MEDICLINIC INTERNATIONAL LIMITED
Incorporated in the Republic of South Africa
(Registration number 1983/010725/06)
Share Code: MDC ISIN: ZAE000074142
("Mediclinic" or "the Company" or "the Group")

CIRCULAR TO SHAREHOLDERS

relating to:

- **a Rights Offer in respect of 174 641 984 Shares made to Shareholders in the ratio of 26.77263 new Rights Offer Shares for every 100 Shares held at the close of trade on Friday, 14 September 2012, at a price of R28.63 per Rights Offer Share;**

and including:

- **Revised Listing Particulars; and**
- **a Form of Instruction in respect of a Letter of Allocation for use by Certificated Shareholders only *(blue)*.**

The Directors of Mediclinic, appointed as at the Last Practicable Date, whose names appear on page 9 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no facts the omission of which would make any statement in this Circular false or misleading and that they have made all reasonable enquiries to ascertain such facts and that this Circular contains all information required in law and by the Listings Requirements.

This Rights Offer Circular incorporates listing particulars and is issued in compliance with the Listings Requirements of the JSE Limited, for the purpose of providing information with regard to the Company.

The definitions and interpretations commencing on page 6 of this Circular apply to this cover page.

This Circular is available in English only. Copies may be obtained from the registered offices of the Company and the independent sponsor at the addresses set out in the "Corporate information and advisers" section of this Circular from Monday, 17 September 2012 to Friday, 5 October 2012, both days inclusive.

The Rights Offer opens at 09:00 on Monday, 17 September 2012 and closes at 12:00 on Friday, 5 October 2012.

Date of issue: 17 September 2012

Joint financial adviser and sponsor to Mediclinic

Joint financial adviser to Mediclinic

Legal adviser to Mediclinic

Independent sponsor to Mediclinic

Independent reporting accountants and auditors

Communication adviser to Mediclinic

CORPORATE INFORMATION AND ADVISERS

Company secretary and registered office
GC Hattingh (B.Acc (Hons), CA(SA))
Mediclinic Offices
Strand Road
Stellenbosch, 7600
(PO Box 456, Stellenbosch, 7599)

Independent sponsor to Mediclinic
Deloitte & Touche Sponsor Services Proprietary Limited
(Registration number 1996/000034/07)
Deloitte & Touche Place
The Woodlands
20 Woodlands Drive
Woodmead, 2196
(Private Bag X6, Gallo Manor, 2052)

Legal adviser to Mediclinic
DLA Cliffe Dekker Hofmeyr Inc.
(Registration number 2008/018923/21)
11 Buitengracht Street
Cape Town, 8001
(PO Box 695, Cape Town, 8000)

Joint financial adviser to Mediclinic
Greenhill & Co International LLP
(Registration number OC332045)
Lansdowne House
57 Berkeley Square
London W1J 6ER
United Kingdom

Joint financial adviser and sponsor to Mediclinic
Rand Merchant Bank
(A division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

Transfer secretaries
Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Independent reporting accountants and auditors
PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
Capital Place
15 – 21 Neutron Avenue
Techno Park
Stellenbosch, 7600
(PO Box 57, Stellenbosch, 7599)

Communication adviser to Mediclinic
CapitalVoice Proprietary Limited
(Registration number 2009/017335/07)
Castel del Monte, 16 Hume Road
Dunkeld West, 2196
(PO Box 951, Parklands, 2121)

Underwriter
Remgro Limited (through IPI)
(Registration number 1988/006415/06)
Millennia Park
16 Stellentia Avenue
Stellenbosch, 7600
(PO Box 456, Stellenbosch, 7599)

Date of incorporation of Mediclinic
3 October 1983

Place of incorporation of Mediclinic
South Africa

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ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 6 of this Circular apply to the "Action required by Shareholders" section of the Circular.

If you are in any doubt as to what action you should take, you should consult your CSDP, Broker, banker, legal adviser, accountant or other professional adviser immediately. If you have disposed of all of your Shares, this Circular should be forwarded to the purchaser to whom, or the CSDP, Broker, banker or agent through whom, you disposed of such Shares except that this Circular should not be forwarded or transmitted by you to any person in any territory other than South Africa unless the Rights Offer can lawfully be made to such person or in such territory.

The Rights that are represented by Letters of Allocation are valuable and may be traded on the JSE. Letters of Allocation can, however, only be traded in Dematerialised form and accordingly, all Letters of Allocation have been issued in Dematerialised form.

The electronic record for holders of Certificated Shares is being maintained by the Transfer Secretaries and this has made it possible for holders of Certificated Shares to enjoy similar Rights and opportunities as holders of Dematerialised Shares in respect of trades on the JSE of the Letters of Allocation, to the extent possible. Instructions on how to sell the Rights represented by the Letters of Allocation are set out in paragraph 3.9 of this Circular.

Action required by holders of Certificated Shares

A Form of Instruction for completion by Qualifying Shareholders who hold Certificated Shares is enclosed with this Circular and the relevant procedure for participation in the Rights Offer is set out below:

- A Letter of Allocation will be created in electronic form with the Transfer Secretaries to afford holders of Certificated Shares the same Rights and opportunities as those who have already Dematerialised their Shares.

- If you do not wish to subscribe for all of the Rights allocated to you as reflected in the Form of Instruction, you may either dispose of or renounce all or part of your entitlement as follows:

  – if you wish to sell all or part of your entitlement, you must complete Form A in the enclosed Form of Instruction and return it to the Transfer Secretaries so as to be received by no later than 12:00 on Friday, 28 September 2012. The Transfer Secretaries will endeavour to procure the sale of Rights on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. In this regard, neither the Transfer Secretaries nor Mediclinic will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the timing of such sales, the price obtained, or the failure to dispose of such entitlements. Please note that the last day to trade any Letter of Allocation is Friday, 28 September 2012; and

  – if you wish to renounce your entitlement in favour of any named renouncee, you must complete Form B in the enclosed Form of Instruction, and the renouncee must complete Form D in the enclosed Form of Instruction and return it to the Transfer Secretaries, to be received by no later than 12:00 on Friday, 5 October 2012, together with a bank-guaranteed cheque or bank draft for the appropriate amount.

