84m and GBP560m respectively). The impairment charges are non-cash and excluded from the adjusted earnings metrics. The remaining trade name will be amortised over its estimated useful life. The impairment calculations remain sensitive to reasonably possible changes in key assumptions, including cash flow projections and long-term growth and discount rates.

Adapting to the current market and regulatory trends

On 1 January 2018, the previously announced reductions to the TARMED became effective. After mitigating actions, including improved utilisation and increased efficiencies, the annualised impact on adjusted EBITDA was as guided at around CHF25m. No further tariff adjustments are known of.

On 1 January 2019, the Federal Government implemented a national framework for the outmigration of six clinical procedure groups from an inpatient to an outpatient tariff with defined exclusion criteria being applied across all cantons which take account of factors including age and co-morbidities. In FY20, Hirslanden will therefore be impacted by a further 9 months from the implementation of the national framework.

However, Hirslanden has been impacted by outmigration since July 2017, when the canton of Lucerne first introduced a more extensive list of 13 clinical procedure groups. Similar measures were implemented in four further cantons (Zürich, Zug, Schaffhausen and Aargau) on 1 January 2018, and in Basel on 1 July 2018. Out of the control of the division, Hirslanden has been further impacted by several insurance companies in Switzerland already applying elements of the framework in some cantons that had not yet officially implemented outmigration.

Hirslanden continues to adapt its business model to address the current trends in inpatient and outpatient activity driven by the recent regulatory changes to the healthcare market, while maintaining excellent clinical performance, and continues to engage with insurers and regulators in Switzerland, seeking to offer the most appropriate care and services.

The recent tariff reductions as a result of these regulatory changes required Hirslanden to accelerate, in the near-term, the cost-reduction project to drive further operational efficiencies. Having generated CHF9m savings to budget in the first half of the year, a further CHF12m was achieved in the second half. These cost-saving initiatives, focused on supply costs, employee efficiencies and general administration expenses, will continue into FY20.

Hirslanden continues to implement further actions to adapt to the changing Swiss healthcare environment. Through the Hirslanden 2020 strategic project, changes to the service model and cost structure of the division will support the medium-term performance of the division. In FY20, this project is in the final year of peak operating and capital investment spend before savings and efficiency benefits from standardising, centralising and simplifying the business are expected to be realised. To adapt the service model to the outmigration trend, in addition to the two day case clinics already opened with two further to be opened in FY20, optimised day case processes have been established in the majority of remaining Hirslanden hospitals. This will ensure that day case procedures are delivered in a cost-efficient manner and the division benefits from the Group's experience of establishing similar day case and outpatient clinics across Southern Africa and the Middle East. The dedicated Hirslanden outmigration project team is evaluating a number of opportunities to ensure the division is well positioned to benefit from the growing outpatient trend over the coming years.

Supporting the division's Grow2020 strategy, Hirslanden has been successful in retaining and attracting independent consultants as partners to the business. During FY19, more than 250 net additional independent consultants practised at Hirslanden and the division continues to leverage its leading market position and strong reputation to attract highly qualified medical professionals and supplementary insured patients. In addition, further initiatives to improve service differentiation will be implemented where appropriate. In February 2019, the Hirslanden Préférence programme was launched, specifically targeting the semi-private insured patient market.

Investing for future growth

During the year, Hirslanden invested a total of CHF95m in maintenance and expansion capex (FY18: CHF129m), aligning the division's investment plans to the Swiss healthcare regulatory environment. In FY19, Hirslanden invested CHF55m (up 17% on FY18) in expansion capital projects and new equipment and CHF40m (down 51% on FY18) on the replacement of existing equipment and upgrade projects. During the period, the division continued to invest in the HIT 2020 project to standardise the organisational structure, support processes and underlying ICT and systems across the division. Hirslanden also completed several new outpatient projects including the day case clinic at St. Anna Im Bahnhof, the outpatient clinic at Clinique Bois-Cerf, medical practitioners' offices at Klinik Hirslanden and Stephanshorn, and the new sports medicine centre at Clinique La Colline.

Capital discipline remains a key focus of the Group and there will be an ongoing review of capital allocation and portfolio efficiencies at Hirslanden during this period of regulatory changes, while ensuring clinical standards and the quality of patient care remain appropriate. In FY20, Hirslanden expects to invest CHF37m and CHF55m on expansion and maintenance capex respectively. This includes the ongoing investment in the Hirslanden 2020 strategic project, in addition to new day case clinics opening at St. Gallen and Bois-Cerf.

The combination of the Hirslanden Clinique La Colline and Clinique des Grangettes in Geneva was announced in September 2018 and consolidated from 1 October 2018. The combination, which included a cash consideration of CHF77m for a 60% controlling interest in the combined entity, strengthens Hirslanden's leading market position in Geneva and will deliver enhanced services for patients in addition to being earnings accretive. The hospital is supported by around 450 affiliated independent medical practitioners and attracts a high proportion of supplementary insured inpatients while providing an extensive outpatient service.

MEDICLINIC SOUTHERN AFRICA

	2019	2018	Variance %
Movement in bed days sold	**0.6%**	(1.5%)	
Movement in revenue per bed day sold	**4.3%**	6.7%	
Admissions (000's)	**565**	566	0%
Revenue (ZARm)*	**15 960**	15 204	5%
Adjusted EBITDA (ZARm)	**3 385**	3 245	4%
Adjusted EBITDA margin	**21.2%**	21.3%	
Expansion capex (ZARm)	**506**	423	20%
Maintenance capex (ZARm)	**672**	634	6%
Adjusted EBITDA converted to cash	**96%**	103%	
Average GBP/ZAR exchange rate	**18.01**	17.22	
Revenue (GBPm)	**886**	883	0%
Adjusted EBITDA (GBPm)	**187**	189	(1%)

** An income statement reclassification has increased FY18 revenue and cost of sales by R98m. Refer to note 2 in the condensed consolidated financial statements.*

Financial review

In Southern Africa (including South Africa and Namibia), as at the end of the reporting period, Mediclinic operated 52 hospitals, five sub-acute hospitals and eight day case clinics with a total of 8 517 beds and 15 804 employees (19 946 full-time equivalents). Mediclinic Southern Africa is the third largest private healthcare provider in Southern Africa by number of licenced beds. Mediclinic Southern Africa accounted for 30% of the Group's revenue (FY18: 31%) and 38% of its adjusted EBITDA (FY18: 37%).

Revenue increased by 5% to ZAR15 960m (FY18: ZAR15 204m) with a continued weak macroeconomic environment and flat private medical insurance membership. Bed days sold increased by 0.6% and average revenue per bed day increased by 4.3%. The number of admissions remained unchanged. The average length of stay increased by 0.7% while occupancy rates were 69.2% (FY18: 69.7%).

The revenue contribution in FY19 from the majority investment in the Intercare group of four day case clinics, four sub-acute hospitals and one specialist hospital since 1 December 2018 was ZAR60m (FY18: nil). Underlying bed days sold (excluding Intercare) were down 0.1% on the prior year.

Adjusted EBITDA increased by 4% to ZAR3 385m (FY18: ZAR3 245m), resulting in the adjusted EBITDA margin decreasing to 21.2% from 21.3% as lower patient volumes were offset by cost-management and efficiency initiatives.

Depreciation and amortisation increased by 12% to ZAR556m (FY18: ZAR495m), mainly resulting from recent major facility upgrades. Operating profit increased by 3% to ZAR2 829m (FY18: ZAR2 749m).

Net finance costs decreased by 2% to ZAR513m (FY18: ZAR526m), supported by lower interest rates and interest received on cash balances. Mediclinic Southern Africa contributed GBP72m to the Group's adjusted earnings (representing 36%), compared to GBP72m (representing 33%) in the comparative period.

The division converted 96% (FY18: 103%) of adjusted EBITDA into cash generated from operations.

Investing to support long-term growth

Mediclinic Southern Africa invested ZAR506m on expansion capital projects and new equipment at existing hospitals, ZAR107m on acquisitions and ZAR672m on the replacement of existing equipment and upgrade projects. Expansion at existing hospitals included expansion at Mediclinic Potchefstroom, Mediclinic Medforum, Mediclinic Legae, Mediclinic Klein Karoo and the establishment of a new day case clinic at Mediclinic Newcastle. Furthermore, the Welkom Medical Centre and Intercare group were acquired, while Mediclinic Barberton was sold. The total number of licenced beds increased during the year to 8 517 (FY18: 8 131).

In August 2017, Mediclinic Southern Africa announced it had agreed to an investment in Intercare. The Intercare group was founded in 2000 and currently manages 21 multi-disciplinary outpatient clinics (which includes 15 dental centres), as well as four day case clinics, four sub-acute hospitals and the Medfem fertility hospital in Sandton. The investment in Intercare comprises: a minority shareholding in the multi-disciplinary outpatient clinics which was completed in October 2017; and a controlling shareholding in the day case clinics, sub-acute hospitals and Medfem fertility hospital which received Competition Commission approval in August 2018 and was completed in November 2018. Intercare will continue to manage all its facilities under the Intercare brand.

In FY20, Mediclinic Southern Africa expects to invest ZAR562m and ZAR727m on expansion and maintenance capex respectively. Several existing hospital and day case clinic projects are due for completion in FY20 and FY21, which are expected to add some 162 additional operational beds. In line with its commitment to provide quality clinical care, Mediclinic Southern Africa expects to invest in additional resources to deliver further improvements across the division during the year.

The division’s day case clinic rollout is premised on co-locating the facilities with the main hospitals to adapt to the outmigration of care trend in Southern Africa where admissions have been impacted by declining day cases. Mediclinic plans to open six day case clinics during FY20 and FY21 at Mediclinic Nelspruit, Mediclinic Stellenbosch, Mediclinic Pietermaritzburg, Mediclinic Cape Gate, Mediclinic Winelands (also in Stellenbosch) and Mediclinic Bloemfontein, which will add an additional 13 theatres to the Southern African operations.

The proposed acquisition of a controlling shareholding in Matlosana Medical Health Services (Pty) Ltd, based in Klerksdorp in the North West Province of South Africa, was prohibited by the Competition Tribunal. Mediclinic has appealed against this decision and it is expected that the case will be heard by the Competition Appeal Court during the second half of the 2019 calendar year.

Regulatory update

The Competition Commission is still continuing with a market inquiry into the private healthcare sector in South Africa to understand both whether there are features of the sector that prevent, distort or restrict competition and how competition in the sector can be promoted. The inquiry published its *Provisional Findings and Recommendations* Report on 5 July 2018. Although the process was set to be finalised during 2018, the Commission extended the timeframe to accommodate further seminars and research. Mediclinic submitted its responses to the provisional report on 15 October 2018 and during April 2019 participated in seminars addressing specific competition topics. An updated timetable advises that further engagements with the inquiry panel may still take place, with the final report now due for publication on 30 September 2019.

The South African Government continues to explore the introduction of a National Health Insurance system. On 21 June 2018, the National Health Insurance Bill (“**NHI Bill**”) was published for comment by interested stakeholders. Mediclinic submitted comprehensive comments on the NHI Bill. At the same time, there were proposed amendments to the Medical Schemes Act, No. 131 of 1998, which are aimed at amending the functioning of the medical schemes and member benefits. Mediclinic also submitted comments thereon. Mediclinic fully supports the principle of Universal Health Coverage and improving access and affordability of healthcare to all South Africans and will continue to contribute constructively toward achieving these goals. Mediclinic believes that an enhanced healthcare system can be achieved through greater collaboration across the public and private sectors to find common solutions and looks forward to the opportunity to contribute in this regard.

MEDICLINIC MIDDLE EAST

	2019	2018	Variance %
Movement in inpatients admissions (‘000s)	**5%**	3%	
Outpatient cases (‘000s)	**2 923**	2 866	2%
Revenue (AEDm)	**3 262**	3 134	4%
Revenue adjusted for IFRS 15[1]	**3 262**	3 050	7%
Adjusted EBITDA (AEDm)	**425**	397	7%
Adjusted EBITDA margin	**13.0%**	12.7%	
Adjusted EBITDA margin adjusted for IFRS 15[1]	**13.0%**	13.0%	
Expansion capex (AEDm)	**376**	358	5%
Maintenance capex (AEDm)	**76**	31	145%
Adjusted EBITDA converted to cash	**70%**	74%	
Average GBP/AED exchange rate	**4.82**	4.87	
Revenue (GBPm)	**677**	643	5%
Adjusted EBITDA (GBPm)	**88**	82	7%

1 *The Group adopted the new IFRS 15 accounting standard (Revenue from Contracts with Customers) from 1 April 2018. IFRS 15 has implications for the Middle East division where disallowances have been reclassified to revenue. In the current period, AED91m was recognised as part of revenue (decreasing the revenue recognised). In the prior period, AED84m was recognised in operating expenses (increasing the revenue recognised). While reported revenue in the prior period will not be re-stated, revenue growth guidance for FY19 reflected net revenue (adjusted for IFRS 15) in the prior period.*

Financial review

Mediclinic Middle East, as at the end of the reporting period, operated seven hospitals, two day case clinics and 18 outpatient clinics with a total of 926 beds and 6 152 employees (6 152 full-time equivalents). Mediclinic Middle East is one of the leading private healthcare providers in the United Arab Emirates (“**UAE**”) with the majority of its operations in Dubai and Abu Dhabi (including Al Ain). Mediclinic Middle East accounted for 23% of the Group’s revenue (FY18: 22%) and 18% of its adjusted EBITDA (FY18: 16%).

