COMPANY FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

to the members of Mediclinic International plc
(formerly Al Noor Hospitals Group plc)

REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

Our opinion

In our opinion, Mediclinic International plc's parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the parent company's affairs at 31 March 2016 and of its cash flows for the 15 month period (the "period") then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Accounts (the "Annual Report"), comprise:

- the statement of financial position at 31 March 2016;
- the statement of cash flows for the 15 month period then ended;
- the statement of changes in equity for the 15 month period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and as applied in accordance with the provisions of the Companies Act 2006.

OTHER REQUIRED REPORTING

Consistency of other information

Companies Act 2006 opinion

In our opinion, the information given in the Strategic Report and the Directors' Report for the period for which the financial statements are prepared is consistent with the financial statements.

ISAs (UK & Ireland) reporting

Under International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the parent company acquired in the course of performing our audit; or
- otherwise misleading.

We have no exceptions to report arising from this responsibility.

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' remuneration report – Companies Act 2006 opinion

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

Under the Companies Act 2006, we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement on page 123, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

OTHER MATTER

We have reported separately on the Group financial statements of Mediclinic International plc for the year ended 31 March 2016.

Giles Hannam (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London
25 May 2016

COMPANY STATEMENT OF FINANCIAL POSITION as at 31 March and 31 December

	Notes	31 March 2016 £'m	(Restated) 31 December 2014 £'m	(Restated) 31 December 2013 £'m
Non-current assets				
Investment in subsidiaries	3	**5 916**	456	456
Current assets				
Amounts due from related parties	4	**47**	–	1
Cash and cash equivalents		**–**	6	–
Total current assets		**47**	6	1
Total assets		**5 963**	462	457
Equity				
Share capital	5	**74**	12	12
Capital redemption reserve	5	**6**	–	–
Share premium	5	**690**	448	448
Retained earnings/(accumulated losses)	5	**4 899**	(1)	(5)
Share-based payment reserve	5	**1**	2	2
Treasury shares	5	**(2)**	–	–
Total equity		**5 668**	461	457
Current liabilities				
Other payables		**3**	1	–
Amount due to related parties	4	**26**	–	–
Bank borrowing	7	**265**	–	–
Derivatives payables		**1**	–	–
Total liabilities		**295**	1	–
Total equity and liabilities		**5 963**	462	457

These financial statements and the accompanying notes were approved for issue by the Board of Directors on 25 May 2016 and were signed on its behalf by:

D Meintjes
Chief Executive Officer

CI Tingle
Chief Financial Officer

The notes on pages 215 to 220 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the period ended 31 March 2016 and the year ended 31 December 2014

	Share capital £'m	Capital redemption reserve £'m	Share premium £'m	Retained earnings/ (Accumulated losses) £'m	Share based payment reserve £'m	Treasury shares £'m	Total £'m
At 1 January 2014	12	–	448	(5)	2	–	457
Profit for the year	–	–	–	19	–	–	19
Transactions with owners of the Company:							
Addition to share-based payment reserve	–	–	–	–	1	–	1
Reversal of share-based payment reserve	–	–	–	–	(1)	–	(1)
Dividend paid	–	–	–	(15)	–	–	(15)
At 31 December 2014	12	–	448	(1)	2	–	461
At 1 January 2015	**12**	**–**	**448**	**(1)**	**2**	**–**	**461**
Profit for the period	**–**	**–**	**–**	**91**	**–**	**–**	**91**
Transactions with owners of the Company:							
Reduction of share premium	**–**	**–**	**(448)**	**448**	**–**	**–**	**–**
Special dividends declared	**–**	**–**	**–**	**(383)**	**–**	**–**	**(383)**
Dividends paid in the year 2015	**–**	**–**	**–**	**(15)**	**–**	**–**	**(15)**
Reversal of share-based payment reserve	**–**	**–**	**–**	**–**	**(1)**	**–**	**(1)**
Addition of share-based payment reserve	**–**	**–**	**–**	**–**	**1**	**–**	**1**
Tender offer (repurchase of shares)	**(6)**	**6**	**(523)**	**(6)**	**–**	**–**	**(529)**
Remgro subscription	**7**	**–**	**593**	**–**	**–**	**–**	**600**
Repurchase of Mediclinic shares	**61**	**–**	**5 385**	**–**	**–**	**–**	**5 446**
Additional to treasury shares	**–**	**–**	**–**	**–**	**–**	**(2)**	**(2)**
Settlement of share-based payment reserve	**–**	**–**	**–**	**–**	**(2)**	**–**	**(2)**
Addition to share-based payment reserve	**–**	**–**	**–**	**–**	**1**	**–**	**1**
Transfer of share premium/ Capital reduction	**–**	**–**	**(4 765)**	**4 765**	**–**	**–**	**–**
At 31 March 2016	**74**	**6**	**690**	**4 899**	**1**	**(2)**	**5 668**