If you are a Qualifying Shareholder holding Certificated Shares and wish to subscribe for all or part of your entitlement in terms of the enclosed Form of Instruction, you must complete the enclosed Form of Instruction in accordance with the instructions contained therein and lodge it, together with the amount due in Rands, with the Transfer Secretaries as follows:

By hand to:
Mediclinic International Limited – Rights Offer
C/o Computershare Investor Services
Proprietary Limited
70 Marshall Street
Johannesburg 2001

By post to:
Mediclinic International Limited – Rights Offer
C/o Computershare Investor Services
Proprietary Limited
PO Box 61763
Marshalltown 2107

so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 5 October 2012.

To the extent that you subscribe for the Rights allocated to you, you will receive the Rights Offer Shares in Certificated form. You will only be able to sell your Rights Offer Shares on the JSE through the Strate system once the Rights Offer Shares have been Dematerialised.

If the required documentation and payment has not been received in accordance with the instructions contained in the enclosed Form of Instruction (either from the Qualifying Shareholders or from any person in whose favour the Rights have been renounced) by 12:00 on Friday, 5 October 2012, then the Rights to those unsubscribed Shares will be deemed to have been declined and the Rights Offer entitlement will lapse.

Instructions on how to apply for excess Rights Offer Shares are set out in paragraph 3.7 of this Circular.

Action required by holders of Dematerialised Shares

If you are a Qualifying Shareholder holding Dematerialised Shares, you will not receive a printed Form of Instruction and you should receive notification from your CSDP or Broker regarding the Rights to which you are entitled in terms of the Rights Offer.

Your CSDP or Broker will credit your account with the number of Rights to which you are entitled and you are required to notify your CSDP or Broker:

- whether you wish to follow your Rights in terms of the Rights Offer and, if so, in respect of how many Rights Offer Shares;
- if you do not follow all or any of your Rights:
  - whether you wish to sell your Rights and, if so, how many Rights you wish to sell; or
  - whether you wish to renounce your Rights and, if so, how many Rights and in favour of whom you wish to renounce those Rights.

If you are a Qualifying Shareholder holding Dematerialised Shares and wish to follow your Rights in respect of the Rights Offer, you are required to notify your duly appointed CSDP or Broker of your acceptance of the Rights Offer in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or Broker. If you are not contacted, you should contact your CSDP or Broker and provide them with your instructions. If your CSDP or Broker does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you, or if the mandate is silent in this regard, not to subscribe for Shares in terms of the Rights Offer.

Mediclinic does not take responsibility and will not be held liable for any failure on the part of any CSDP or Broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares and/or to sell the Rights allocated.

CSDPs effect payment in respect of Dematerialised Shareholders on a delivery versus payment basis. You must ensure that you have sufficient funds in your account to settle the issue price in respect of the Rights Offer Shares for which you apply.

Instructions on how to apply for excess Rights Offer Shares are set out in paragraph 3.7 of this Circular.

Jurisdiction

The Rights Offer Shares and the Rights Offer documentation will not be registered with any authority in any jurisdiction other than South Africa. The distribution of this Circular, the Rights Offer, the Form of Instruction and the transfer of the Rights Offer Shares and/or the rights to subscribe for the Rights Offer Shares to certain persons in territories other than South Africa may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such territory. Neither this Circular, nor any Form of Instruction, is to be regarded as an offer or invitation to any person in any jurisdiction other than South Africa to the extent that any applicable legal requirement in such jurisdiction has not been complied or it is for any reason illegal or unlawful to make such an offer or invitation in such jurisdiction to such person. In those circumstances, this Circular is sent for information purposes only.

The Rights, the Rights Offer Shares and the Letters of Allocation have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except in accordance with the registration requirements of the Securities Act or an applicable exemption therefrom and in compliance with any applicable securities laws of any state or other jurisdiction of the US. Accordingly, subject to certain exceptions, Mediclinic is not extending the Rights Offer into the United States and neither this Circular nor any Letter of Allocation constitutes or will constitute or forms part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Rights, Rights Offer Shares or Letter of Allocation in the United States.

This Circular and Form of Instruction should not be forwarded or transmitted by you to any person in any territory, other than where the Rights Offer made to such person in such territory is compliant with the applicable laws of that territory. It is the responsibility of any person outside South Africa (including, without limitation, custodians, nominees, agents and trustees for such persons) receiving this Circular and wishing to take up Rights under the Rights Offer, to satisfy itself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. Shareholders outside of South Africa should consult their professional advisers to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the Rights Offer, or trade their entitlement.

Shareholders holding Mediclinic Shares on behalf of persons who are non-Qualifying Shareholders are responsible for ensuring that taking up the Rights Offer, or trading in their entitlements under that offer, do not breach regulations in the relevant overseas jurisdictions, and should not in connection with the Rights Offer distribute in or send the Circular into any jurisdiction or transfer Rights to any person in, or citizen or resident of any such jurisdiction where to do so would or might contravene local securities laws or regulations. Any person who does forward this Circular or a Letter of Allocation into any such jurisdiction (whether under a legal or contractual obligation or otherwise) should draw the recipient's attention to the provisions of paragraph 3.12. Any person taking up the Rights Offer, or trading in their entitlements under the Rights Offer makes the representations and warranties to the Company and the Underwriter set out in paragraph 3.13 of this Circular.

Non-residents

Shareholders who are Non-residents are referred to paragraph 3.12 of the Circular regarding their Rights.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 6 of this Circular apply to the "Salient dates and times" section of the Circular.