The Middle East remains a long-term growth market for the provision of high-quality private healthcare services, driven by the expatriate market and ageing local population facing an increased incidence of lifestyle-related medical conditions. The regulatory environment is maturing with an increasing focus on quality and clinical outcomes measures. Mediclinic has confidence in its Middle East growth strategy, which includes the ramp-up of new hospitals; the integration of new investments; and expansion and upgrades to existing facilities.

In FY19, revenue was up 7% to AED3 262m (FY18: AED3 050m after adjusting for the impact of IFRS 15), despite a lack of tariff increases. Inpatient and outpatient volumes were up 5.2% and 2.0% respectively. In Abu Dhabi, Thiqa and Enhanced insurance volumes combined increased during the year by 14% and 10% for inpatients and outpatients respectively, while Basic insurance volumes continued to reduce consistently with our expectation.

Mediclinic Parkview Hospital in Dubai was successfully opened in September 2018 and has performed well. Despite the hospital being in the early ramp-up stage, revenue in FY19 was AED88m.

Including the loss associated with the start-up of the Mediclinic Parkview Hospital, adjusted EBITDA increased by 7% to AED425m (FY18: AED397m), with the adjusted EBITDA margin flat at 13.0% (FY18: 13.0% after adjusting for the impact of IFRS 15). Excluding the loss associated with the start-up of Mediclinic Parkview Hospital, adjusted EBITDA increased by 13% to AED447m (FY18: AED398m), with the adjusted EBITDA margin increasing to 14.1%.

Adjusted depreciation and amortisation increased by 15% to AED171m (FY18: AED149m), mainly due to Mediclinic Parkview Hospital and the acquisition of the Majid Al Futtaim clinics.

Net finance costs decreased by 11% to AED31m (FY18: AED34m), supported by the successful refinance in September 2018. The division contributed GBP46m to the Group's adjusted earnings (representing 23%) compared to GBP44m (representing 20%) in the prior year.

The division converted 70% (FY18: 74%) of adjusted EBITDA into cash generated from operations. This was impacted by the late receipt from one major insurer and the increase in VAT receivable.

Investing for future success

Mediclinic Middle East continually reviews investment and expansion opportunities across the continuum of care to support the future success and strength of the division and build on its market-leading clinical expertise and patient experience. At Mediclinic City Hospital in Dubai, Mediclinic opened its first Comprehensive Cancer Centre, with a second planned for the first half of 2020 in Abu Dhabi at Mediclinic Airport Road Hospital. Mediclinic is the only private hospital operator in the UAE to offer gated radiotherapy services. During the year, Mediclinic performed the first robotic knee surgery in the Middle East and was the first private hospital group in the UAE to become an academic training institution.

Supported by continued business and operational improvements in Abu Dhabi and the ramp-up benefits from investments into new facilities, expansions and upgrades, Mediclinic Middle East is expected to deliver an increase in revenue and gradual improvement in EBITDA margins. However, the current macro environment in the UAE and below-inflation regulated tariff increases in 2018 and 2019 are impeding revenue growth and margin expansion.

In Abu Dhabi, the business is benefiting from continued investment in medical practitioners, services and facilities. While the recruitment of medical practitioners continues to support the growing business, vacancies have normalised and the focus has shifted to supporting medical practitioners to grow their practices. At Mediclinic Airport Road Hospital, inpatient and outpatient volumes were down 6% and 4% respectively during the year, but the average revenue per patient was up 11% and 10% respectively due to the improvement in the insurance mix. The divestment of non-core assets continued during the year to optimise the portfolio of assets.

In Dubai, the ongoing performance of the existing business will benefit from significant growth at the new 182-bed Mediclinic Parkview Hospital which opened in September 2018 and performed well in the second half of the year. The hospital, the Group's largest greenfield construction project by value, was completed in two and a half years, ahead of schedule, and within the AED680m original budget. Initially opened with 100-beds and supported by 80 medical practitioners, the hospital will ramp up to full capacity over the coming years. The hospital is strategically located to serve the population expansion that has occurred to the south of Dubai and provides comprehensive maternity, Level III neonatal intensive care, 24/7 paediatric specialities, and accident and emergency care.

In FY19, Mediclinic Middle East invested AED376m (up 5% on FY18) on expansion and AED76m (up 145% on FY18) on maintenance capex. Expansion capex in the period largely related to the costs associated with Mediclinic Parkview Hospital and the Electronic Health Record ("**EHR**") implementation. The EHR is being systematically rolled out across Mediclinic Middle East during FY19 and FY20, and successfully went live during the year at Mediclinic Parkview Hospital and Mediclinic Ibn Battuta, with a further three clinics going live in Dubai in April 2019. Rollout in Abu Dhabi will begin in June 2019 and it is anticipated that the project will be completed across the division by the end of the 2020 calendar year. The EHR is expected to deliver seamless care and improved service quality for patients, as well as improved administration efficiency for the division. Work continued during the year on the ground floor and mezzanine renovations at Mediclinic Al Noor Hospital, which is expected to be completed by the end of the 2019 calendar year, with continued progress on the plans to address the long-term changes required to enhance the hospital. As part of the division's strategic expansion phase, Mediclinic Airport Road's 100-bed expansion and cancer centre project is progressing as planned and is scheduled to open in the first half of the 2020 calendar year. Plans to construct a small 40-bed hospital in the Western Region of Abu Dhabi are currently under review. In FY20, having completed the Mediclinic Parkview Hospital project, Mediclinic Middle East expects expansion capex to be materially lower at around AED250m, with maintenance capex at around AED66m.

In May 2018, Mediclinic Middle East completed the acquisition of the Dubai-based City Centre clinics Deira and Me’aisem from Majid Al Futtaim (MAF), the leading shopping mall, retail and leisure pioneer across the Middle East and North Africa. Under the terms of the agreement, Mediclinic Middle East has acquired City Centre Clinic Deira, a large day case clinic specialising in 18 medical disciplines with one theatre which opened in 2013 and City Centre Clinic Me’aisem, a smaller community outpatient clinic focusing on a smaller number of core disciplines. The clinics serve strategic geographic locations and offer the opportunity to refer higher acuity inpatient cases to existing hospitals. Significant potential also exists to attract additional medical practitioners and to, over time, grow patient volumes and revenues as well as allow Mediclinic the opportunity to partner with Majid Al Futtaim in the future.

In November 2018, Mediclinic announced the acquisition of a minority stake in Bourn Hall International MENA Ltd (“**Bourn Hall**”), the holding company for the Bourn Hall Fertility Centre in the UAE, a pioneering fertility centre established in the Middle East in 2010 and currently the only fertility centre in the Middle East to be accredited by the Joint Commission International. The acquisition lays the foundation for a partnership focused on a long-term MENA-focused expansion in the field of assisted reproduction. As part of the initial stage, Bourn Hall Fertility Centre has taken over operations of Mediclinic’s existing *in vitro* fertilisation clinic located at Mediclinic Al Ain Hospital and is operating it under the Bourn Hall brand. Bourn Hall will continue to operate and manage its IVF business independently and under its existing brand. The small investment was made from Mediclinic Middle East’s available cash and debt and is not expected to have a material impact on the earnings of the division in the short term.

Regulatory update

The division continues to maintain an active dialogue with government authorities on regulatory changes within the UAE healthcare sector. Preparations are ongoing for the implementation of Diagnosis Related Groups (“**DRG**”) for inpatient procedures in Dubai which are now expected to be implemented in September 2019. Mediclinic continues to test the systems through a shadow billing process which has been operating since July 2018. The Dubai Health Authority (“**DHA**”) is following a collaborative approach in the design and implementation of the DRGs and, in addition to sharing and discussing the test version of the DRG methodology with the market, it also shared hospital level results and impact studies. Currently, it is expected that the DRGs will have a neutral impact on the division’s inpatient revenue, as prescribed by the DHA. Additional qualified medical practitioners have been appointed as case managers to ensure an effective change-over. Training is being carried out in the division’s Abu Dhabi facilities where DRGs have been in operation since 2011.

The Abu Dhabi Department of Health, through industry engagement, has recently introduced the concept of Centres of Excellence (“**COE**”) to improve the quality of care in the Emirate. Mediclinic Middle East was able to demonstrate its readiness for the initiative through its successful programmes already established in Dubai which include the Comprehensive Cancer Centre (“**CCC**”) and Comprehensive Stroke and Neuroscience Centre at Mediclinic City Hospital. Two key areas of focus for Mediclinic Middle East in the Abu Dubai Emirate will be the establishment of a CCC and paediatric COE at Mediclinic Airport Road Hospital. The Abu Dhabi Department of Health is also preparing for the implementation of the next phase of the Jawda initiative, being the introduction of a hospital star-rating system based on an extensive list of quality and experience measures with the first reports anticipated to be published in the second half of the 2019 calendar year.

SPIRE HEALTHCARE GROUP

Mediclinic has a 29.9% investment in Spire.

Spire’s underlying performance for the 12 months to 31 December 2018 resulted in underlying revenue decreasing 1.3%, underlying EBITDA decreasing 23.3% and the underlying EBITDA margin decreasing to 13.4%. Adjusted basic earnings per share (excluding exceptional and tax one-off items) decreased by 52.1%. Underlying inpatient and day case admissions declined 4.6%, driven by volume declines more than offsetting growth in self-pay.

Mediclinic’s investment in Spire is equity accounted. Spire reported profit after tax of GBP11.3m for the financial year ended 31 December 2018 (31 December 2017: GBP16.8m). Spire’s adjusted profit after tax for the year was GBP27.5m (31 December 2017: GBP57.9m). After adjusting for the amortisation of intangible assets recognised in the notional purchase price allocation of the equity investment, the FY19 income from associate was GBP2.7m (FY18: GBP2.8m). The underlying and adjusted measures referenced above have been extracted from Spire’s results announcement for the year ended 31 December 2018.

As at 30 September 2018, the market value of the investment in Spire was GBP169m, which was below the carrying value. An impairment test was performed by updating the key assumptions applied in the value in use calculation performed at 31 March 2018. The impairment test was prepared based on the Group's updated expectations of Spire's future trading performance and considered external sources of information, including investor analyst valuations and target prices published. Key assumptions related to cash flow growth rates in the short- and medium-term were adjusted in the value in use calculation. As a result, an impairment loss of GBP164m was recorded against the carrying value in the first half year. At year-end, another impairment test (updated for latest guidance announced by Spire in March 2019) was performed and no further impairment charge was required.

OUTLOOK

The Group provides the following guidance for FY20 before the effect of adopting IFRS 16, which remains unchanged since the April 2019 Trading Update:

- Hirslanden: In FY20 Hirslanden expects modest revenue growth from an increase in average bed capacity for the year, reflecting the continued integration of Clinique des Grangettes. Under the current regulatory environment, Hirslanden will be impacted by a further nine months' comparative effect in FY20 from the national outmigration care programme that was implemented from 1 January 2019. The anticipated cost management and efficiency savings are likely to be more than offset by reductions in tariffs and the operational effects of outmigration, with the FY20 EBITDA margin expected to be around 15%. Over the medium-term, and assuming no further regulatory changes are implemented, the operating performance is expected to be supported by benefits from the Hirslanden 2020 strategic project and structural efficiencies being implemented in the division.

- Mediclinic Southern Africa: In FY20, Mediclinic Southern Africa expects volume growth of around 1% reflecting the additional capacity from the Intercare day case clinics that were consolidated from December 2018. In line with the Group's strategic objectives and a continued focus on improving clinical quality and patient experience, further investment will be made in employees and information communication technology during FY20. This, together with the expected lower margin contribution from Intercare and the ramp-up of the new Mediclinic Stellenbosch facility, is anticipated to result in an EBITDA margin of around 20%.

- Mediclinic Middle East: In FY20 the Middle East division is expected to deliver revenue growth of around 10% supported by the continued ramp-up of the new Mediclinic Parkview Hospital. A gradual improvement in the EBITDA margin is expected in FY20 to around 14% incorporating the ramp-up of the Mediclinic Parkview Hospital and investment in the hospital expansion and new cancer centre at Mediclinic Airport Road Hospital, which is scheduled to open in the first half of calendar year 2020. The division continues to target an EBITDA margin of around 20%.

- The Group's capital expenditure budget, in constant currency, for FY20 is expected to decrease by 12% to GBP207m (FY19: GBP232m). This comprises GBP70m in Hirslanden (FY19: GBP72m), GBP71m in Mediclinic Southern Africa (FY19: GBP65m), GBP66m in Mediclinic Middle East (FY19: GBP94m) and GBPnil (FY19: GBP1m) in Corporate. The decrease largely results from the conclusion in FY19 of the major new Mediclinic Parkview Hospital project in the Middle East and continued focus on capital allocation in Switzerland to reflect the current regulatory environment. Average FY19 exchange rates used: CHF 1.30; ZAR 18.01; and AED 4.82.