The notes on pages 215 to 220 form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

for the period ended 31 March 2016 and the year ended 31 December 2014

	2016 for 15 months £'m	2014 for 12 months £'m
Operating activities		
Profit for the period/year	**91**	19
Adjustments for:		
Finance costs	**6**	–
Loss from derivatives instruments	**1**	–
Dividend income	**(147)**	(23)
Net cash used in operating activities before movements in working capital	**(49)**	(4)
Change in balances with related parties	**13**	–
Change in other payables	**1**	1
Net cash used in operating activities	**(35)**	(3)
Investing activities		
Dividend received	**99**	24
Repurchase of shares	**(530)**	–
Issue of shares	**600**	–
Special dividends paid	**(383)**	–
Net cash generated from/(used in) financing activities	**(214)**	24
Financing activities		
Obtaining a bank loan	**313**	–
Repayment of bank loan	**(46)**	–
Payment of facility fees of bank loan	**(5)**	–
Settlement of share option reserve	**(2)**	–
Interest paid	**(2)**	–
Dividend paid	**(15)**	(15)
Net cash generate from/(used in) financing activities	**243**	(15)
Net movement in cash and cash equivalents	**(6)**	6
Cash and cash equivalents at the beginning of the year	**6**	–
Cash and cash equivalents at the end of the period/year	**–**	6

AR

The notes on pages 215 to 220 form an integral part of these interim accounts.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. STATUS AND ACTIVITY

Mediclinic International plc (the “Company” or “Parent") is a Company which was incorporated in England and Wales on 20 December 2012. The address of the registered office of the Company is C/O Capita Company Secretarial Services, 1st Floor, 40 Dukes Place, London, EC3A 7NH. The registered number of the Company is 08338604. There is no ultimate controlling party. The domicile of the Company is the United Kingdom. The Company is a public liability company operating mainly in the United Arab Emirates (UAE).

The core purpose of the Company’s subsidiaries is to enhance the quality of life of patients by providing cost-effective acute care specialised hospital services.

The Company changed its name from Al Noor Hospitals Group plc to Mediclinic International plc on 15 February 2016.

The financial year has been changed from 31 December to 31 March with effect from 15 February 2016 (the effective date of the reverse acquisition).

These financial statements are the separate financial statements of the parent company only and the financial statements of the Group are prepared and presented separately. The financial statements are available at the registered office of Al Noor Hospitals Group plc C/O Capita Company Secretarial Services, 1st Floor, 40 Dukes Place, London, EC3A 7NH.

2. BASIS OF PREPARATION

The Company’s principal accounting policies applied in the preparation of these financial statements are the same as those set out in note 2 of the Group’s financial statements, except as noted below. These policies have been consistently applied to all the years presented.

Investments in subsidiaries are carried at cost less any accumulated impairment.

Dividend income is recognised when the right to receive payment is established.

The Company is taking advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual income statement as part of these financial statements.

(a) Statement of compliance

These financial statements include activities for the period from 1 January 2015 to 31 March 2016 (“the period”). The comparative information include activities for the period from 1 January 2014 to 31 December 2014 (“the year”).