	2012
Last day to trade in Shares in order to participate in the Rights Offer (*cum* entitlement)	Friday, 7 September
Shares commence trading ex-entitlement at 09:00 on	Monday, 10 September
Listing of and trading in the Letters of Allocation on the JSE commences at 09:00 on	Monday, 10 September
Record Date for the Rights Offer for purposes of determining Shareholders entitled to participate in the Rights Offer at the close of trade on	Friday, 14 September
Rights Offer Circular and Revised Listing Particulars as well as a Form of Instruction, where applicable, posted to Shareholders	Monday, 17 September
Rights Offer opens at 09:00 on	**Monday, 17 September**
Letters of Allocation credited to an electronic account held at the Transfer Secretaries in respect of holders of Certificated Shares and CSDP or Broker accounts credited with entitlements in respect of holders of Dematerialised Shares	Monday, 17 September
Last day for trading Letters of Allocation on the JSE in order to settle trades by the close of the Rights Offer	Friday, 28 September
Listing of Rights Offer Shares and trading therein on the JSE commences at 09:00 on	Monday, 1 October
For Certificated Shareholders wishing to accept all or part of their entitlement, payment to be made and Forms of Instruction to be lodged with the Transfer Secretaries by 12:00 on	Friday, 5 October
Rights Offer closes at 12:00 on	**Friday, 5 October**
Record date for the Letters of Allocation	Friday, 5 October
Rights Offer Shares issued on or about	Monday, 8 October
CSDP or Broker accounts in respect of holders of Dematerialised Shares debited with the payment due and updated with Rights Offer Shares and Share certificates posted to Certificated Shareholders on or about	Monday, 8 October
Results of the Rights Offer announced on SENS	Monday, 8 October
Results of the Rights Offer published in the press	Tuesday, 9 October
Rights Offer Shares in respect of successful excess applications (if applicable) issued on or about	Wednesday, 10 October
Refund payments made and/or Share certificates posted to Certificated Shareholders and/or CSDP accounts credited in respect of excess applications (if applicable) on or about	Wednesday, 10 October

Notes:

1. Share certificates in respect of Shares may not be Dematerialised or rematerialised between Monday, 10 September 2012 and Friday, 14 September 2012, both days inclusive.
2. CSDPs effect payment on a delivery versus payment method in respect of Qualifying Shareholders holding Dematerialised Shares.
3. If you are a Qualifying Shareholder holding Dematerialised Shares you are required to notify your duly appointed CSDP or Broker of your acceptance of the Rights Offer in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or Broker.
4. All times are South African times.

DEFINITIONS AND INTERPRETATIONS

Throughout this Circular and the annexures hereto, unless the context indicates otherwise, the words in the column on the left below shall have the meaning stated opposite them in the column on the right below, reference to the singular shall include the plural and vice versa, words denoting one gender include the other and words and expressions denoting natural persons include juristic persons and associations of persons:

"2010 Rights Offer"	the rights offer of 59 301 395 new Mediclinic shares to Mediclinic shareholders at a rights offer price of R23.00 per share at a ratio of 10 rights offer shares for every 100 Mediclinic shares held at the close of business on 16 July 2010;
"Broker"	any person registered as a broking member (equities) in terms of the Rules of the JSE made in accordance with the provisions of the Securities Services Act;
"Business Day"	any day other than Saturday, Sunday and all official public holidays in South Africa;
"Cents"	South African cent in the official currency of South Africa;
"Certificated Shareholders"	holders of Certificated Shares;
"Certificated Shares"	Shares that have not been Dematerialised, the title to which is represented by a Share certificate or other Documents of Title;
"CGT"	capital gains tax, as levied in terms of the Eighth Schedule of the Income Tax Act;
"Circular" or "this Document"	this bound document, dated 17 September 2012 and incorporating Revised Listing Particulars and a Form of Instruction, where applicable;
"Common Monetary Area"	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
"Companies Act"	the Companies Act (Act 71 of 2008), as amended;
"CSDP"	Central Securities Depository Participant, being a "participant" as defined in section 1 of the Securities Services Act and appointed by individual Shareholders for the purposes of, and in regard to, dematerialisation in terms of such Act;
"Dematerialisation" or "Dematerialised"	the process by which securities held in Certificated form are converted to or held in electronic form as Uncertificated securities and recorded in a sub-register of securities holders by a CSDP, after the Documents of Title have been validated and cancelled by the Transfer Secretaries and captured onto the Strate system by the selected CSDP or Broker, and the holding of securities is recorded electronically;
"Dematerialised Shareholders"	holders of Dematerialised Shares in Mediclinic;
"Dematerialised Shares"	Shares which have been incorporated into the Strate system and which Shareholding is recorded electronically;
"Directors" or "Board"	directors of Mediclinic, being both non-executive and executive directors;
"Dirham" or "AED"	United Arab Emirates Dirham, the official currency of Dubai;
"Documents of Title"	Share Certificates, certified transfer deeds, balance receipts, or any other documents of title to Shares;
"Dollar" or "USD"	United States dollar, the official currency of the United States of America;
"EPS"	earnings per Share;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act (Act 9 of 1933), as amended;
"Form of Instruction"	a form of instruction in respect of the Letter of Allocation reflecting the Rights of Certificated Shareholders and on which Certificated Shareholders are entitled to indicate whether they wish to take up, sell or renounce all or a portion of their Rights;
"Franc" or "CHF"	Swiss Franc, the official currency of Switzerland;

"the Group"	Mediclinic International Limited and its subsidiaries;
"HEPS"	headline earnings per Share;
"Hirslanden"	Medi-Clinic Switzerland AG (Registration number CH-020.3.031.411-4) a company duly incorporated in accordance with the laws of Switzerland, which is wholly owned by Mediclinic, and its subsidiaries;
"IFRS"	International Financial Reporting Standards;
"Income Tax Act"	Income Tax Act (Act 58 of 1962), as amended;
"IPI"	Industrial Partnership Investments Proprietary Limited (Registration number 1975/004528/07), a private company duly incorporated in accordance with the laws of South Africa, and a wholly owned subsidiary of Remgro;
"JSE"	JSE Limited (Registration number 2005/022939/06), a public company with limited liability duly incorporated in accordance with the laws of South Africa and which is licensed to operate as an exchange under the Securities Services Act;
"King III Report"	The King III Report on Corporate Governance for South Africa 2009;
"Last Practicable Date"	24 August 2012, being the last practicable date prior to the finalisation of this Circular;
"Letter of Allocation"	a renounceable (nil paid) letter of allocation to be issued to Shareholders in electronic form relating to the Rights Offer;
"Listings Requirements"	Listings Requirements of the JSE, as amended from time to time;
"Mediclinic" or "the Company"	Mediclinic International Limited (Registration number 1983/010725/06), a public company duly incorporated in accordance with the laws of South Africa;
"MOI"	the Memorandum of Incorporation of Mediclinic adopted by special resolution at the Annual General Meeting of Mediclinic held on 26 July 2012;
"NAV per Share"	net asset value per Share;
"Non-resident"	person not ordinarily resident in South Africa;
"Qualifying Shareholder"	a registered holder of Shares on the Register on the Record Date for the Rights Offer and which does not have its registered address in any jurisdiction in which it would be unlawful to make the Rights Offer to such person;
"Rand" or "R" or "ZAR"	South African Rand, the official currency of South Africa;
"Rand Merchant Bank"	Rand Merchant Bank, a division of FirstRand Bank Limited (Registration number 1929/001225/06), a public company duly registered and incorporated with limited liability in accordance with the laws of South Africa;
"the Ratio of Entitlement"	the number of Rights Offer Shares to which Shareholders are entitled in terms of the Rights Offer, being 26.77263 Shares for every of 100 Shares held on the Record Date for the Rights Offer, and/or such proportionate lower number of Shares in respect of a holding of less than 100 Shares held on the Record Date for the Rights Offer;
"the Record Date for the Rights Offer"	the last day for Shareholders to be recorded in the Register in order to participate in the Rights Offer, being close of business on Friday, 14 September 2012;
"Register"	the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs in terms of section 50 of the Companies Act;
"the Reinstatement and Amendment Agreement"	the agreement entered into between Mediclinic and the Underwriter, dated 8 August 2012, in terms of which the terms and conditions in the Underwriting Agreement are reinstated and fulfilment of conditions precedent is amended from occurring by 6 August 2012 to 23 August 2012;
"Remgro"	Remgro Limited (Registration number 1968/006415/06), a public company duly registered and incorporated with limited liability in accordance with the laws of South Africa;