The Group will adopt the new IFRS 16 accounting standard (addressing the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors) from 1 April 2019 and comparatives will not be restated. The EBITDA margin guidance for FY20 under IFRS 16 is set out below, together with the *indicative* corresponding margin for FY19:

- Hirslanden: around 17% (FY19: 18.1%)

- Mediclinic Southern Africa: around 21% (FY19: 21.7%)

- Mediclinic Middle East: around 16.5% (FY19: 16.1%)

FINANCIAL REVIEW

GROUP FINANCIAL PERFORMANCE

Group revenue increased by 2% to GBP2 932m (FY18: GBP2 876m) for the reporting period. In constant currency terms, FY19 revenue was up 4% in a challenging environment.

Adjusted earnings before interest, tax, depreciation and amortisation ("**EBITDA**") was 4% lower at GBP493m (FY18: GBP515m), with adjusted EBITDA margins declining from 17.9% to 16.8%.

Adjusted depreciation and amortisation was up 12% to GBP163m (FY18: GBP145m), in line with the continued investment to upgrade and expand the asset base, supporting future growth, enhancing patient experience, and clinical quality and driving efficiencies.

The Group recorded an operating profit of GBP81m in FY19 (FY18: operating loss of GBP288m). Adjusted operating profit decreased by 11% to GBP330m (FY18: GBP370m). Operating profit was adjusted for the following exceptional items:

- recognition of an impairment charge to Hirslanden property, equipment and vehicles. Non-financial assets are considered for impairment when impairment indicators are identified at an individual cash-generating unit ("**CGU**") level. During the year, the CGUs in Hirslanden were tested for impairment. For certain CGUs, the carrying value was determined to be higher than its recoverable amount and as a result an impairment charge of GBP186m was recognised in the income statement;
- recognition of an impairment charge to Hirslanden trade name and Linde trade name. As part of the CGU impairment testing, the carrying amounts of these trade names were determined to be higher than their recoverable amounts and, as a result, impairments of GBP39m and GBP16m respectively were recognised in the income statement;
- accelerated depreciation of GBP5m in Hirslanden relating to abandoned building project cost aligned with the disciplined approach to capital allocation; and
- a loss on disposal of certain non-core businesses in Mediclinic Middle East of GBP1m.

Adjusted net finance costs decreased by 19% to GBP57m (FY18: GBP70m), benefiting from the refinance in all divisions during the current and prior years.

The Group's reported effective tax rate is significantly skewed by exceptional non-deductible expenses which include: impairment of properties and trade names; impairment of the equity investment and accelerated depreciation. A prior year adjustment relating to a change in the basis of estimating deferred tax on the Swiss properties led to the recognition of a tax credit of GBP17m. Adjusted taxation was GBP57m (FY18: GBP64m), with an adjusted effective tax rate for the period decreasing to 20.4% (FY18: 20.8%) reflecting a lower average tax rate in Switzerland. After adjusting for the amortisation of intangible assets recognised in the notional purchase price allocation of the equity investment, the FY19 income from associates was GBP2.7m (FY18: GBP2.8m).

The Group recorded an earnings loss of GBP151m in FY19 (FY18: GBP492m). Adjusted earnings decreased by 10% to GBP198m (FY18: GBP221m). Adjusted earnings per share were 10% lower at 26.9 pence (FY18: 30.0 pence). Earnings were adjusted for the following exceptional items:

- recognition of an impairment charge on the equity investment in Spire of GBP164m. During the year, the Group performed an impairment test updating the key assumptions applied in the value-in-use calculation performed at 31 March 2018. In particular, the Group adjusted the value-in-use calculation for the guidance announced by Spire in September 2018 on the current financial performance and on the related impact on short- and medium-term growth rates, and revisited other key assumptions in this context. As a result, an impairment loss of GBP164m was recorded against the carrying value; and
- a change in the basis of estimating deferred tax on the Swiss properties giving rise to a tax credit of GBP17m.

ADJUSTED NON-IFRS FINANCIAL MEASURES

The Group uses adjusted income statement reporting as non-IFRS measures in evaluating performance and as a method to provide shareholders with clear and consistent reporting. The adjusted measures are intended to remove volatility associated with certain types of exceptional income and charges from reported earnings. Historically, EBITDA and adjusted EBITDA were disclosed as supplemental non-IFRS financial performance measures because they are regarded as useful metrics to analyse the performance of the business from period to period. Measures like adjusted EBITDA are used by analysts and investors in assessing performance.

The rationale for using non-IFRS measures:

- it tracks the adjusted operational performance of the Group and its operating segments by separating out exceptional items;
- non-IFRS measures are used by management for budgeting, planning and monthly financial reporting;
- non-IFRS measures are used by management in presentations and discussions with investment analysts; and
- non-IFRS measures are used by the directors in evaluating management's performance and in setting management incentives.

The Group's policy is to adjust, *inter alia*, the following types of significant income and charges from the reported IFRS measures to present adjusted results:

- cost associated with major restructuring programmes;
- profit/loss on sale of assets and transaction costs incurred during acquisitions;
- past service cost charges/credits in relation to pension fund conversion rate changes;
- accelerated depreciation and amortisation charges;
- mark-to-market fair value gains/losses relating to derivative financial instruments including ineffective interest rate swaps;
- impairment charges and reversal of impairment charges;
- insurance proceeds; and
- tax impact of the above items, prior year tax adjustments and significant tax rate changes.

EBITDA is defined as operating profit before depreciation and amortisation and impairments of non-financial assets, excluding other gains and losses.

Non-IFRS financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. The adjusted measures used by the Group are not necessarily comparable with those used by other entities.

The Group has consistently applied this definition of adjusted measures as it has reported on its financial performance in the past as the Directors believe this additional information is important to allow shareholders to better understand the Group's trading performance for the reporting period. It is the Group's intention to continue to consistently apply this definition in the future.

EARNINGS RECONCILIATIONS

2019 Statutory results	**Total GBPm**	Hirslanden GBPm	Southern Africa GBPm	Middle East GBPm	Spire GBPm	Corporate GBPm
Revenue	**2 932**	1 368	886	677	-	1
Operating profit/(loss)	**81**	(123)	157	49	-	(2)
(Loss)/profit attributable to equity holders*	**(151)**	(102)	72	43	(161)	(3)
Reconciliations						
Operating profit/(loss)	**81**	(123)	157	49	-	(2)
Add back:						
Other gains and losses	**3**	-	(1)	3	-	1
Depreciation and amortisation	**168**	101	31	36	-	-
Impairment of properties, equipment and vehicles	**186**	186	-	-	-	-
Impairment of intangible assets	**55**	55	-	-	-	-
EBITDA	**493**	219	187	88	-	(1)
Exceptional items						
No adjustments						
Adjusted EBITDA	**493**	219	187	88	-	(1)
Operating profit/(loss)	**81**	(123)	157	49	-	(2)
Exceptional items						
- Impairment of properties, equipment and vehicles	**186**	186	-	-	-	-
- Impairment of intangible assets	**55**	55	-	-	-	-
- Accelerated depreciation and amortisation	**5**	5	-	-	-	-
- Fair value adjustments on derivative contracts	**2**	-	-	2	-	-
- Loss on disposal of businesses	**1**	-	-	1	-	-
Adjusted operating profit/(loss)	**330**	123	157	52	-	(2)

* *Profit attributable to equity holders in Hirslanden is shown after the elimination of intercompany loan interest of GBP16m.*

EARNINGS RECONCILIATIONS (continued)

2019 Statutory results	**Total GBPm**	Hirslanden GBPm	Southern Africa GBPm	Middle East GBPm	Spire GBPm	Corporate GBPm
Reconciliations						
(Loss)/profit attributable to equity holders*	**(151)**	(102)	72	43	(161)	(3)
Exceptional items						
- Impairment of properties, equipment and vehicles	**186**	186	-	-	-	-
- Impairment of intangible assets	**55**	55	-	-	-	-
- Accelerated depreciation and amortisation	**5**	5	-	-	-	-
- Fair value adjustments on derivative contracts	**2**	-	-	2	-	-
- Loss on disposal of businesses	**1**	-	-	1	-	-
- Impairment of associate	**164**	-	-	-	164	-
- Tax adjustment related to Hirslanden properties	**(17)**	(17)	-	-	-	-
- Tax on exceptional items	**(47)**	(47)	-	-	-	-
Adjusted earnings	**198**	80	72	46	3	(3)
Weighted average number of shares (millions)	**737.1**					
Adjusted earnings per share (pence)	**26.9**					

* *Profit attributable to equity holders in Hirslanden is shown after the elimination of intercompany loan interest of GBP16m.*

EARNINGS RECONCILIATIONS (continued)

2018 Statutory results	**Total GBPm**	Hirslanden GBPm	Southern Africa GBPm	Middle East GBPm	Spire GBPm	Corporate GBPm
Revenue	**2 876**	1 349	883	643	-	1
Operating (loss)/profit	**(288)**	(470)	160	25	-	(3)
(Loss)/profit attributable to equity holders*	**(492)**	(471)	72	17	(106)	(4)
Reconciliations						
Operating (loss)/profit	**(288)**	(470)	160	25	-	(3)
Add back:						
Other gains and losses	**(2)**	(9)	-	7	-	-
Depreciation and amortisation	**168**	86	29	53	-	-
Impairment of properties, equipment and vehicles	**84**	84	-	-	-	-
Impairment of intangible assets	**560**	560	-	-	-	-
EBITDA	**522**	251	189	85	-	(3)
Exceptional items						
- Past service cost credit	**(4)**	(4)	-	-	-	-
- Pre-acquisition fair value adjustment to debtors	**(3)**	-	-	(3)	-	-
Adjusted EBITDA	**515**	247	189	82	-	(3)
Operating (loss)/profit	**(288)**	(470)	160	25	-	(3)
Exceptional items						
- Past service cost credit	**(4)**	(4)	-	-	-	-
- Pre-acquisition fair value adjustment to debtors	**(3)**	-	-	(3)	-	-
- Impairment of properties, equipment and vehicles	**84**	84	-	-	-	-
- Impairment of intangible assets	**560**	560	-	-	-	-
- Accelerated depreciation and amortisation	**23**	-	-	23	-	-
- Release of pre-acquisition Swiss provision	**(9)**	(9)	-	-	-	-
- Loss on disposal of businesses	**7**	-	-	7	-	-
Adjusted operating profit/(loss)	**370**	161	160	52	-	(3)

* *Profit attributable to equity holders in Hirslanden is shown after the elimination of intercompany loan interest of GBP16m.*

EARNINGS RECONCILIATIONS (continued)

2018 Statutory results	Total GBPm	Hirslanden GBPm	Southern Africa GBPm	Middle East GBPm	Spire GBPm	Corporate GBPm
Reconciliations						
(Loss)/profit attributable to equity holders*	**(492)**	(471)	72	17	(106)	(4)
Exceptional items						
- Past service cost credit	**(4)**	(4)	-	-	-	-
- Pre-acquisition fair value adjustment to debtors	**(3)**	-	-	(3)	-	-
- Impairment of properties, equipment and vehicles	**84**	84	-	-	-	-
- Impairment of intangible assets	**560**	560	-	-	-	-
- Accelerated depreciation and amortisation	**23**	-	-	23	-	-
- Release of pre-acquisition Swiss provision	**(9)**	(9)	-	-	-	-
- Loss on disposal of businesses	**7**	-	-	7	-	-
- Fair value gains on ineffective cash flow hedges	**(4)**	(4)	-	-	-	-
- Derecognition of unamortised finance expenses	**19**	19	-	-	-	-
- Impairment of associate	**109**	-	-	-	109	-
- Tax on exceptional items	**(69)**	(69)	-	-	-	-
Adjusted earnings	**221**	106	72	44	3	(4)
Weighted average number of shares (millions)	**737.1**					
Adjusted earnings per share (pence)	**30.0**					

* *Profit attributable to equity holders in Hirslanden is shown after the elimination of intercompany loan interest of GBP16m.*

FOREIGN EXCHANGE RATES

Although the Group reports its results in pounds sterling, the divisional profits are generated in Swiss franc, UAE dirham and South African rand. Consequently, movements in exchange rates affected the reported earnings and reported balances in the statement of financial position. Exchange rate movements also had a significant impact on the statement of financial position. The resulting currency translation difference, which is the amount by which the Group's interest in the equity of the divisions increased because of spot rate movements, amounted to GBP142m (2018: decrease of GBP310m) and was credited (2018: debited) to the statement of comprehensive income. The main reason for the increase was the strengthening of the period-end Swiss franc and UAE dirham rates against the pound sterling.

Foreign exchange rate sensitivity:

- The impact of a 10% change in the GBP/CHF exchange rate for a sustained period of one year is that profit for the period would increase/decrease by GBP8m (2018: increase/decrease by GBP12m) due to exposure to the GBP/CHF exchange rate.
- The impact of a 10% change in the GBP/ZAR exchange rate for a sustained period of one year is that profit for the period would increase/decrease by GBP7m (2018: increase/decrease by GBP9m) due to exposure to the GBP/ZAR exchange rate.
- The impact of a 10% change in the GBP/AED exchange rate for a sustained period of one year is that profit for the period would increase/decrease by GBP5m (2018: increase/decrease by GBP4m) due to exposure to the GBP/AED exchange rate.