On 14 October 2015, the board of directors of Al Noor Hospitals Group plc and the independent board of directors of Mediclinic International Limited announced that they had reached an agreement on the terms of a recommended combination of their respective businesses (the "Combination").

Al Noor Hospitals Group plc has remained the holding company of the (Enlarged) Group and has been renamed to "Mediclinic International plc".

(b) Basis of measurement

The financial statements of the Company are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, including IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements are prepared on the historical cost convention, as modified by the revaluation of certain financial instruments to fair value.

(c) Functional and presentation currency

The financial statements and financial information are presented in pound sterling, rounded to the nearest million. Due to the reverse acquisition which occurred during the financial year, the Company’s presentation currency changed from the United States Dollar (USD) in 2015 to the pound sterling in 2016, the primary economic environment in which the Company operates. A change in presentational currency is a change in accounting policy which is accounted for retrospectively. Financial information reported in rand in the prior year’s financial statements has been restated to pound sterling using the procedures outlined below:

- Assets and liabilities were translated at the closing sterling rates;
- Income and expenses were translated at average sterling exchange rates; and.
- Differences resulting from retranslation have been recognised in the foreign currency translation reserve.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

3. INVESTMENT IN SUBSIDIARIES

This investment is stated at cost less impairment, if any.

	Ownership %	31 March 2016 £'m	31 Dec 2014 £'m
Al Noor Holdings Cayman Limited *(refer to note a)*	100%	**456**	456
ANMC Management Limited	100%	**–**	–
Mediclinic CHF Finco Limited *(refer to note b)*	100%	**1 195**	–
Mediclinic Holdings Netherlands B.V. *(refer to note b)*	100%	**796**	–
Mediclinic Middle East Holdings Limited *(refer to note b)*	100%	**855**	–
Mediclinic International Limited *(refer to note b)*	100%	**2 614**	–
		5 916	456

(a) This represents the cost of investment in Al Noor Holdings Cayman Limited, a wholly-owned subsidiary of the Company. The Company issued shares to the existing shareholders of Al Noor Holdings Cayman Limited in exchange for shares already held in all the operating companies. The cost of investment represents the Company's shares of net assets of Al Noor Holdings Cayman Limited at the date of the Group restructuring. In addition, the Company has made an additional capital contribution to the equity capital of Al Noor Holdings Cayman Limited amounting to GBP89m.

(b) The investment in these subsidiaries were acquired as part of the assets transfer agreement between the Company and Al Noor Hospital Group plc on 14 February 2016.

The activities of the subsidiary are the operation of medical hospitals and clinics and the sale of pharmaceuticals, medical supplies and related equipment.

4. RELATED-PARTY BALANCES AND TRANSACTIONS

Related parties comprise the subsidiaries the Shareholders, key management personnel and those entities over which the parent, the ultimate parent, the directors or the Company can exercise significant influence or which can significantly influence the Company.

(a) Key management personnel

Key management includes the directors (executive and non-executive) and members of the Executive Committee.

	31 March 2016 £'m	31 Dec 2014 £'m
Short-term benefits	**4**	2
Salaries and other short-term benefits	**4**	2
(b) Amount due from a related party:		
Mediclinic International Limited	**47**	–
This amount included the dividends declared by Mediclinic International Limited on 31 March 2016.		
(c) Amount due to a related party:		
Al Noor Medical Company – Al Noor Hospital – Al Noor Pharmacy LLC	**26**	–

This amount included the transaction and operational expenses paid by Al Noor Medical Company – Al Noor Hospital– Al Noor Pharmacy LLC on behalf of the Company. This amount is payable on demand.

4. **RELATED-PARTY BALANCES AND TRANSACTIONS (continued)**

Following the announcement made on 7 August 2015 and the general meeting held on 24 August 2015, the Company undertook a related-party transaction to lease premises from United Al Saqr Group LLC. Sheikh Mohammed Bin Butti Al Hamed, a Director and principal shareholder of the pre-Combination entity Al Noor Hospitals Group plc, had a controlling interest in United Al Saqr Group. At the general meeting, 99.34% of the shares voted approved the related-party transaction. Sheikh Mohammed Bin Butti Al Hamed is no longer a shareholder of the Company, as the entire shareholding held through Sapor Business Corp, was tendered to Al Noor Hospitals Group plc for cancellation, as announced on 8 February 2016.