"Reporting Accountants and Auditors"	PricewaterhouseCoopers Inc., registered accountants and auditors (Registration number 1998/012055/21), a company duly registered and incorporated under the laws of South Africa;
"Revised Listing Particulars"	the revised listing particulars of Mediclinic contained in this document, dated 17 September 2012;
"Rights"	the entitlement to subscribe for Shares pursuant to the Rights Offer;
"Rights Offer"	this underwritten Rights Offer of Shares at the Rights Offer Share Price in the ratio of 26.77263 Rights Offer Shares for every 100 Shares held on the Record Date for the Rights Offer;
"Rights Offer Share Price"	the price per new Share to be offered to Shareholders in terms of the Rights Offer being R28.63 per Share;
"Rights Offer Shares"	the 174 641 984 Shares, which are the subject of the Rights Offer;
"SENS"	the Securities Exchange News Service of the JSE;
"Securities Services Act"	the Securities Services Act (Act 36 of 2004), as amended;
"Shareholders"	holders of Shares;
"Shares" or "Mediclinic Shares"	listed ordinary shares of no par value in the share capital of Mediclinic;
"South Africa"	the Republic of South Africa;
"Strate"	Strate Limited (Registration number 1998/022242/06), a public company duly incorporated in accordance with the laws in South Africa and which is a registered central securities depository in terms of the Securities Services Act, and which manages the electronic clearing and settlement system for transactions that take place on the JSE and off-market trades;
"Tangible Net Asset Value Per Share" or "TNAV Per Share"	net asset value per Share excluding intangible assets;
"Transfer Secretaries" or "Computershare"	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa;
"Trilantic"	International Hospital Network Partnership (Registration number 48663), a South African en commandite partnership acting through its general partner, International Hospitals Network (GP) Limited, a company governed by the laws of Guernsey;
"the Underwriter"	Remgro, through IPI;
"the Underwriting Agreement"	the agreement entered into between Mediclinic and the Underwriter, dated 31 July 2012, in terms of which the Underwriter agrees, subject to certain limitations, to subscribe for all of the Rights Offer Shares that are not taken up by Shareholders in terms of the Rights Offer;
"VAT"	value-added tax, payable in terms of the Value-Added Tax Act (Act 89 of 1991), as amended; and
"VWAP"	volume-weighted average price.

MEDICLINIC INTERNATIONAL LIMITED
Incorporated in the Republic of South Africa
(Registration number: 1983/010725/06)
Share Code: MDC
ISIN: ZAE000074142
("Mediclinic" or "the Company" or "the Group")

Directors of Mediclinic

Executive
D P Meintjes (Chief Executive Officer)
C I Tingle (Chief Financial Officer)
K H S Pretorius
C A van der Merwe
T O Wiesinger

Non-executive
E de la H Hertzog (Chairman)
J J Durand
M K Makaba
C M van den Heever

Independent Non-executive
D K Smith (Lead independent)
J A Grieve*
R E Leu
N Mandela*
T D Petersen*
A A Raath

* appointed with effect from 13 September 2012

CIRCULAR TO MEDICLINIC SHAREHOLDERS

A. INFORMATION RELATING TO THE RIGHTS OFFER

1. Introduction

On 1 August 2012, Mediclinic announced that it intended to raise ZAR5.0 billion new equity capital by way of a fully underwritten, renounceable Rights Offer.

The purpose of this Circular is to provide Mediclinic Shareholders with relevant information relating to the Rights Offer and the action required by Shareholders.

2. Rationale and purpose of the Rights Offer

The Group is taking advantage of strong capital markets in both South Africa and Switzerland to strengthen its balance sheet by raising equity of ZAR5.0 billion and refinancing its existing debt facilities of c.ZAR28.0 billion in these countries, in order to provide the appropriate capital structure to pursue strategic growth and development opportunities, while significantly reducing financing costs going forward.

In 2007, Mediclinic acquired a 100% interest in Hirslanden, the leading private hospital provider in Switzerland. The acquisition was partly financed through a debt facility of c.CHF2.45 billion raised locally in Switzerland without recourse to the Group's South African operations. At the same time, Hirslanden entered into a fixed-for-floating interest rate swap with a notional value of CHF2.45 billion.

As previously reported, this interest rate swap has been significantly 'out-of-the-money' due to the reduction in Swiss interest rates across all maturities. Currently, the estimated mark-to-market liability is c.CHF0.4 billion. The total debt and debt-like obligations in Hirslanden are currently estimated to be c.CHF2.9 billion (c.ZAR24.4 billion). In addition, the Group has existing borrowings of ZAR3.6 billion in South Africa.

The Group intends to raise equity of ZAR5.0 billion in South Africa by way of the fully underwritten Rights Offer to Mediclinic Shareholders. The proceeds from the Rights Offer will be used to partly refinance the existing Hirslanden debt.