During the reporting period, the average and closing exchange rates were the following:

	2019	2018
Average rates		
Swiss franc	**1.30**	1.29
South African rand	**18.01**	17.22
UAE dirham	**4.82**	4.87
Period-end rates:		
Swiss franc	**1.30**	1.34
South African rand	**18.90**	16.57
UAE dirham	**4.79**	5.15

CASH FLOW

The Group continued to deliver strong cash flow and converted 91% (FY18: 90%) of adjusted EBITDA into cash generated from operations.

	2019 GBPm	**2018 GBPm**
Cash from operations (a)	**451**	466
Adjusted EBITDA (b)	**493**	515
Cash conversion ((a)/(b) x 100)	**91%**	90%

INTEREST-BEARING BORROWINGS

Interest-bearing borrowings increased from GBP1 937m at 31 March 2018 to GBP1 982m at 31 March 2019 to fund expansion.

	2019 GBPm	2018 GBPm
Borrowings	**1 982**	1 937
Less: cash and cash equivalents	**(265)**	(261)
Net debt	**1 717**	1 676
Total equity	**3 233**	3 373
Debt-to-equity capital ratio	**53.1%**	49.7%

ASSETS

Property, equipment and vehicles decreased from GBP3 590m at 31 March 2018 to GBP3 524m at 31 March 2019. This included an increase of GBP204m on capital projects and fixed asset additions in line with the continued investment programme expanding the asset base to support growth and enhancing patient experience and clinical quality. In addition, the closing balance increased by GBP20m as a result of the Clinique des Grangettes acquisition. In addition to the depreciation charge, the balance was further reduced by the impairment charge of GBP186m recognised on property, equipment and vehicles in Hirslanden and increased by the change in the closing exchange rate.

Intangible assets increased from GBP1 406m at 31 March 2018 to GBP1 587m at 31 March 2019. This included the recognition of goodwill of GBP99m resulting from the Clinique des Grangettes acquisition and on other smaller business combinations of GBP8m, as well as an increase of GBP28m on capital projects. In addition to the amortisation charge, the balance was further reduced by the impairment charge of GBP55m recognised on trade names in Hirslanden. The closing balance increased by the change in the closing exchange rates.

Adjusted depreciation and amortisation was calculated as follows:

	2019 GBPm	2018 GBPm
Depreciation and amortisation	**168**	168
Accelerated depreciation and amortisation	**(5)**	(23)
Adjusted depreciation and amortisation	**163**	145

TRADE AND OTHER RECEIVABLES

Trade and other receivables increased from GBP607m at 31 March 2018 to GBP733m at 31 March 2019. The increase in the balance was largely due to the effect of HIT2020 billing system implementation and the acquisition of Clinique des Grangettes.

SWISS PENSION BENEFIT OBLIGATION

Hirslanden provides defined contribution pension plans in terms of Swiss law to employees, the assets of which are held in separate trustee-administered funds. These plans are funded by payments from employees and Hirslanden, taking into account the recommendations of independent qualified actuaries. Because of the strict definition of defined contribution plans in IAS 19, these plans are classified as defined benefit plans, since the funds are obliged to take some investment and longevity risk in terms of Swiss law. The IAS 19 pension liability was valued by the actuaries at the end of the year and amounted to GBP52m (2018: GBP4m), included under “Retirement benefit obligations” in the Group’s statement of financial position. The increase in the pension liability was largely due to the decrease in the discount rate from 0.75% to 0.45% as well as changes in actuarial assumptions.

DERIVATIVE FINANCIAL INSTRUMENTS

Through the acquisition of Clinique des Grangettes, the Group entered into a put/call agreement over the remaining 40% interest of Clinique des Grangettes and Hirslanden Clinique La Colline. At the end of the year, the fair value of the redemption liability related to the written put option amounted to GBP88m (2018: nil).

DEFERRED TAX LIABILITIES

The deferred tax liability balance decreased from GBP467m in the prior year to GBP423m at 31 March 2019. The impairment of the trade names and properties in Hirslanden led to the release of deferred tax liabilities of GBP12m and GBP35m respectively. A prior year adjustment relating to a change in the basis of estimating deferred tax on Swiss properties led to the recognition of a tax credit of GBP17m.

FINANCE COSTS

Adjusted net finance costs decreased by 19% to GBP57m (FY18: GBP70m), benefiting from the refinance in all divisions during the current and prior years.

	2019 GBPm	2018 GBPm
Finance cost	**66**	94
Finance income	**(9)**	(9)
Net finance cost	**57**	85
Derecognition of unamortised financing costs	**-**	(19)
Fair value gains on ineffective cash flow hedges	**-**	4
Adjusted finance cost	**57**	70

INCOME TAX

The Group's effective tax rate changed significantly for the period under review to 5.4% (FY18: 1.1%), mainly due to exceptional non-deductible expenses which include the impairment of properties and trade names, impairment of the equity investment and accelerated depreciation. In addition, a prior year adjustment relating to a change in the basis of estimating deferred tax on Swiss properties led to the recognition of a tax credit of GBP17m. Excluding these exceptional items, the effective tax rate would be 20.4% (FY18: 20.8%) for the reporting period.

Adjusted income tax was calculated as follows:

	2019 GBPm	2018 GBPm
Income tax credit	**(7)**	(5)
Tax on exceptional items	**64**	69
- Past service cost credit	**-**	(1)
- Impairment of properties	**35**	13
- Impairment of intangible assets	**12**	55
- Tax adjustment relating to Swiss properties	**17**	-
- Release of unutilised pre-acquisition Swiss provision	**-**	(2)
- Derecognition of unamortised finance expenses	**-**	4
Adjusted income tax expense	**57**	64

TAX STRATEGY

The Group is committed to conduct its tax affairs consistent with the following objectives:

- comply with relevant legislation, rules, regulations, and reporting and disclosure requirements in whichever jurisdiction it operates; and
- maintain mutual trust and respect in dealings with all tax authorities in the jurisdictions the Group does business.

While the Group aims to maximise the tax efficiency of its business transactions, it does not use structures in its tax planning that are contrary to intentions of relevant legislation. The Group interprets relevant tax laws to ensure that transactions are structured in a way that is consistent with a relationship of co-operative compliance with tax authorities. It also actively considers the implications of any planning for the Group's wider corporate reputation.

In order to meet these objectives, various procedures are implemented. The Audit and Risk Committee has reviewed the Group's tax strategy and related corporate tax matters.

REFINANCING OF DEBT

The borrowing facilities in Mediclinic Southern Africa and Mediclinic Middle East were refinanced during the year. In both instances, the terms of the loans were extended with favourable pricing. The effective date for the funding and the closing was 26 September 2018 and 29 August 2018 respectively. In Mediclinic Middle East, a new term loan of GBP192m (AED920m) and revolving loan facility of GBP38m (AED184m) were put in place.

In Switzerland, an amendment to the financing agreement was entered into in March 2019, adjusting the covenants to reflect the impact of the recent regulatory changes on the profitability of the business. There was no change to the interest margin of the debt facility.

DIVIDEND POLICY AND PROPOSED DIVIDEND

The Group's existing dividend policy is to target a pay-out ratio of between 25% and 30% of adjusted earnings. The Board may revise the policy at its discretion. Given the impact of IFRS 16 accounting changes, the Board deems it appropriate to adjust the future payout ratio to 25% to 35% of adjusted earnings.

The Board proposes a final dividend from retained earnings of 4.70 pence per ordinary share for the year ended 31 March 2019 for approval by the Company's shareholders at the annual general meeting on Wednesday, 24 July 2019. Together with the interim dividend of 3.20 pence per ordinary share for the six months ended 30 September 2018 (paid on 18 December 2018), the total proposed dividend for the year reflects a 29% distribution of adjusted Group earnings attributable to ordinary shareholders.

Shareholders on the South African register will be paid the South African rand cash equivalent of 86.24500 cents (68.99600 cents net of dividend withholding tax) per share. A dividend withholding tax of 20% will be applicable to all shareholders on the South African register who are not exempt therefrom. The South African rand cash equivalent has been calculated using the following exchange rate: GBP1: ZAR18.35, being the 5-day average ZAR/GBP exchange rate (Bloomberg) on Friday, 17 May 2019 at 3:00pm GMT.

The final dividend will be paid on Monday, 29 July 2019 to all ordinary shareholders who are on the register of members at the close of business on the record date of Friday, 14 June 2019.

The salient dates for the dividend will be as follows:

Dividend announcement date	Thursday, 23 May 2019
Last date to trade cum dividend (SA register)	Tuesday, 11 June 2019
First date of trading ex-dividend (SA register)	Wednesday, 12 June 2019
First date of trading ex-dividend (UK register)	Thursday, 13 June 2019
Record date	Friday, 14 June 2019
Payment date	Monday, 29 July 2019

Share certificates may not be dematerialised or rematerialised within Strate from Wednesday, 12 June 2019 to Friday, 14 June 2019, both dates inclusive. No transfers between the United Kingdom and South African registers may take place from Thursday, 23 May 2019 to Friday, 14 June 2019, both days inclusive.

Tax treatment for shareholders on the South African register

South African tax resident shareholders on the South African register:
In terms of the Company's Dividend Access Trust structure, the following South African tax resident shareholders on the South African register will receive a component of the dividend from the Dividend Access Trust and therefore regarded as a local South African dividend, with the remaining component from the Company and therefore regarded as a foreign non-South African dividend. For purposes of South African dividend withholding tax, the entire dividend of 86.24500 cents per share is taxable at a rate of 20%, unless an applicable exemption applies:

1. in the case of shares held in certificated form, who are registered on the South African register with an address in South Africa (other than PLC Nominees (Pty) Ltd (or any successor entity through which shares held in dematerialised form are held)); and
2. in the case of shares held in dematerialised form, in respect of whom the South African transfer secretaries of the Company have determined, in good faith and by reference to the information provided to them by the eligible shareholders and/or their brokers and/or central securities depository participants, that such eligible shareholders are either (i) tax resident in South Africa or (ii) have an address in South Africa and have not expressly indicated that they are not tax resident in South Africa as at the dividend record date.

The component of the dividend payable by the Dividend Access Trust and by the Company will be announced on the JSE's Stock Exchange News Service and on the LSE's Regulatory News Service as soon as possible after the record date, 14 June 2019, of the dividend.

Non-South African tax resident shareholders on the South African register:
Non-South African tax resident shareholders on the South African register will be paid the dividend by the Company in the usual way and not through the Dividend Access Trust. The entire dividend of 86.24500 cents per share payable to such shareholders will therefore be regarded as a foreign dividend and exempt from South African dividend withholding tax, provided that the relevant exemption forms have been completed and submitted as prescribed.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors confirm that, to the best of their knowledge the preliminary condensed financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and that this announcement includes a fair summary of the development and performance of the business and the position of the Group.

After making enquiries, the Directors considered it appropriate to adopt the going concern basis in preparing the financial statements.

The names and functions of the Company's Directors are listed on the Company's website.

By order of the Board.

Ronnie van der Merwe
Chief Executive Officer

Jurgens Myburgh
Chief Financial Officer

22 May 2019

CAUTIONARY STATEMENT

This announcement contains certain forward-looking statements relating to the business of the Company and its subsidiaries, including with respect to the progress, timing and completion of the Group's development; the Group's ability to treat, attract and retain patients and clients; its ability to engage consultants and general practitioners and to operate its business and increase referrals; the integration of prior acquisitions; the Group's estimates for future performance and its estimates regarding anticipated operating results; future revenue; capital requirements; shareholder structure; and financing. In addition, even if the Group's actual results or development are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of the Group's results or developments in the future. In some cases, forward-looking statements can be identified by words such as "could", "should", "may", "expects", "aims", "targets", "anticipates", "believes", "intends", "estimates", or similar. These forward-looking statements are based largely on the Group's current expectations as of the date of this announcement and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the Group's expectations could be affected by, among other things, uncertainties involved in the integration of acquisitions or new developments; changes in legislation or the regulatory regime governing healthcare in Switzerland, South Africa, Namibia and the United Arab Emirates; poor performance by healthcare practitioners who practise at its facilities; unexpected regulatory actions or suspensions; competition in general; the impact of global economic changes; and the Group's ability to obtain or maintain accreditation or approval for its facilities or service lines. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made in this announcement will in fact be realised and no representation or warranty is given as to the completeness or accuracy of the forward-looking statements contained in this announcement.