Information regarding the Group's subsidiaries and associates can be found in the Annexure to the Consolidated Financial Statements.

5. **SHARE CAPITAL AND RESERVES**

	31 March 2016 £'m	31 Dec 2014 £'m
Issued and fully paid 737 243 810 (31 December 2014: 116 866 203) shares of 10 pence each	**74**	12

Movement of issued share capital and share premium:

	Number of shares	Share capital £'m	Capital redemption £'m	Share premium £'m	Total £'m
1 January 2015	116 866 203	12	–	448	460
Reduction of share premium	**–**	**–**	**–**	**(448)**	**(448)**
Remgro subscription	**72 115 384**	**7**	**–**	**593**	**600**
Shares issued to Mediclinic International Limited shareholders	**611 921 099**	**61**	**–**	**5 385**	**5 446**
Tender offer	**(63 658 876)**	**(6)**	**6**	**(523)**	**(523)**
Second capital reduction		**–**	**–**	**(4 765)**	**(4 765)**
At 31 March 2016	**737 243 810**	**74**	**6**	**690**	**770**
At 31 December 2014	**116 866 203**	**12**	**–**	**448**	**460**

(a) The directors of the Company, having taken legal advice, have redesignated share premium in aggregate of £448m from the share premium account to retained earnings. On 20 and 21 January 2016 the Company applied to the court for a reduction of the Company's share premium balance to the amounts of £359m and £89m respectively.

(b) On 16 February 2016, the Company applied to the Court proposed reduction of share capital from £80 million to £74m and reduction of share premium from £5 454m (US$8 655m) to £690m (US$1 billion). Accordingly, an amount of £4 765m has been transferred from the share premium account to retained earnings.

(c) The Company received legal advice on the scheme of arrangement and the premium on issue of share capital to Mediclinic International Limited shareholders did not qualify as merger relief under United Kingdom law.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

5. SHARE CAPITAL AND RESERVES (continued)

Retained earnings

	31 March 2016 £'m	31 Dec 2014 £'m
As at 1 January	**(1)**	(5)
Profit for the year	**91**	19
First reduction of capital	**448**	–
Second reduction of capital	**4 765**	–
Capital redemption on repurchase of shares	**(6)**	–
Dividends paid	**(398)**	(15)
As at 31 March/December	**4 899**	(1)

Other reserves

	Share-based payment reserve £'m	Treasury Shares £'m	Total £'m
1 January 2014	2	–	2
Equity-settled share-based payment	1	–	1
Reversal of equity-settled share-based payment	(1)	-	(1)
1 January 2015	**2**	**–**	**2**
Reversal of share-based payment reserve	**(1)**	**–**	**(1)**
Addition of share-based payment reserve	**2**	**–**	**2**
Settlement of share-based payment reserve	**(2)**	**–**	**(2)**
Addition to treasury shares	**–**	**(2)**	**(2)**
At 31 March 2016	**1**	**(2)**	**(1)**

6. DIVIDENDS

The Company paid special dividends of £383m (dividends per share £3.28) to previous shareholders of Al Noor Hospitals Group plc on 26 February 2016.

In addition, the Company paid interim dividends for 2015 and final dividends for 2014 amounting to £15m during the period. These dividends were subject to Board approval.

Details on the final proposed dividend has been disclosed in note 27.7 to the consolidated financial statements.

7. BANK BORROWING

The Company has obtained a short-term bridge facility of £400m of which £313m was drawn down on 24 February 2016. This loan is payable within the next financial year. This loan bears interest at variable rates linked to Libor with a minimum base rate of 1% plus 3.75%. The facility is secured in favour or lenders over the shares in Mediclinic International Limited and of Mediclinic CHF Finco Limited, Mediclinic Middle East Holdings Limited and Mediclinic Holdings Netherlands B.V.