3. Information on the Rights Offer

3.1. Terms of the Rights Offer

In terms of the Rights Offer, Mediclinic is offering a total of 174 641 984 Shares for subscription, upon the terms and conditions set out in this Circular. The Rights Offer is made by way of renounceable Rights, at a subscription price of R28.63 per Share on the basis of 26.77263 Rights Offer Shares for every 100 Shares held by Shareholders at the close of business on the Record Date for the Rights Offer. The Rights Offer Price is at a 25% discount to the 30-day VWAP as at 31 July 2012 of R38.17. The Rights Offer Price is at a discount to the VWAP in order to maximise subscription of the issuance.

Qualifying Shareholders recorded in the Register of Mediclinic at the close of business on Friday, 14 September 2012 will be entitled to participate in the Rights Offer. The enclosed Form of Instruction contains details of the Rights to which holders of Certificated Shares are entitled, as well as the procedure for acceptance and/or sale and/or renunciation of all or part of those Rights. Holders of Dematerialised Shares will be advised of the Rights to which they are entitled as well as the procedure for acceptance and/or sale and/or renunciation of all or part of those Rights by their CSDP or Broker in terms of the custody agreement entered into between the Shareholder concerned and his CSDP or Broker, as the case may be.

The subscription price is payable in full, in Rands, by Qualifying Shareholders holding Certificated Shares on acceptance of the Rights Offer. CSDPs will make payment, on a delivery versus payment basis, in respect of Qualifying Shareholders holding Dematerialised Shares who have accepted the Rights Offer. Qualifying Shareholders holding Dematerialised Shares who have accepted the Rights Offer must ensure that the necessary funds are deposited with the relevant CSDP or Broker, as the case may be.

The Rights Offer Shares will, upon allotment and issue, rank *pari passu* with all other existing Shares in all respects, including in terms of both voting rights and dividends. The Rights Offer Shares do not have any convertibility or redemption provisions.

The Rights Offer Shares are fully paid and freely transferable.

The Rights Offer is underwritten as detailed in paragraph 3.5 of this Circular.

3.2. Entitlement

The number of Rights Offer Shares to which Qualifying Shareholders will be entitled is set out in the Table of Entitlement in Annexure 1 to this Circular.

The entitlement of each Qualifying Shareholder holding Certificated Shares is reflected in the appropriate block in the Form of Instruction, which is enclosed with this Circular.

If you are a Qualifying Shareholder and hold Dematerialised Shares, you will not receive a printed Form of Instruction. Qualifying Shareholders holding Dematerialised Shares will have their accounts automatically credited with their entitlements in accordance with Annexure 1.

3.3. Fractional entitlement

The whole number of Rights to subscribe for Rights Offer Shares to which Shareholders will become entitled will be determined by the ratio of entitlement. Only whole numbers of Shares will be issued and Shareholders will be entitled to subscribe for rounded numbers of Shares once the ratio of entitlement has been applied. Fractional entitlements of 0.5 or greater will be rounded up and fractional entitlements of less than 0.5 will be rounded down.

3.4. Holdings of odd lots in multiples other than 100 Shares

Shareholders holding less than 100 Shares, or not a whole multiple of 100 Shares, will be entitled, in respect of such holdings, to participate in the Rights Offer in accordance with the Table of Entitlement in Annexure 1 to this Circular.

3.5. Underwriting

The Rights Offer has been fully underwritten by Remgro, through IPI.

In terms of the Underwriting Agreement, an underwriting fee equal to 2.0% of the value of the underwritten Rights Offer Shares is payable by the Company to the Underwriter. The underwriting fee is, in the opinion of the Board, not greater than the current market rate charged by independent underwriters. The underwriting fee is only payable upon fulfilment of the commitments by the Underwriter pursuant to the Underwriting Agreement.

The Board has made due and careful enquiry to confirm that the Underwriter can meet its commitments in terms of the Rights Offer.

Details of the Underwriter, as required in terms of the Listings Requirements, are set out in Annexure 2 (it being recorded that the address of the Underwriter is recorded in the "Corporate information and advisers" section of this Circular).

3.6. Minimum subscription

The Rights Offer is fully underwritten and is therefore not conditional on a minimum subscription.

3.7. Excess applications

Shareholders are invited to apply for additional Rights Offer Shares over and above their entitlement.

Holders of Certificated Shares wishing to apply for excess Rights Offer Shares should complete the attached Form of Instruction in accordance with the instructions contained therein and lodge it, together with payment of the subscription price, with the Transfer Secretaries at the addresses set out in the "Corporate information and advisers" section of this Circular, so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 5 October 2012.

Holders of Dematerialised Shares wishing to apply for excess Rights Offer Shares should instruct their CSDP or Broker, in terms of the custody agreement entered into between themselves and their CSDP or Broker, as to the number of excess Rights Offer Shares for which they wish to apply.

Should there be excess Rights Offer Shares available, the pool of such excess Rights Offer Shares will be allocated equitably, taking cognisance of the number of Rights Offer Shares held by the Shareholder just prior to such allocation (the record date), including those taken up as a result of the Rights Offer, and the number of excess Rights Offer Shares applied for by such Shareholder. Non-equitable allocations of excess Rights Offer Shares will only be allowed in instances where they are used to round holdings up to the nearest multiple of 100.

An announcement will be released on SENS on Monday, 8 October 2012 and published in the press on Tuesday, 9 October 2012, stating the results of the Rights Offer and the allocation of any additional Rights Offer Shares for which application was made. The refund payments in respect of unsuccessful applications by Certificated Shareholders for additional Rights Offer Shares will be made to the relevant applicants, at their risk, on or about Wednesday, 10 October 2012. No interest will be paid on monies received in respect of unsuccessful applications.

3.8. Procedures for acceptance of Rights Offer entitlements

3.8.1. If you are a Qualifying Shareholder holding Certificated Shares and/or have had Rights renounced in your favour, and wish to subscribe for all or part of your entitlement in terms of the enclosed Form of Instruction, you must complete the enclosed Form of Instruction in accordance with the instructions contained therein and lodge it, together with payment of the subscription price, with the Transfer Secretaries at the addresses set out in the "Corporate information and advisers" section of this Circular, so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 5 October 2012. Once received by the Transfer Secretaries, the acceptance is irrevocable and may not be withdrawn.

If payment is not received on or before 12:00 on Friday, 5 October 2012, the day of the closing of the Rights Offer, the Qualifying Shareholder or renouncee concerned will be deemed to have declined the offer to acquire Rights Offer Shares pursuant to the Rights Offer.

