

CHAIRMAN'S STATEMENT

CONTINUING A PATTERN OF CONSISTENT GROWTH

The period under review was a pivotal one for Mediclinic as we made significant progress in expanding our geographical footprint. I am pleased to report that during this eventful year, we also maintained our 30-year track record of consistent growth.

Throughout the Group, we successfully delivered an increase in bed days sold. To me, this is the most important measure of success, as it is indicative of patient choice and shows that we are retaining and attracting sufficient doctors to support our growth. This enables us to deliver operating efficiencies.

Furthermore, we made good progress towards our "One Mediclinic" initiative, through which we are investing in IT, benchmarking our performance, and ensuring that best practices are shared across our operations. This is starting to pay dividends in the form of increasing operational efficiency and helping to unlock the benefits of an integrated, international Group.

Our financial performance also reflects the robust health of the business. It is in line with our budget expectations, supporting continued growth.

INVESTING IN INTERNATIONAL EXPANSION

Our investments in the Middle East and the UK were the two key highlights of the year.

The strategic rationale for the Mediclinic and Al Noor Combination was compelling. Where possible, our preferred method of growth has always been to add to existing hospitals and expand into neighbouring

territories. As such, the Al Noor Group was a perfect fit. Based on our initial experiences in South Africa and then our experience in Switzerland (which, in relative terms, was a far larger transaction), we also understand what it takes to bring disparate businesses into a single, integrated whole.

An added benefit is the Company's listing as a FTSE 100 company on the London Stock Exchange. This requires us to adapt the manner in which the business is governed. We are well-positioned to respond to this, given our long-standing emphasis on transparency and our strong ethical principles.

The 29.9% investment in Spire Healthcare was a different type of transaction, giving us exposure to the expanding UK market, providing the Group with a further opportunity to diversify into a new geography.

BOARD CHANGES

The listing of Mediclinic on the London Stock Exchange necessitated the reconstitution of the Board to reflect our increased international presence with effect from the completion date of the Combination of 15 February 2016. Sadly, we had to say farewell to two long-standing members of Mediclinic International Limited Board, Kabs Makaba and Anton Raath, and I would like to thank them for their contribution to the Group over many years. We were delighted that Ian Tyler and Seamus Keating, previously Chairman and Senior Independent Director of Al Noor respectively, agreed to continue on the Board. Ian was appointed as the Senior Independent Director and Seamus remained as an independent non-executive director of the reconstituted Board, bringing considerable insight and experience of the Middle Eastern healthcare market.



Dr Edwin de la H Hertzog

Non-executive Chairman

The Mediclinic International Limited board also had greater executive director representation. To maintain the right balance of directors on the Board, three of the previous executive directors (Koert Pretorius, CEO of Mediclinic Southern Africa; Dr Ronnie van der Merwe, Chief Clinical Officer; and Dr Ole Wiesinger, CEO of Hirslanden) were also not appointed to the new enlarged Board. The platform CEOs and other executive management attend, but not vote at, Board meetings as necessary. We plan to appoint two additional independent directors in the year ahead.

To ensure that the Group continues to benefit from a strong, stable leadership team, succession planning will be another priority for the 2016/2017 financial year. Following the announcement early this year by our Chief Financial Officer, Craig Tingle, of his intention to retire, the Board appointed Jurgens Myburgh as his successor. He will take over from Craig on 1 August 2016. Craig has played a key role in building the Mediclinic Group and on behalf of the Board, I would like to express my sincere appreciation for all his exceptional contributions.

OUTLOOK AND PROSPECTS

Whilst we are operating in a growing industry, it is a competitive one both within the private sector and often also with public sector facilities. We are very aware that staying ahead is a continuous challenge.

Having the services available of high-quality doctors, nurses and support staff is critical to the success of our business. The leading independent research company, Gallup, was commissioned during 2015 to undertake an employee engagement survey across all three our platforms for us to understand where there were opportunities to deliver improvements in the workplace. Although the results were good, we would still like to see a more positive trend, so more work will be done in this regard.

The Group has always had a long-term outlook in an industry that it knows well, enjoys participating in and where good opportunities for sensible growth have always been found. We therefore continue to believe that Mediclinic will be able to maintain a consistent growth pattern.

THANK YOU FOR YOUR CONTINUED SUPPORT

As ever, I want to express my sincere thanks to everyone who contributed to Mediclinic's continued success, including our directors, management, doctors, nurses and support staff.

In particular, the support of patients and medical professionals is absolutely vital to the sustainability of our business, and we deeply appreciate the fact that they have chosen Mediclinic ahead of alternative healthcare providers.

Finally, I would like to extend a special thank you to all our shareholders for the confidence they have placed in us.

Dr Edwin de la H Hertzog

Non-executive Chairman