The Group is providing the information in this announcement as of this date, and disclaims any intention to, and make no undertaking to, publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 March 2019

		2019 GBPm	2018 GBPm
ASSETS			
Non-current assets		**5 337**	5 382
Property, equipment and vehicles	4	**3 524**	3 590
Intangible assets	5	**1 587**	1 406
Equity accounted investments	6	**193**	357
Other investments and loans		**10**	7
Deferred income tax assets		**23**	22
Current assets		**1 091**	961
Inventories		**88**	90
Trade and other receivables		**732**	607
Other investments and loans		**1**	1
Current income tax assets		**1**	1
Cash and cash equivalents		**265**	261
Assets classified as held for sale		**4**	1
Total assets		**6 428**	6 343
EQUITY			
Capital and reserves			
Share capital		**74**	74
Share premium reserve		**690**	690
Treasury shares		**-**	(1)
Retained earnings		**4 769**	5 057
Other reserves		**(2 382)**	(2 534)
Attributable to equity holders of the Company		**3 151**	3 286
Non-controlling interests		**115**	87
Total equity		**3 266**	3 373
LIABILITIES			
Non-current liabilities		**2 576**	2 445
Borrowings	7	**1 895**	1 866
Deferred income tax liabilities		**423**	467
Retirement benefit obligations		**138**	86
Provisions		**29**	23
Derivative financial instruments		**91**	2
Cash-settled share-based payment liabilities		**-**	1
Current liabilities		**586**	525
Trade and other payables		**464**	424
Borrowings	7	**87**	71
Provisions		**15**	15
Retirement benefit obligations		**11**	10
Current income tax liabilities		**8**	5
Liabilities classified as held for sale		**1**	-
Total liabilities		**3 162**	2 970
Total equity and liabilities		**6 428**	6 343

CONDENSED CONSOLIDATED INCOME STATEMENT
for the year ended 31 March 2019

	Notes	2019 GBPm	(Re-presented)* 2018 GBPm
Revenue		**2 932**	2 876
Cost of sales		**(1 827)**	(1 779)
Administration and other operating expenses		**(1 021)**	(1 387)
Impairment of property, equipment and vehicles	4	**(186)**	(84)
Impairment of intangible assets	5	**(55)**	(560)
Other administration and operating expenses		**(780)**	(743)
Other gains and losses		**(3)**	2
Operating profit/(loss)		**81**	(288)
Finance income		**9**	9
Finance cost	8	**(66)**	(94)
Share of net profit of equity accounted investments	6	**3**	3
Impairment of equity accounted investment	6	**(164)**	(109)
Loss before tax		**(137)**	(479)
Income tax credit	9	**7**	5
Loss for the year		**(130)**	(474)
Attributable to:			
Equity holders of the Company		**(151)**	(492)
Non-controlling interests		**21**	18
		(130)	(474)
Loss per ordinary share attributable to the equity holders of the Company - pence			
Basic	10	**(20.5)**	(66.7)
Diluted	10	**(20.5)**	(66.7)

** Refer to note 2*

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2019

	2019 GBPm	2018 GBPm
Loss for the year	**(130)**	(474)
Other comprehensive income/(loss)		
Items that may be reclassified to the income statement	**142**	(309)
Currency translation differences	**142**	(310)
Fair value adjustment - cash flow hedges	**-**	1
Items that may not be reclassified to the income statement	**(34)**	60
Remeasurements of retirement benefit obligations	**(34)**	60
Other comprehensive income/(loss), net of tax	**108**	(249)
Total comprehensive loss for the year	**(22)**	(723)
Attributable to:		
Equity holders of the Company	**(29)**	(742)
Non-controlling interests	**7**	19
	(22)	(723)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

	Share capital GBPm	Capital redemption reserve GBPm	Share premium reserve GBPm	Reverse acquisition reserve GBPm	Treasury shares GBPm	Share-based payment reserve GBPm	Foreign currency translation reserve GBPm	Hedging reserve GBPm	Retained earnings GBPm	Attributable to equity holders of the Company GBPm	Non-controlling interests GBPm	Total equity GBPm
Balance at 31 March 2018	74	6	690	(3 014)	(1)	1	468	5	5 057	3 286	87	3 373
IFRS 9 transition adjustment	-	-	-	-	-	-	-	-	(2)	(2)	-	(2)
Restated as at 1 April 2018	**74**	**6**	**690**	**(3 014)**	**(1)**	**1**	**468**	**5**	**5 055**	**3 284**	**87**	**3 371**
(Loss)/profit for the year	-	-	-	-	-	-	-	-	(151)	(151)	21	(130)
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	153	-	(31)	122	(14)	108
Total comprehensive income/(loss) for the year	-	-	-	-	-	-	153	-	(182)	(29)	7	(22)
Transfer to other reserves	-	-	-	-	-	-	7	(7)	-	-	-	-
Business combinations	-	-	-	-	-	-	-	-	-	-	12	12
Derivative entered into as part of business combinations	-	-	-	-	-	-	-	-	(86)	(86)	-	(86)
Settlement of Forfeitable Share Plan	-	-	-	-	1	(1)	-	-	-	-	-	-
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	41	41	17	58
Dividends paid	-	-	-	-	-	-	-	-	(59)	(59)	(8)	(67)
Balance at 31 March 2019	**74**	**6**	**690**	**(3 014)**	**-**	**-**	**628**	**(2)**	**4 769**	**3 151**	**115**	**3 266**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

	Share capital GBPm	Capital redemption reserve GBPm	Share premium reserve GBPm	Reverse acquisition reserve GBPm	Treasury shares GBPm	Share-based payment reserve GBPm	Foreign currency translation reserve GBPm	Hedging reserve GBPm	Retained earnings GBPm	Attributable to equity holders of the Company GBPm	Non-controlling interests GBPm	Total equity GBPm
Balance at 1 April 2017	74	6	690	(3 014)	(2)	24	779	4	5 525	4 086	78	4 164
(Loss)/profit for the year	-	-	-	-	-	-	-	-	(492)	(492)	18	(474)
Other comprehensive (loss)/income for the year	-	-	-	-	-	-	(311)	1	60	(250)	1	(249)
Total comprehensive (loss)/income for the year	-	-	-	-	-	-	(311)	1	(432)	(742)	19	(723)
Transfer to retained earnings	-	-	-	-	-	(23)	-	-	23	-	-	-
Non-controlling shareholders derecognised on disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Share-based payment expense	-	-	-	-	-	1	-	-	-	1	-	1
Settlement of Forfeitable Share Plan	-	-	-	-	1	(1)	-	-	-	-	-	-
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	(1)	(1)	1	-
Dividends paid	-	-	-	-	-	-	-	-	(58)	(58)	(10)	(68)
Balance at 31 March 2018	**74**	**6**	**690**	**(3 014)**	**(1)**	**1**	**468**	**5**	**5 057**	**3 286**	**87**	**3 373**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

	Notes	**2019 GBPm Inflow/(outflow)**	2018 GBPm Inflow/(outflow)
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations		**451**	466
Interest received		**9**	9
Interest paid		**(61)**	(74)
Tax paid		**(55)**	(56)
Net cash generated from operating activities		**344**	345
CASH FLOW FROM INVESTMENT ACTIVITIES		**(298)**	(319)
Investment to maintain operations		**(86)**	(112)
Investment to expand operations		**(154)**	(142)
Acquisition of subsidiaries	11	**(63)**	(83)
Disposal of subsidiaries		**-**	2
Acquisition of investment in associate	6	**(4)**	(2)
Dividends received from equity accounted investment		**4**	5
Proceeds from money market funds		**-**	13
Proceeds from other investments and loans		**5**	-
Net cash generated before financing activities		**46**	26
CASH FLOW FROM FINANCING ACTIVITIES		**(34)**	(108)
Distributions to non-controlling interests		**(8)**	(10)
Distributions to shareholders	14	**(59)**	(58)
Proceeds from borrowings		**385**	6
Repayment of borrowings		**(347)**	(30)
Refinancing transaction costs		**(5)**	(12)
Settlement of interest rate swap		**-**	(4)
Net increase/(decrease) in cash and cash equivalents		**12**	(82)
Opening balance of cash and cash equivalents		**261**	361
Exchange rate fluctuations on foreign cash		**(8)**	(18)
Closing balance of cash and cash equivalents		**265**	261

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Mediclinic is an international private hospital group with operations in Switzerland, Southern Africa (South Africa and Namibia) and the United Arab Emirates. Its core purpose is to enhance the quality of life of patients by providing value-based healthcare services. Mediclinic also holds a 29.9% interest in Spire Healthcare Group plc, a LSE listed and UK-based private hospital group.

The Company is a public limited company, with a primary listing on the London Stock Exchange and secondary listings on the Johannesburg Stock Exchange and the Namibian Stock Exchange and incorporated and domiciled in the UK (registered number: 08338604). The address of its registered office is 6th Floor, 65 Gresham Street, London, EC2V 7NQ, United Kingdom.

The condensed consolidated financial statements for the year ended 31 March 2019 was approved by the Board on 22 May 2019.

2. BASIS OF PREPARATION

The condensed consolidated financial statements included in the results announcement for the year ended 31 March 2019 have been extracted from the full Annual Report which was approved by the Board of Directors on 22 May 2019. The condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU'), the Companies Act 2006 and Article 4 of the EU IAS Regulations.

The auditor's report on those consolidated financial statements was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report, and did not contain statements under section 498(2) or 498(3) of the Companies Act 2006. This results announcement does not constitute statutory accounts of the Group within the meaning of sections 434(3) and 435(3) of the Companies Act 2006. The Annual Report for the year ended 31 March 2019 will be delivered to the Registrar of Companies following the Company's annual general meeting to be held on Wednesday, 24 July 2019.

The Group has prepared the condensed consolidated financial statements on a going concern basis. The condensed consolidated financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and with IAS 34 Interim Financial Reporting, as adopted by the EU. They do not include all the information required for full annual financial statements and should be read in conjunction with information contained in the Group's Annual Report and Financial Statements for the year ended 31 March 2019.

This results announcement has been prepared applying consistent accounting policies to those applied by the Group in the comparative period, except for the adoption of IFRS 9 and IFRS 15. Refer to note 12 for a description of the changes in accounting policies. The condensed consolidated financial statements included in this results announcement do not itself contain sufficient information to comply with IFRS. The Company will publish full financial statements that comply with IFRS in June 2019.

The Group will adopt IFRS 16 Leases from 1 April 2019. The Group expects to recognise right-of-use assets of approximately GBP610m and lease liabilities of approximately GBP662m. The deferred tax impact and impairment assessment relating to the initial recognition of the right-of-use assets on adoption of IFRS 16 are still being considered and will be concluded ahead of the announcement of the Group's half year results at 30 September 2019. On application of IFRS 16 to the 2020 financial year income statement, indicatively, profit before tax would be lower by approximately GBP4m, excluding the Group's equity accounted share of the impact at Spire. EBITDA would be higher by approximately GBP61m due to the fact that the operating lease expense recognised under IAS 17 is replaced with interest and depreciation under IFRS 16 (which is excluded from EBITDA). Spire has disclosed the estimated impact of IFRS 16 in its Annual Report at 31 December 2018, which estimated the Group's equity share of profit before tax would be lower by approximately GBP4m based on the results for the year ended 31 December 2018. Refer to a detailed assessment of the implementation of the standard in the Group's Annual Report and Financial Statements for the year ended 31 March 2019.

2. BASIS OF PREPARATION (continued)

Functional and presentation currency

The condensed consolidated financial statements are presented in pounds sterling, rounded to the nearest million. The functional currency of the majority of the Group's entities, and the currencies of the primary economic environments in which they operate, is the Swiss franc, South African rand and United Arab Emirates dirham. The United Arab Emirates dirham is pegged against the United States dollar at a rate of 3.6725 per US Dollar.

Income statement reclassification

The income statement for the year ended 31 March 2018 has been re-presented to reclassify certain costs of the Southern African segment that were previously shown as a reduction of revenue. The impact of the reclassification was an increase in revenue and cost of sales of GBP6m. The reclassification had no impact on reported cash, profits or net assets.

3. SEGMENTAL REPORT

The reportable operating segments are identified as follows: Switzerland, Southern Africa, Middle East and additional segments are shown for the United Kingdom and Corporate.