Qualifying Shareholders holding Certificated Shares are advised to take into consideration postal delivery times when posting their forms of instruction, as no late postal deliveries will be accepted. Qualifying Shareholders are advised to deliver their completed Forms of Instruction together with their cheques or bankers' drafts by hand or by courier, where possible.

3.8.2. If you are a Qualifying Shareholder holding Dematerialised Shares you will not receive a printed Form of Instruction. You should receive notification from your CSDP or Broker regarding the Rights to which you are entitled in terms of the Rights Offer.

If you are a Qualifying Shareholder holding Dematerialised Shares and wish to follow your Rights in respect of the Rights Offer, you are required to notify your duly appointed CSDP or Broker of your acceptance of the Rights Offer in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or Broker.

Mediclinic does not take responsibility and will not be held liable for any failure on the part of any CSDP or Broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares and/or to sell the Rights allocated.

3.9. Procedures for sale or renunciation of Rights Offer entitlement

3.9.1. If you are a Qualifying Shareholder holding Certificated Shares and do not wish to subscribe for all of the Rights allocated to you as reflected in the Form of Instruction, you may either dispose of or renounce all or part of your entitlement as follows:

- If you wish to sell all or part of your entitlement, you must complete Form A in the enclosed Form of Instruction and return it to the Transfer Secretaries to be received by no later than 12:00 on Friday, 28 September 2012. Note that the Transfer Secretaries will endeavour to procure the sale of Rights on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. In this regard, neither the Transfer Secretaries nor Mediclinic will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the timing of such sales, the price obtained, or the failure to dispose of such entitlements.

- If you wish to renounce your entitlement in favour of any named renouncee, you must complete Form B in the enclosed Form of Instruction, and the renouncee must complete Form D in the enclosed Form of Instruction and return it to the Transfer Secretaries, to be received by no later than 12:00 on Friday, 5 October 2012, together with a bank-guaranteed cheque or bank draft for the appropriate amount.

3.9.2. If you are a Qualifying Shareholder holding Dematerialised Shares and wish to sell or renounce some or all of your Rights, you should make the necessary arrangements with your CSDP or Broker in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or Broker.

Shareholders wishing to sell or renounce all or part of their Rights will be liable to pay brokerage charges and associated expenses.

3.10. Payment

The amount due on acceptance of the Rights Offer is payable in Rand.

3.10.1. Payment by holders of Certificated Shares must be made by a bankers' draft drawn on a registered bank or a bank-guaranteed cheque drawn on a South African bank (each of which should be crossed and marked "not transferable" and, in the case of a cheque, with the words "or bearer" deleted) in favour of "Mediclinic International Limited – Rights Offer" in respect of the amount due and, together with a properly completed Form of Instruction, should be clearly marked "Mediclinic International Limited – Rights Offer" and delivered by hand to:

Mediclinic International Limited – Rights Offer

C/o Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg 2001

so as to be received by no later than 12:00 on Friday, 5 October 2012, or may be posted, at the risk of the Shareholder or his renouncee, to:

Mediclinic International Limited – Rights Offer

C/o Computershare Investor Services Proprietary Limited
PO Box 61763
Marshalltown 2107

so as to be received by no later than 12:00 on Friday, 5 October 2012.

All bank-guaranteed cheques or bankers' drafts received by the Transfer Secretaries will be deposited immediately for payment. The payment will constitute an irrevocable acceptance by the Shareholder or renouncee of the Rights Offer upon the terms and conditions set out in this Circular and in the enclosed Form of Instruction. In the event that any cheque or bankers' draft is dishonoured, Mediclinic, in its sole discretion, may treat the relevant acceptance as void or may tender delivery of the relevant Rights Offer Shares to which it relates against payment in cash of the issue price for such Shares.

The refund payments of monies received in respect of an application that is rejected or otherwise treated as void by Mediclinic, or which is otherwise not validly received in accordance with the terms stipulated, will be made (without interest) in Rand to the applicant concerned, at the applicant's risk, on or about Wednesday, 10 October 2012. If the applicant concerned fails to complete Form A of the Form of Instruction, the refund payment will be held by Mediclinic until claimed and no interest will accrue to the applicant in the respect thereof.

3.10.2. Payment by holders of Dematerialised Shares will be effected on the Shareholder's behalf by the CSDP or Broker. The CSDP or Broker will make payment in respect of Qualifying Shareholders holding Dematerialised Shares on a delivery versus payment basis.

3.11. Exchange Control Regulations

The following summary is intended only as a guide and is, therefore, not comprehensive. If Shareholders are in any doubt as to the appropriate course of action they are advised to consult their professional adviser.

In terms of the Exchange Control Regulations of the Republic of South Africa, Non-residents Qualifying Shareholders, excluding former residents, of the Common Monetary Area will be allowed to:

- take up Rights allocated to them in terms of the Rights Offer;
- purchase Letters of Allocation on the JSE; and
- subscribe for the Rights Offer Shares arising in respect of the Letter of Allocation purchased on the JSE provided payment is received through normal banking channels in foreign currency or Rand from a Non-resident account.

All applications by Non-residents for the above purposes must be made through an authorised dealer in foreign exchange. Electronic statements issued in terms of Strate and any Share certificates issued pursuant to such applications will be endorsed "Non-resident".

Where a right in terms of the Rights Offer becomes due to a former resident of the Common Monetary Area, which right is based on Shares blocked in terms of the Exchange Control Regulations of South Africa, then only emigrant blocked funds may be used to:

- take up the Rights allocated to them in terms of the offer;
- purchase the Letters of Allocation on the JSE; and
- subscribe for the Rights Offer Shares arising in respect of the Letter of Allocation purchased on the JSE.

All applications by emigrants using blocked funds for the above purposes must be made through the authorised dealer in South Africa controlling their blocked assets.

New Share certificates issued pursuant to the Rights Offer to an emigrant will be endorsed "non-resident" and forwarded to the address of the relevant authorised dealer controlling such emigrant's blocked assets for control in terms of the Exchange Control Regulations of South Africa. The proceeds due to emigrants from the sale of the Letter of Allocation, if applicable, will be returned to the authorised dealer in foreign exchange for credit to such emigrants' blocked accounts.