	31 March 2016 £'m	31 Dec 2014 £'m
As at 1 January	**–**	–
Drawdown during the period	**313**	–
Repaid during the period	**(47)**	–
	266	–
Unamortised facility costs	**(1)**	–
As at 31 March/December	**265**	–

8. AUDITOR'S REMUNERATION

The Company paid or accrued an amount of £352 989 (31 December 2014: £73 674) to its auditor in respect of the audit of the Company and Group's financial statements for the year ended 31 March 2016.

9. SHARE-BASED PAYMENT RESERVE

Forfeitable Share Plan

The Mediclinic International Limited Forfeitable Share Plan ("FSP") was approved by the Company's shareholders in July 2014 as a long-term incentive scheme for selected senior management (executive directors and prescribed officers). This share-based payment arrangement is accounted for as an equity-settled share-based payment transaction. With the change in control and the acquisition of the Al Noor Hospitals Group plc, the performance conditions of FSP have been finalised to the extent that the performance conditions were met as at 30 September 2015. The FSP shares will vest after the vesting period has lapsed.

Under the FSP, conditional share awards are granted to selected employees of the Group. The vesting of these shares are 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 underlying diluted headline earnings per share (60% weighting).

	31 March 2016	31 Dec 2014
Number of shares transferred from Mediclinic International Limited	**239 290**	–
Closing balance	**239 290**	–

A valuation has been determined and an expense recognised over a three-year period. The fair value of the TSR performance condition has been determined by using the Monte Carlo simulation model and the fair value of the headline earning per share performance condition, consensus forecasts have been used.

The following assumptions have been used to determine the fair value of the TSR performance condition:

	31 March 2016	31 Dec 2014
Risk-free rate	**7.49%**	6.90%
Dividend yield	**1.0%**	1.5%
Volatility	**20%**	20%

Apart from the FSP, there are no other share option schemes in place. Therefore, no director exercised any rights in relation to share option schemes during the reporting period. Al Noor Hospital Group plc directors which exercised options before the acquisition date (15 February 2016) is regarded as a pre-acquisition transaction in these Group financial statements.

10. FINANCIAL INSTRUMENTS

(a) Capital risk management

The Company manages its capital to ensure it is able to continue as a going concern while maximising the return on equity. The Company does not have a formalised optimal target capital structure or target ratios in connection with its capital risk management objective. The Company's overall strategy remains unchanged from the prior year. The Company is not subject to externally imposed capital requirements.

(b) Financial risk management objectives

The Company is exposed to the following risks related to financial instruments-credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company does not enter into or trade in financial instruments, investments in securities, including derivative financial instruments, for speculative or risk management purposes.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

10. FINANCIAL INSTRUMENTS (continued)

(c) Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. There is no credit risk involve on the Company's financial statements except for the amount due from a related party disclosed below:

	31 March 2016 £'m	31 Dec 2014 £'m
Amount due from a related party	47	–

(d) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Directors of the Company, who has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. The table below summarises the maturity profile of the Company's non-derivative financial liabilities. The contractual maturities of the financial liabilities have been determined on the basis of the remaining period at the end of reporting period to the contractual repayment date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the liabilities at the end of reporting period based on existing contractual repayment arrangements was as follows:

	Carrying amount £'m	Contractual cash flows £'m	1 year or less £'m	More than one year £'m
31 March 2016				
Other payables	**3**	**3**	**3**	**–**
Bank borrowing	**265**	**265**	**265**	**–**
Derivative payables	**1**	**1**	**1**	**–**
Related-party payables	**26**	**26**	**26**	**–**
	295	**295**	**295**	**–**
31 December 2014				
Other payables	1	1	1	–

(e) Interest rate risk

The Company's interest rate risk arises from short-term borrowing. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Interest rate expose the Company to fair value interest rate risk. The Company's policy is to maintain an appropriate mix between fixed and floating rate borrowings.