		Reportable operating segments			Other	
Year ended 31 March 2019	**Total GBPm**	**Switzerland GBPm**	**Southern Africa GBPm**	**Middle East GBPm**	**United Kingdom GBPm**	**Corporate GBPm**
Revenue	**2 932**	**1 368**	**886**	**677**	**-**	**1**
EBITDA	**493**	**219**	**187**	**88**	**-**	**(1)**
EBITDA before management fee	**493**	**224**	**192**	**91**	**-**	**(14)**
Management fees included in EBITDA	**-**	**(5)**	**(5)**	**(3)**	**-**	**13**
Other gains and losses	**(3)**	**-**	**1**	**(3)**	**-**	**(1)**
Depreciation and amortisation	**(168)**	**(101)**	**(31)**	**(36)**	**-**	**-**
Impairment of property, equipment and vehicles	**(186)**	**(186)**	**-**	**-**	**-**	**-**
Impairment of intangible assets	**(55)**	**(55)**	**-**	**-**	**-**	**-**
Operating profit/(loss)	**81**	**(123)**	**157**	**49**	**-**	**(2)**
Income from associate	**3**	**-**	**-**	**-**	**3**	**-**
Impairment of associate	**(164)**	**-**	**-**	**-**	**(164)**	**-**
Finance income	**9**	**-**	**8**	**1**	**-**	**-**
Finance cost (excluding intersegment loan interest)	**(66)**	**(23)**	**(36)**	**(7)**	**-**	**-**
Total finance cost	**(66)**	**(39)**	**(36)**	**(7)**	**-**	**16**
Elimination of intersegment loan interest	**-**	**16**	**-**	**-**	**-**	**(16)**
Taxation	**7**	**47**	**(39)**	**-**	**-**	**(1)**
Segment result	**(130)**	**(99)**	**90**	**43**	**(161)**	**(3)**
At 31 March 2019						
Investments in associates	**189**	**2**	**3**	**4**	**180**	**-**
Investments in joint ventures	**4**	**-**	**4**	**-**	**-**	**-**
Capital expenditure	**232**	**72**	**65**	**94**	**-**	**1**
Total segment assets	**6 428**	**3 532**	**709**	**1 965**	**182**	**40**
Total segment liabilities (excluding intersegment loan)	**3 162**	**2 182**	**593**	**385**	**-**	**2**
Total liabilities from reportable segment	**4 060**	**3 080**	**593**	**385**	**-**	**2**
Elimination of intersegment loan	**(898)**	**(898)**	**-**	**-**	**-**	**-**

3. SEGMENTAL REPORT (continued)

		Reportable operating segments			Other	
Year ended 31 March 2018	**Total GBPm**	**Switzerland GBPm**	**Southern Africa* GBPm**	**Middle East GBPm**	**United Kingdom GBPm**	**Corporate GBPm**
Revenue	2 876	1 349	883	643	-	1
EBITDA	522	251	189	85	-	(3)
EBITDA before management fee	522	254	194	88	-	(14)
Management fees included in EBITDA	-	(3)	(5)	(3)	-	11
Other gains and losses	2	9	-	(7)	-	-
Depreciation and amortisation	(168)	(86)	(29)	(53)	-	-
Impairment of properties	(84)	(84)	-	-	-	-
Impairment of intangible assets	(560)	(560)	-	-	-	-
Operating (loss)/profit	(288)	(470)	160	25	-	(3)
Income from associate	3	-	-	-	3	-
Impairment of associate	(109)	-	-	-	(109)	-
Finance income	9	1	7	1	-	-
Finance cost (excluding intersegment loan interest)	(94)	(48)	(38)	(8)	-	-
Total finance cost	(94)	(64)	(38)	(8)	-	16
Elimination of intersegment loan interest	-	16	-	-	-	(16)
Taxation	5	46	(40)	-	-	(1)
Segment result	(474)	(471)	89	18	(106)	(4)
At 31 March 2018						
Investments in associates	352	2	2	-	348	-
Investments in joint ventures	5	-	5	-	-	-
Capital expenditure	245	101	62	80	-	2
Total segment assets	6 343	3 448	747	1 757	348	43
Total segment liabilities (excluding intersegment loan)	2 972	1 986	673	309	-	4
Total liabilities from reportable segment	3 829	2 843	673	309	-	4
Elimination of intersegment loan	(857)	(857)	-	-	-	-

** Refer to note 2*

4. PROPERTY, EQUIPMENT AND VEHICLES

	Land and buildings GBPm	Capital expenditure in progress GBPm	Equipment GBPm	Furniture and vehicles GBPm	Total GBPm
Net book value at 1 April 2017	3 205	113	328	57	3 703
Additions	39	107	55	22	223
Depreciation	(39)	-	(70)	(23)	(132)
Business combinations	103	-	7	-	110
Prior year capital expenditure completed	28	(32)	3	1	-
Impairment	(84)	-	-	-	(84)
Transfer to assets held for sale	-	-	(1)	-	(1)
Exchange differences	(204)	(7)	(16)	(2)	(229)
Net book value at 31 March 2018	**3 048**	**181**	**306**	**55**	**3 590**
Additions	17	123	49	15	204
Depreciation	(50)	-	(78)	(20)	(148)
Business combinations	8	-	7	5	20
Transfer between asset classes	-	1	8	(9)	-
Prior year capital expenditure completed	192	(221)	26	3	-
Impairment	(181)	-	-	(5)	(186)
Transfer to assets held for sale	-	-	(1)	-	(1)
Exchange differences	55	(3)	(6)	(1)	45
Net book value at 31 March 2019	**3 089**	**81**	**311**	**43**	**3 524**

Cash generating unit (CGU) impairment indicators

Property, equipment and vehicles are considered for impairment if impairment indicators are identified at an individual CGU level. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group defines CGUs as combined inter-dependent hospitals and/or clinics or as individual hospitals depending on the geographical location or the degree of integration. The impairment assessment is performed at CGU level and any impairment charge that arises would be allocated to the CGU's goodwill first, followed by other assets (such as property, equipment and vehicles and other intangible assets).

Impairment of properties in Swiss CGU

Following the impact of regulatory changes on Hirslanden, the Swiss CGUs were assessed for impairment at 30 September 2018 and 31 March 2019. The recoverable amounts of the CGUs tested for impairment were based on fair value less cost to sell calculations which is regarded as the more appropriate reflection of the value of the business. In prior years, the recoverable amount was based on value in use calculations. In determining the fair value less cost to sell for the CGUs, the cash flows were discounted at rates between 4.9% and 5.1%. Beyond five years a growth rates of 1.6% (2018: 1.6%) was used. The carrying values of five CGUs were determined to be higher than their recoverable amount and as a result an impairment charge of GBP186m was recognised in the income statement relating to property, equipment and vehicles.

4. PROPERTY, EQUIPMENT AND VEHICLES (continued)

Impairment of properties in Swiss CGU

After accounting for impairments in the current year, some CGUs within Hirslanden have limited headroom ranging from GBPnil to GBP45m and remain sensitive to reasonably possible changes in key assumptions in the fair value less cost to sell calculations. As a result, any increase in the discount rate or decreases in the short term cash flow projections or long term growth rates could give rise to further material impairment charges in future periods.

Any impairment determined at a CGU level under IAS 36 will include an assessment of the recoverable amount of Hirslanden's owned properties, which are subject to a third party valuation at least annually. This valuation applies a consistent methodology across key assumptions to determine the rental charges based on appropriate and market-related metrics, which is discounted using a market-related discount rate to determine the value of the properties.Therefore, there is a risk that this valuation could materially change in future periods.

5. INTANGIBLE ASSETS

	Goodwill GBPm	Trade names GBPm	Computer software GBPm	Leases GBPm	Total GBPm
Net book value at 1 April 2017	1 715	377	38	26	2 156
Additions	-	-	22	-	22
Amortisation	-	(24)	(11)	(1)	(36)
Business combinations	13	17	-	-	30
Disposal of subsidiaries	(3)	-	-	-	(3)
Impairment	(300)	(260)	-	-	(560)
Exchange differences	(172)	(27)	(1)	(3)	(203)
Net book value at 31 March 2018	**1 253**	**83**	**48**	**22**	**1 406**
Additions	-	-	28	-	28
Amortisation	-	(4)	(15)	(1)	(20)
Business combinations	107	25	-	-	132
Impairment	-	(55)	-	-	(55)
Exchange differences	91	4	(1)	2	96
Net book value at 31 March 2019	**1 451**	**53**	**60**	**23**	**1 587**

Impairment testing of significant goodwill balances

The Group tests goodwill for impairment on an annual basis or more frequently if there are indications that these assets may be impaired. The annual impairment assessment is performed at year end when the annual financial planning process is finalised. The Group's impairment assessment compares the carrying value of the group of CGUs with its recoverable amount. The group of CGUs for goodwill impairment assessment purposes are identified on a segmental or operating division level in terms of IFRS 8 except for goodwill arising from the current year acquisition of Les Grangettes which was assessed at a CGU level given the significant non-controlling interest and aligned to the location in which the synergies are expected to arise.

The recoverable amount of a group of CGUs is determined by its fair value less cost to sell which is derived from discounted cash flow calculations. The key inputs to its calculations are described below.

5. INTANGIBLE ASSETS (continued)

Impairment testing of significant goodwill balances

Forecasts
As part of the annual financial planning process, the Group's operating divisions are required to submit budgets for the next financial year and forecasts for the following four years (except for Mediclinic Middle East which prepared a seven year forecast), which are approved by the Board. Future earnings in the value in use calculation are based on these budgets and forecasts that are calculated on a per hospital basis and considers both internal and external market information. These budgets and forecasts represent management's best view of future revenues and cash flows.

Growth rates
Growth rates are determined from budgeted and forecasted revenue. Terminal growth rates are country specific and determined based on the forecast market growth rates and considers long term inflation. The regulatory environment and impact on tariffs are considered. Growth rates have been benchmarked against external data for the relevant markets.

Discount rates
The weighted average cost of capital (WACC) was determined by considering the respective debt and equity costs and ratios. The discount rate is based on the risk-free rate for government bonds adjusted for a risk premium to reflect the increased risk of investing in equities. Discount rates are lower for the operating divisions which operate in more mature markets with low inflation and higher for those operating in markets with a higher inflation. Discount rates reflect the time value and the risks associated with the segment or operating division cash flows. The assumptions used in the calculation of the discount rate are benchmarked to externally available data.

Impairment testing of Mediclinic Middle East goodwill

The Mediclinic Middle East goodwill with a carrying amount of GBP1 340m (2018: GBP1 245m) originated mainly from the Al Noor Hospital Group plc (Al Noor) business combination, with a portion originating from other UAE business combinations. Key assumptions used for the fair value less cost to sell calculations for the annual impairment testing were as follows:
- *Discount rates* – The discount rate applied to cash flow projections is 9.0% (2018: 8.7%).
- *Growth rates* – The terminal growth rate beyond seven years is 3.0% (2018: 3.0%).
- *Forecasts* – As a result of the changes in the market environment, mainly due to outlook of tariffs, the forecasted cash flows have been adjusted. The discrete period used for the fair value less cost to sell calculation is 7 years given the expansion and growth anticipated in the medium term from existing expansion projects.
- *Sensitivity analysis* – Any increase in the discount rate or decreases in the short-term cash flow projections or long-term growth rate could give rise to material impairment charges in future periods due to the reduced headroom to the current carrying value.

Impairment testing of Hirslanden goodwill and trade names

Following the impact of regulatory changes on Hirslanden, the recoverable amount of certain Swiss CGUs and the Hirslanden trade name were tested for impairment during the year. The recoverable amounts have been determined based on fair value less costs to sell discounted cash flow calculations.
- *Discount rates* – The discount rate applied to cash flow projections is 5.0% (2018: 5.0%).
- *Growth rates* – The terminal growth rate beyond five years is 1.6% (2018: 1.6%) growth rate.
- *Forecasts* – As a result of the continued impact of changes in the regulatory and market environment (including TARMED tariffs and regulations that require enhanced outmigration of medical treatments) and to reflect actions taken by management to adapt to the new operating environment, the forecasted cash flows have been adjusted.

The carrying amount of the Hirslanden trade name and Linde trade name were fully impaired during the year. The impairment charge recognised in the income statement consisted of GBP39m for the impairment of the Hirslanden trade name and GBP16m for the Linde trade name (2018: GBP300m for the impairment of goodwill and GBP260m for the impairment of the Hirslanden trade name). The only remaining goodwill and trade names relate to the current year acquisition of Les Grangettes. A decline in terminal growth rate to 0.3% or an increase in the discount rate to 5.3% would reduce the headroom to nil in the CGU to which Les Grangettes has been allocated.

6. EQUITY ACCOUNTED INVESTMENTS

	2019 GBPm	2018 GBPm
Investment in associates	**189**	352
Investment in joint venture	**4**	5
	193	357

6.1 Investment in associates

	2019 GBPm	2018 GBPm
Listed investment	**180**	348
Unlisted investments	**9**	4
	189	352
Reconciliation of carrying value at the beginning and end of the period		
Opening balance	**352**	461
IFRS 9 transition adjustment	**(2)**	-
Additional investment in unlisted associate	**4**	2
Share of net profit of associated companies	**3**	3
Impairment of listed associate	**(164)**	(109)
Dividends received from associated companies	**(4)**	(5)
	189	352

Set out below are details of the associate which is material to the Group:

	Country of incorporation and place of business	% ownership
Spire Healthcare Group plc (Spire)	**United Kingdom**	**29.9%**

Spire is listed on the London Stock Exchange. It does not issue publicly available quarterly financial information at a detailed level and has a December year-end. The investment in associate was equity accounted for the 12 months to 31 December 2018 (2018: 31 December 2017). No significant events occurred since 1 January 2019 to the reporting date.

At 30 September 2018, the market value of the investment in Spire was GBP169m, which was below the carrying value. An impairment test was performed by updating the key assumptions applied in the value in use calculation performed at 31 March 2018. The impairment test was prepared based on the Group's updated expectations of Spire's future trading performance and considered external sources of information, including investor analyst valuations and target prices published. Key assumptions related to cash flow growth rates in the short- and medium-term were adjusted in the value in use calculation. As a result, an impairment loss of GBP164m was recorded against the carrying value. At year end, another impairment test (updated for latest guidance announced by Spire in March 2019) was performed and indicated no further impairment losses. The impairment calculations remain sensitive to reasonably possible changes in key assumptions, including cash flow projections and long-term growth and discount rates, which could result in material impairment charges in future periods. At 31 March 2019, the market price was GBP155m.