Where the emigrant's Shares are in Dematerialised form with a CSDP, any shares issued pursuant to the use of emigrant blocked funds will be credited to their blocked share accounts at the CSDP controlling their blocked portfolios. The electronic statement issued in terms of Strate will be dispatched by the CSDP or Broker to the address of the emigrant in the records of the CSDP or Broker.

The proceeds arising from the sale of Letter of Allocation or arising from the sale of blocked Shares will be credited to the blocked accounts of the emigrants concerned.

Any Qualifying Shareholder resident outside the Common Monetary Area who receives this Circular and Form of Instruction should obtain advice as to whether any governmental and/or other legal consent is required and/or any other formality must be observed to enable a subscription to be made in terms of such Form of Instruction.

3.12. Overseas Shareholders

The Rights Offer Shares and the Rights Offer documentation will not be registered with any authority in any jurisdiction other than South Africa. The distribution of this Circular, the Rights Offer, the Form of Instruction and the transfer of the Rights Offer Shares and/or the Rights to subscribe for the Rights Offer Shares to certain persons in territories other than South Africa may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such territory. Neither this Circular, nor any Form of Instruction, is to be regarded as an offer or invitation to any person in any jurisdiction other than South Africa to the extent that any applicable legal requirement in such jurisdiction has not been complied or it is for any reason illegal or unlawful to make such an offer or invitation in such jurisdiction to such person. In those circumstances, this Circular is sent for information purposes only.

The Rights, the Rights Offer Shares and the Letters of Allocation have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except in accordance with the registration requirements of the Securities Act or an applicable exemption therefrom and in compliance with any applicable securities laws of any state or other jurisdiction of the US. Accordingly, subject to certain exceptions, Mediclinic is not extending the Rights Offer into the United States and neither this Circular nor any Letter of Allocation constitutes or will constitute or forms part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Rights, Rights Offer Shares or Letter of Allocation in the United States.

This Circular and Form of Instruction should not be forwarded or transmitted by you to any person in any territory, other than where the Rights Offer made to such person in such territory is compliant with the applicable laws of that territory. It is the responsibility of any person outside South Africa (including, without limitation, custodians, nominees, agents and trustees for such persons) receiving this Circular and wishing to take up Rights under the Rights Offer, to satisfy itself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. Shareholders outside of South Africa should consult their professional advisers to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the Rights Offer, or trade their entitlement.

Shareholders holding Mediclinic Shares on behalf of persons who are non-Qualifying Shareholders are responsible for ensuring that taking up the Rights Offer, or trading in their entitlements under that offer, do not breach regulations in the relevant overseas jurisdictions, and should not in connection with the Rights Offer distribute in or send the Circular into any jurisdiction or transfer Rights to any person in, or citizen or resident of any such jurisdiction where to do so would or might contravene local securities laws or regulations. Any person who does forward this Circular or a Letter of Allocation into any such jurisdiction (whether under a legal or contractual obligation or otherwise) should draw the recipient's attention to the provisions of this paragraph 3.12 and the representations and warranties to the Company and the Underwriter set out in paragraph 3.13.

3.13. Representations and warranties given by Shareholders

3.13.1. **Qualifying Shareholders who hold Certificated Shares**

Any person accepting a Letter of Allocation or requesting registration of the Rights Offer Shares comprised therein represents and warrants to Mediclinic and the Underwriter that, except where proof has been provided to Mediclinic's satisfaction that such person's use of the Letter of Allocation will not result in the contravention of any applicable legal or regulatory requirement in any jurisdiction, such person –

(a) is not accepting the Letter of Allocation, or requesting registration of the relevant Rights Offer Shares, from within any jurisdiction in which it is unlawful to make or accept an offer to acquire Rights Offer Shares or to use the Letter of Allocation in any manner in which such person has used or will use it;

(b) is not acting on a non-discretionary basis for a person located within any jurisdiction referred to in (a) above at the time the instruction to accept was given; and

(c) is not acquiring Rights Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Rights Offer Shares into any jurisdiction referred to in (a) above.

Mediclinic may treat as invalid any acceptance or purported acceptance of the allotment of Rights Offer Shares comprised in a Letter of Allocation if:

(a) it appears to Mediclinic or its agent to have been executed in or dispatched from a jurisdiction outside South Africa or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement;

(b) an address outside South Africa is provided for delivery of definitive Share certificates for Rights Offer Shares in which it would be unlawful to deliver such Share certificates; or

(c) it purports to exclude the representations and warranties required by this paragraph.

3.13.2. **Qualifying Shareholders who hold Dematerialised Shares**

A person who makes a valid acceptance in accordance with the procedures set out in this Circular represents and warrants to Mediclinic and the Underwriter that, except where proof has been provided to Mediclinic's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirements in any jurisdiction, such person –

(a) is not within any jurisdiction in which it is unlawful to make or accept an offer to acquire Rights or Rights Offer Shares;

(b) is not accepting the Rights Offer on a non-discretionary basis for a person located within any jurisdiction referred to in (a) above at the time the instruction to accept was given; and

(c) is not acquiring Rights or Rights Offer Shares with a view to the offer, sale, transfer, delivery or distribution, directly or indirectly, of any such Rights or Rights Offer Shares into any jurisdiction referred to in (a) above.

Mediclinic reserves the right to reject any market instruction sent from outside South Africa or to credit the account of any person who is acting on a non-discretionary basis for the account or benefit of a person located outside South Africa.

The information set out in paragraph 3.12 and this paragraph 3.13 are intended as a guide only and persons resident in, or who are citizens of, countries other than South Africa should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Rights.

The provisions of paragraph 3.12 and this paragraph 3.13 and of any other terms of the Rights Offer relating to Shareholders resident outside South Africa may be waived, varied or modified as regards specific Qualifying Shareholders or on a general basis by Mediclinic in its absolute discretion.

3.14. South African law

All transactions arising from the provisions of this Circular and the accompanying Form of Instruction will be governed by and be subject to the laws of South Africa.

3.15. Tax consequences

Shareholders are advised to consult their tax and financial advisers regarding any taxation implications pertaining to them regarding the acceptance of their Rights in terms of the Rights Offer.

3.16. Documents of Title

New Share certificates to be issued to Qualifying Shareholders holding Certificated Shares in respect of those Rights Offer Shares to which they were entitled and for which they have subscribed, will be posted to persons entitled thereto, by post, at the risk of the Shareholders concerned, on or about Monday, 8 October 2012.