7. BORROWINGS

	2019 GBPm	2018 GBPm
Bank loans	**1 703**	1 559
Preference shares	**96**	200
Listed bonds	**181**	176
Other liabilities	**2**	2
	1 982	1 937
Non-current borrowings	**1 895**	1 866
Current borrowings	**87**	71
Total borrowings	**1 982**	1 937

		2019 GBPm Non-current	2019 GBPm Current	2018 GBPm Non-current	2018 GBPm Current
	Swiss operations (denominated in Swiss franc)				
Secured bank loan one	These loans bear interest at variable rates linked to the 3M LIBOR plus 1.25%. CHF50m must be redeemed on 21 June 2019 and on 30 September 2019 respectively. The remaining balances are repayable by 30 September 2024. The non-current portion includes capitalised financing costs of GBP13m (2018: GBP11m).	**1 066**	**77**	1 085	26
Secured bank loan two	These loans were acquired as part of the Linde acquisition and bear interest at a fixed rate of 1.12%. CHF0.5m is repayable on 30 June and 31 December every year. The remaining balances are repayable during May 2023.	**14**	**1**	13	-
Secured bank loan three	This fixed interest mortgage loan was acquired as part of the Linde acquisition and bears interest at 0.9% compounded quarterly. The loan is repayable by December 2023.	**8**	**-**	7	-
Secured bank loan four	These loans were acquired as part of the Grangettes acquisition and bear interest linked to the 3M LIBOR plus 1.4%.	**12**	**-**	-	-
Listed bonds	The listed bonds consist of CHF145m 1.625% and CHF90m 2% Swiss franc bonds. The bonds are repayable on 25 February 2021 and 25 February 2025 respectively.	**181**	**-**	176	-
Secured long term finance	These liabilities bear interest at variable rates ranging between 1% and 12% and are repayable in equal monthly payments in periods ranging from one to seven years.	**1**	**1**	1	1
	Balance carried forward	**1 282**	**79**	1 282	27

7. BORROWINGS

		2019 GBPm Non-current	2019 GBPm Current	2018 GBPm Non-current	2018 GBPm Current
	Balance carried forward	**1 282**	**79**	1 282	27
	Southern African operations (denominated in South African rand)				
Secured bank loan one	The loan bears interest at the 3M JIBAR variable rate plus a margin of 1.49% compounded quarterly and is repayable on 26 September 2022.	**136**	**1**	-	-
Secured bank loan two	The loan bears interest at the 3M JIBAR variable rate plus a margin of 1.59% compounded quarterly and is repayable on 26 September 2023.	**189**	**1**	-	-
Secured bank loan three	The loan bears interest at the 3M JIBAR variable rate plus a margin of 1.51% compounded quarterly. This liability was extinguished during September 2018 as part of the refinancing.	**-**	**-**	208	2
Secured bank loan four	The loan bears interest at the 3M JIBAR variable rate plus a margin of 1.69% compounded quarterly. This liability was extinguished during September 2018 as part of the refinancing.	**-**	**-**	73	-
Secured bank loan five	These loans bear interest at variable rates linked to the prime overdraft rate and are repayable in periods ranging between one and twelve years.	**6**	**1**	6	2
Preference shares	Dividends are payable monthly at a rate of 72% of 3M JIBAR plus a margin of 1.65%. The outstanding balance will be redeemed on 26 September 2022.	**95**	**1**	108	1
Preference shares	Dividends are payable semi-annually at a rate of 73% of the prime interest rate (10.25%). The amount was repaid on 26 September 2018 as part of the refinancing.	**-**	**-**	91	-
	Middle East operations (denominated in UAE dirham)				
Secured bank loan one	The loan bears interest at variable rates linked to the 3M LIBOR and a margin of 1.85% with a 5-year amortising terms, expiring in August 2023.	**187**	**4**	-	-
Secured bank loan two	The loan bears interest at variable rates linked to the 3M LIBOR and a margin of 2.50%. The liability was extinguished during August 2018 as part of the refinancing.	-	-	98	39
		1 895	**87**	1 866	71

The borrowing facilities in Mediclinic Southern Africa and Mediclinic Middle East were refinanced during the year. In both instances, the terms of the loans were extended with favourable pricing. The effective date for the funding and the closing was 26 September 2018 and 29 August 2018 respectively. The refinancing agreements in both Mediclinic Southern Africa and Mediclinic Middle East have been treated as extinguishments of the original financial liabilities due to the substantial modifications of the terms (including the terms of the financing and the margins). As a result, the original liabilities were derecognised and new financial liabilities were recognised. The unamortised portion of the capitalised finance cost of the original agreements of GBP2m in Mediclinic Middle East was derecognised as a result of the extinguishment of the liabilities.

8. FINANCE COSTS

	2019 GBPm	2018 GBPm
Interest expense	**55**	55
Interest rate swaps*	**-**	6
Amortisation of capitalised financing costs	**5**	5
Derecognition of unamortised financing costs	**2**	19
Fair value gains on ineffective cash flow hedges	**-**	(4)
Preference share dividend	**10**	15
Less: amounts included in cost of qualifying assets	**(6)**	(2)
	66	94

** Amount is less than GBP0.5m*

9. INCOME TAX EXPENSE

	2019 GBPm	2018 GBPm
Current tax		
Current year	**53**	56
Previous year	**-**	(2)
Deferred tax credit	**(60)**	(59)
Taxation per income statement	**(7)**	(5)
Composition		
UK tax	**-**	-
Foreign tax	**(7)**	(5)
	(7)	(5)

9. INCOME TAX EXPENSE (continued)

	2019 %	2018 %
Reconciliation of rate of taxation:		
UK statutory rate of taxation	**19.0%**	19.0%
Adjusted for:		
Capital gains taxed at different rates	**0.1%**	-
Benefit of tax incentives	**0.4%**	0.1%
Share of net profit of equity accounted investments	**0.4%**	0.1%
Non-deductible expenses[1]	**(26.5%)**	(18.0%)
Non-controlling interests' share of profit before tax	**0.7%**	0.2%
Effect of different tax rates[2]	**1.5%**	0.7%
Effect of differences between deferred and current tax rates[3]	**0.1%**	(0.6%)
Non-recognition of tax losses in current year	**(1.7%)**	(0.5%)
Derecognition of tax losses relating to prior years	**(0.3%)**	(0.2%)
Prior year adjustment[4]	**11.7%**	0.3%
Effective tax rate[5]	**5.4%**	1.1%

1 *Impairment of the listed associate of GBP164m was not deductible for tax purposes. The tax effect amounted to GBP31m (impact of 22.7% in effective tax rate).*

2 *Since the tax reconciliation is based on a UK statutory tax rate at 19.0%, a reconciling item result due to profit from South Africa which is subject to an income tax rate of 28.0% reduced by profit from the Middle East which is not subject to income tax.*

3 *The impairment of the trade names (GBP55m) and the impairment of property, equipment and vehicles (GBP186m) in Switzerland led to the release of a deferred tax liability of GBP47m. A reconciling item arises because the tax rate applied in calculating the deferred tax liabilities was lower than the current statutory rate of taxation.*

4 *Included in the prior year adjustment is a credit of GBP17m relating to a change in the basis of estimating deferred tax related to Swiss properties from providing at a tax rate of 20.1% to a tax rate of 19.3%.*

5 *If the impairment charges (and related deferred tax effect) discussed in point 3 above together with the items listed in point 1 and 4 were excluded from the effective tax rate calculation, the adjusted effective tax rate would be 20.4% (2018: 20.8%). The adjusted effective tax rate changes year-on-year reflecting a lower average tax rate in Switzerland.*

10. EARNINGS PER ORDINARY SHARE

	2019 GBPm	2018 GBPm
Loss per ordinary share (pence)		
Basic (pence)	**(20.5)**	(66.7)
Diluted (pence)	**(20.5)**	(66.7)
Earnings reconciliation		
Loss attributable to equity holders of the Company	**(151)**	(492)
Adjusted for:		
No adjustments	**-**	-
Loss for basic and diluted earnings per share	**(151)**	(492)

Number of shares reconciliation	2019 Number of shares	2018 Number of shares
Weighted average number of ordinary shares in issue for basic earnings per share		
Number of ordinary shares in issue at the beginning of the year	**737 243 810**	737 243 810
Weighted average number of treasury shares	**(49 544)**	(133 672)
Mpilo Trusts	**(32 330)**	(32 330)
Forfeitable Share Plan	**(17 214)**	(101 342)
	737 194 266	737 110 138
Weighted average number of ordinary shares in issue for diluted earnings per share		
Weighted average number of ordinary shares in issue	**737 194 266**	737 110 138
Weighted average number of treasury shares held not yet released from treasury stock	**49 544**	133 672
Mpilo Trusts	**32 330**	32 330
Forfeitable Share Plan	**17 214**	101 342
	737 243 810	737 243 810

10. EARNINGS PER ORDINARY SHARE (continued)

	2019 GBPm	2018 GBPm
Headline earnings per share		
Loss for basic and diluted earnings per share	**(151)**	(492)
Adjustments		
Impairment of equity accounted investment	**164**	109
Impairment of properties and intangible assets	**192**	576
Loss on disposal of subsidiaries	**1**	7
Associate's impairment of property, plant and equipment	**5**	3
Headline earnings	**211**	203
Headline earnings per share (pence)	**28.6**	27.6
Diluted headline earnings per share (pence)	**28.6**	27.6

11. BUSINESS COMBINATIONS

The following business combinations occurred during the year:

	2019 GBPm	2018 GBPm
Cash flow on acquisition:		
Clinique des Grangettes	**(50)**	-
City Centre Clinics Deira and Me'aisem	**(7)**	-
Welkom Medical Centre	**(6)**	-
Intercare Hospital Group	**-**	-
Sandton Day Hospital and Sandton sub-acute Hospital	**-**	-
Linde Holding Biel/Bienne AG	**-**	(74)
Rontgeninstitut Cham AG	**-**	(9)
	(63)	(83)

Clinique des Grangettes

Effective on 1 October 2018, Hirslanden AG acquired a 60% stake in Grangettes Healthcare SA through a newly formed structure and obtained control over the company. A new entity, Hirslanden La Colline Grangettes SA, was formed to effect the business combination. The new entity was established by contribution in kind of the investment in Grangettes Healthcare SA. As part of the consideration transferred, the investment in Hirslanden Clinique La Colline SA was transferred to the newly founded entity.

Clinique des Grangettes is a leading private hospital in Geneva offering a wide range of medical services, specialising in maternity care, paediatrics, cardiology, oncology, radiology and emergency care. The Clinique des Grangettes has state-of-the-art equipment diagnostic and treatment equipment, which is used by more than 450 affiliated doctors.

The Clinique La Colline is known for its competence centres in orthopaedics, neurosurgery, visceral surgery and sports medicine. The medical services of the two hospitals thus complement each other perfectly. The combination of the Clinique des Grangettes and the Hirslanden Clinique La Colline enables operational synergies and cost savings.

The goodwill of GBP99m (CHF126m) arising from the acquisition is attributable to the acquired workforce and economies of scale expected from combining the operations of the Group and Grangettes Group. None of the goodwill recognised is expected to be deductible for income tax purposes.

The following table summarises the total consideration transferred at the acquisition date for the Grangettes Group (consisting of Clinique des Grangettes SA, Dianecho SA and Grangettes Healthcare SA).

	2019 GBPm
Consideration at 1 October 2018	
Cash	60
Portion given up of investment in Clinique La Colline	58
Total consideration transferred	**118**

11. BUSINESS COMBINATIONS (continued)

The following table summarises the provisional fair value of assets acquired and liabilities assumed at the acquisition date for the Grangettes Group (consisting of Clinique des Grangettes SA, Dianecho SA and Grangettes Healthcare SA).

	2019 GBPm
Recognised amounts of identifiable assets acquired and liabilities assumed	
Assets	
Property, equipment and vehicles	10
Intangible assets	25
Inventories	2
Trade and other receivables	25
Cash and cash equivalents	10
Deferred tax assets	2
Other investments and loans	8
Total assets	**82**
Liabilities	
Borrowings	15
Provisions	1
Retirement benefit obligations	7
Deferred tax liabilities	9
Trade and other payables	13
Current income tax liabilities	5
Total liabilities	**50**
Total identifiable net assets at fair value	32
Non-controlling interest at fair value	(13)
Goodwill	99
Consideration transferred for the business	**118**
Cash flow on acquisition	
Net cash acquired with subsidiary	10
Cash paid	(60)
Net cash flow on acquisition	**(50)**

The fair value of trade and other receivables is GBP25m. The best estimate at acquisition date of the contractual cash flows not expected to be collected are GBP2m. From the date of acquisition, the Grangettes Group has contributed GBP44m to revenue and GBP6m to the net profit before tax of the Group. The Group does not disclose revenue and profit before tax of Les Grangettes as if the business combination occurred at the beginning of the reporting period due to not having access to the relevant information before the Group obtained control over the business.

11. BUSINESS COMBINATIONS (continued)

The Group elected to recognise the non-controlling interest at its proportionate share of the acquired net identifiable assets. As part of the consideration transferred, 40% of the previously fully owned Hirslanden Clinique la Colline SA was transferred to the seller of Grangettes group. This transfer is accounted for as a transaction with non-controlling interest, as it does not result in a loss of control and amounted to GBP17m. The difference between fair value of the consideration transferred and the carrying value of the net assets of Hirslanden Clinique La Colline at the acquisition date is recorded in equity (GBP41m). The Group entered into a put/call agreement over the remaining 40% of the interest in the combined company of Clinique des Grangettes and Clinique La Colline.

The fair value of the acquired identifiable assets and liabilities has been provisionally determined for all business combinations. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, then the accounting for the acquisition will be revised. The following smaller business combinations occurred during the current year:

City Centre Clinics Deira and Me’aisem

On 28 June 2018, Mediclinic Middle East acquired 100% of the Dubai based City Centre Clinics Deira and Me’aisem from Majid Al Futtaim for GBP7m (AED35m).

City Centre Clinic Deira is a large outpatient facility with one day case surgery theatre and 18 medical disciplines. City Centre Clinic Me’aisem is a smaller community clinic focusing on six core disciplines. The clinics serve strategic geographic locations and offer the opportunity to refer higher acuity inpatient cases to existing Mediclinic Middle East hospitals as well as the new Mediclinic Parkview Hospital.

The goodwill of GBP2m (AED8m) arising from the acquisition is attributable to the acquired workforce and economies of scale expected from combining the operations of Mediclinic Middle East and the City Centre Clinics.

Welkom Medical Centre

On 3 September 2018, Mediclinic Southern Africa acquired 100% of the share capital of Welkom Medical Centre for GBP6m (ZAR110m).

Welkom Medical Centre consists of a day case clinic with 20 beds, a sub-acute unit of 20 beds and a mental health unit with a further 20 beds. The goodwill of GBP3m (ZAR54m) arising from the acquisition is attributable to the acquired workforce and economies of scale expected from combining the operations of Welkom Medical Centre and Mediclinic Southern Africa. None of the goodwill recognised is expected to be deductible for income tax purposes.

Intercare Hospital Group

On 1 November 2018, Mediclinic Southern Africa acquired 50% plus one share of Intercare Hospital Group for GBP1m (ZAR32m).

The Intercare Hospital Group consists of 4 day case clinics and 4 sub-acute hospitals and a fertility hospital. The goodwill of GBP2m (ZAR37m) arising from the acquisition is attributable to the acquired workforce and economies of scale expected from combining the operations of the Intercare Hospital Group and Mediclinic Southern Africa. None of the goodwill recognised is expected to be deductible for income tax purposes.

Sandton Day Hospital and Sandton sub-acute Hospital

On 1 November 2018, Mediclinic Southern Africa acquired 71% of the share capital of Sandton Day Hospital and Sandton sub-acute Hospital for GBP0.2m (ZAR2m).

The Sandton Day Hospital and Sandton sub-acute Hospital consist of a day case clinic with 20 beds and sub-acute units of 30 beds. The goodwill of GBP1m (ZAR20m) arising from the acquisition is attributable to the acquired workforce and economies of scale expected from combining the operations of the Sandton Day Hospital and Sandton sub-acute Hospital and Mediclinic Southern Africa. None of the goodwill recognised is expected to be deductible for income tax purposes.

11. BUSINESS COMBINATIONS (continued)

The table summarises the consideration paid for the smaller business combinations and the provisional fair value of assets and liabilities assumed at the acquisition date:

	Total GBPm	City Centre Clinics GBPm	Welkom GBPm	Intercare GBPm	Sandton GBPm
Identifiable assets acquired and liabilities assumed					
Assets					
Property, equipment and vehicles	**10**	5	3	1	1
Deferred tax assets	**1**	-	-	1	-
Cash and cash equivalents	**1**	-	-	1	-
Total assets	**12**	**5**	**3**	**3**	**1**
Liabilities					
Borrowings	**4**	-	-	2	2
Trade and other payables	**3**	-	-	3	-
Total liabilities	**7**	-	-	5	2
Total identifiable net assets at fair value	**5**	5	3	(2)	(1)
Non-controlling interest	**1**	-	-	1	-
Goodwill	**8**	2	3	2	1
Consideration transferred for the business	**14**	**7**	**6**	**1**	**-**
Cash flow on acquisition					
Cash acquired with subsidiary	**1**	-	-	1	-
Cash paid	**(14)**	(7)	(6)	(1)	-
Net cash flow on acquisition	**(13)**	**(7)**	**(6)**	**-**	**-**

12. CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments on the Group's financial statements.

12.1 IFRS 15 Revenue from contracts with customers

The Group adopted IFRS 15 from 1 April 2018 which resulted in changes in accounting policies. In accordance with the transitional provisions in the standard, the Group followed the modified retrospective approach. The comparative information is presented based on the requirements of IAS 18 Revenue and no adjustment to opening retained earnings was required.

In the Middle East, the normal business process associated with transactions with insurers includes an amount of claims disallowed (disallowance provision) which is not paid by the insurer. These disallowed claims could be for various technical or medical reasons. Disallowance write-offs on rejected claims is a general practice by the insurers in the Middle East. Accordingly, Mediclinic Middle East expects an amount of consideration that is less than what was originally invoiced. These write-offs constitute variable consideration under IFRS 15. Variable consideration is recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur. In prior periods, revenue was recognised based on the contract with the insurers and a provision for bad debt was recognised for the rejections based on historical trends. Under IFRS 15, these rejected claims will be recognised as part of revenue (decreasing the revenue recognised). The rejections recognised in the provision for impairment of trade receivables in the prior period will be reclassified to gross debtors on 1 April 2018. Refer to note 12.2 below. If IFRS 15 was applied to the prior period results, revenue from the Middle East segment would have been GBP626m compared to the GBP643m recognised under IAS 18 (with a corresponding decrease of GBP17m in expenses). This change has no impact on net profit.

The implementation of IFRS 15 did not have a material impact on the Group's other divisions.

12.2 IFRS 9 Financial Instruments

The accounting policies were changed to comply with IFRS 9 which replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets; and hedge accounting.

The Group has adopted IFRS 9 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in the standard, comparative figures have not been restated. The adjustments arising from the new impairment rules are therefore not reflected in the statement of financial position as at 31 March 2018, but are recognised in the opening balance of retained earnings on 1 April 2018.

The total impact of the Group's retained earnings due to classification and measurement of financial instruments as at 1 April 2018 is as follows:

	1 Apr 2018 GBPm
Opening retained earnings – IAS 39	**5 057**
Adjustment to retained earnings on adoption of IFRS 9:	
Increase in provision for impairment of trade receivables*	-
Impact of IFRS 9 on equity accounted investments	(2)
Opening retained earnings – IFRS 9	**5 055**

** Impact is less than GBP0.5m.*

The Group was required to revise its impairment methodology under IFRS 9 for trade receivables. The Group applied the simplified approach to measure the expected credit losses as prescribed by IFRS 9. The simplified approach requires the use of the lifetime expected loss provision for all trade receivables.

12. CHANGES IN ACCOUNTING POLICIES (continued)

The loss allowance for trade receivables as at 31 March 2018 reconcile to the opening loss allowance on 1 April 2018 as follows:

	GBPm
At 31 March 2018 – calculated under IAS 39	45
Disallowances recognised as bad debt reclassified to gross debtors (IFRS 15 adjustment)	(32)
Increase in provision for impairment of trade receivables*	-
Opening loss allowance as at 1 April 2018 – calculated under IFRS 9	**13**

** Impact is less than GBP0.5m.*

13. COMMITMENTS

	2019 GBPm	2018 GBPm
Capital commitments		
Switzerland	**31**	29
Southern Africa	**199**	219
Middle East	**35**	94
	265	342

In terms of a forward contract in the Middle East, the Group has an obligation to pay GBP7m on 31 October 2020. This best estimate is determined based on an earnings multiple and is contractually capped to an amount of GBP80m.

These commitments will be financed from Group cash flow and borrowed funds.

14. DIVIDENDS

	Date paid/payable	Dividend per share (pence)	2019 GBPm	2018 GBPm
Dividends declared				
Year ended 31 March 2019				
Interim dividend	18 December 2018	3.20	**24**	
Final dividend	29 July 2019	4.70	**35**	
		7.90		
Year ended 31 March 2018				
Interim dividend	18 December 2017	3.20		24
Final dividend	30 July 2018	4.70		35
		7.90	**59**	59
Dividends paid				
Dividends paid during the period			**59**	58

Under IFRS, dividends are only recognised in the financial statements when authorised by the Board of Directors (for interim dividends) or when authorised by the shareholders (for final dividends). The aggregate amount of the proposed dividend expected to be paid on 29 July 2019 from retained earnings has not been recognised as a liability at 31 March 2019.

15. FINANCIAL INSTRUMENTS

Financial instruments that are measured at fair value in the statement of financial position, are classified using a fair value hierarchy that reflects the significance of the inputs used in the valuation. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 – Input (other than quoted prices included within Level 1) that is observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 – Input for the asset or liability that is not based on observable market data (unobservable input).

Derivative financial instruments comprise interest rate swaps, put/call agreements and forward contracts. These financial instruments are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. Based on the degree to which the fair values are observable, the interest rate swaps are grouped as Level 2.

The fair value for equity instruments at fair value through profit or loss (part of other investments and loans) is based on appropriate valuation methodologies being discounted cash flow or actual net asset value of the investment. These assets are grouped as Level 2.

16. RELATED PARTIES

There are no significant changes to the related party transactions compared to those disclosed in note 33 of the Group's annual financial statements for the year ended 31 March 2018.

17. SHARE-BASED PAYMENTS

During the year ended 31 March 2019, the Group made further grants under its existing long-term incentive plan awards ("**LTIP**") as follows:

On 15 June 2018, the Group granted Danie Meintjes, Ronnie van der Merwe and Jurgens Myburgh 209 998, 200 128 and 110 646 phantom shares respectively. On the same date, 677 318 phantom shares were granted to other senior management. The vesting of these shares is subject to continued employment and is conditional upon achievement of performance targets, measured over a three-year period. The performance conditions for the year under review constitute a combination of absolute total shareholder return ("**TSR**") (40% weighting) and adjusted earnings per share (60% weighting).

For the year ended 31 March 2019, the total cost recognised in the income statement for the LTIP awards was a credit of GBP0.4m (2018: debit of GBP0.1m).

18. EVENTS AFTER THE REPORTING DATE

The directors are not aware of any matter or circumstance arising since the end of the financial year that would significantly affect the operations of the Group or the results of its operations.

ABOUT MEDICLINIC INTERNATIONAL PLC

Mediclinic is an international private healthcare services group, established in South Africa in 1983, with current divisions in Switzerland, Southern Africa (South Africa and Namibia) and the United Arab Emirates. Its core purpose is to enhance the quality of life of patients by providing specialist-orientated, multi-disciplinary services across the continuum of care. Mediclinic also holds a 29.9% interest in Spire Healthcare Group plc, an LSE-listed and UK-based private healthcare group.

As at 31 March 2019, Mediclinic comprised 77 hospitals, five sub-acute hospitals, 12 day case clinics and 21 outpatient clinics. Hirslanden operated 18 hospitals, two day case clinics and three outpatient clinics in Switzerland with more than 1 900 inpatient beds; Mediclinic Southern Africa operated 49 hospitals, five sub-acute hospitals and eight day case clinics across South Africa and three hospitals in Namibia with more than 8 500 inpatient beds; and Mediclinic Middle East operated seven hospitals, two day case clinics and 18 outpatient clinics with more than 900 inpatient beds in the United Arab Emirates.

Mediclinic has a primary listing on the Main Market of the LSE in the United Kingdom, with secondary listings on the JSE in South Africa and the NSX in Namibia.

AUDIO WEBCAST AND CONFERENCE CALL DETAILS

In conjunction with these results, Mediclinic is hosting an audio webcast and conference call. A replay facility will be available on the website shortly after the presentation.

09:00 BST/10:00 SAST

Audio webcast: https://edge.media-server.com/m6/p/caezhb5v

To access the call, please dial the appropriate number below 5–10 minutes before the start of the event using the conference confirmation code below.

UK: +44 (0)844 571 8892
SA: +27 (0)10 500 7996
International: +44 (0)207 192 8000
CH: +41 (0)31 580 0059
US: +1 631 510 7495

Confirmation code: **1358238**

CONTACT INFORMATION

Investor queries
James Arnold, Head of Investor Relations, Mediclinic International plc
+44 (0)20 3786 8181
ir@mediclinic.com

Media queries
FTI Consulting
Deborah Scott/Brett Pollard – United Kingdom
+44 (0)20 3727 1000
Sherryn Schooling – South Africa
+27 (0)21 487 9000

Registered address: 6th Floor, 65 Gresham Street, London, EC2V 7NQ, United Kingdom
Website: www.mediclinic.com
Joint corporate brokers: Morgan Stanley & Co International plc and UBS Investment Bank
JSE sponsor (South Africa): Rand Merchant Bank (A division of FirstRand Bank Ltd)
NSX sponsor (Namibia): Simonis Storm Securities (Pty) Ltd