Qualifying Shareholders holding Certificated Shares and receiving the Rights Offer Shares must note that such Certificated Shares are not good for delivery in respect of trades concluded on the JSE until they have been Dematerialised.

Qualifying Shareholders holding Shares in Dematerialised form that have applied for, and been allotted, Shares under the Rights Offer will have their accounts updated with the Rights Offer Shares to which they are entitled and in respect of which they have accepted the Rights Offer, on Monday, 8 October 2012.

3.17. JSE listings

The Issuer Regulation Division of the JSE has approved the listings of:

- the Letters of Allocation, JSE code: MDCN and ISIN: ZAE000170106, in respect of all of the 174 641 984 Rights Offer Shares with effect from the commencement of trade on Monday, 10 September 2012 to the close of trade on Friday, 28 September 2012, both days inclusive; and
- 174 641 984 Rights Offer Shares with effect from the commencement of trade on Monday, 1 October 2012.

4. Unaudited *pro forma* financial information

The unaudited *pro forma* statement of financial position at 31 March 2012 and income statement for the year ended 31 March 2012 are set out in Annexure 3 to this Circular.

The unaudited *pro forma* financial effects set out below have been prepared to assist Shareholders to assess the impact of the Rights Offer on the earnings per Share, headline earnings per Share, net asset value per Share and tangible net asset value per Share of Mediclinic. Due to the nature of these *pro forma* financial effects, they are presented for illustrative purposes only and may not fairly present the Company's financial position or the results of its operations after the Rights Offer.

The unaudited *pro forma* financial effects have been prepared in accordance with the Listings Requirements and the Guide on *Pro Forma* Financial Information issued by The South African Institute of Chartered Accountants. These unaudited *pro forma* financial effects are the responsibility of the Board and are provided for illustrative purposes only. The assumptions on which the *pro forma* financial effects are based are set out in the notes following the table. The unaudited *pro forma* financial effects set out below should be read in conjunction with the report of the independent reporting accountants, which is included as Annexure 4 to this Circular.

Unaudited *pro forma* financial effects

	Audited 12 months ended 31 March 2012	Adjustments for the Rights Offer	Unaudited *pro forma* after the Rights Offer	% change
Earnings per share (cents)				
– Basic	194.7	(61.4)	133.3	(31.5%)
– Diluted	187.3	(57.9)	129.4	(30.9%)
HEPS (cents)				
– Basic	194.9	(61.4)	133.5	(31.5%)
– Diluted	187.5	(57.9)	129.6	(30.9%)
Normalised HEPS (cents)				
– Basic	193.0	(6.6)	186.4	(3.4%)
– Diluted	185.7	(4.8)	180.9	(2.6%)
Net asset value per share (cents)	1 609.4	249.4	1 858.8	15.5%
Tangible net asset value per share (cents)	599.2	469.0	1 068.2	78.3%
Number of ordinary shares in issue ('000)	652 315	174 642	826 957	26.8%
Weighted average number of ordinary shares in issue ('000)	627 280	174 642	801 922	27.8%
Weighted average diluted number of ordinary shares in issue ('000)	651 779	174 642	826 421	26.8%

Notes and assumptions:

1) The audited financial information has been extracted without adjustment from the audited financial statements of Mediclinic for the year ended 31 March 2012.
2) The *pro forma* adjustments to the income statement have been calculated on the assumption that the proceeds from the Rights Offer were received on 1 April 2011.
3) The *pro forma* adjustments to the statement of financial position have been calculated on the assumption that the proceeds from the Rights Offer were received on 31 March 2012.
4) A Rights Offer price of R28.63 per Share has been used for the *pro forma* adjustments with 174 641 984 new Shares being issued for gross proceeds of R5.0 billion.
5) Estimated once-off expenses of R102.4 million, relating to the Rights Offer, have been taken into account in determining the *pro forma* financial effects.
6) The R4 898 million net proceeds of the Rights Offer are assumed to have been used to partly repay the secured long-term bank loan in the Group's Swiss operations (R4178 million) and to extinguish the corresponding portion of the interest rate swap (R720 million).
7) The average exchange rate of ZAR8.45/CHF for the year ended 31 March 2012 has been used for the *pro forma* adjustments to the income statement, except for the adjustments relating to the settlement of the interest rate swap and amortisation of capitalised financing expenses which are assumed to have taken place on 1 April 2011 at an exchange rate of ZAR7.42/CHF at that date.
8) The exchange rate of ZAR8.50/CHF as at 31 March 2012 has been used for the *pro forma* adjustments to the statement of financial position.
9) Normalised HEPS excludes once-off *pro forma* adjustments.
10) Further detailed notes and explanations are presented in Annexure 3.

5. Estimated expenses in relation to the Rights Offer

It is estimated that Mediclinic's expenses relating to the Rights Offer will amount to approximately R102.4 million. These expenses will be paid from available cash resources. The expenses (including VAT) relating to the Rights Offer are detailed below:

Nature of expense	Paid/payable to	R'000
Underwriting fee	Underwriter	100 000
Legal advisers	Cliffe Dekker Hofmeyr	684
Printing, publication and distribution	Greymatter & Finch	517
Listing fee	JSE	473
Communication adviser	CapitalVoice	285
Reporting accountants and auditors	PricewaterhouseCoopers Inc.	182
Independent sponsor	Deloitte & Touche Sponsor Services (Pty) Ltd	114
Transfer Secretaries	Computershare	96
Documentation inspection fee	JSE	47
Total		**102 398**

Note:

1) A combined success fee of approximately CHF10 million is payable to Rand Merchant Bank and Greenhill & Co. International as joint financial advisers to Mediclinic on the refinancing transaction announced on SENS on 1 August 2012. No portion of this fee is specifically attributable to the Rights Offer.

B. INFORMATION RELATING TO THE COMPANY

6. Background information on Mediclinic

6.1. Incorporation

Mediclinic was incorporated in South Africa in 1983 as a limited liability public company. The Company was listed on the JSE in 1986.

6.2. History and nature of business

Mediclinic is a private hospital group with three operating platforms in Southern Africa (South Africa and Namibia), Switzerland and the United Arab Emirates. Its core purpose is to enhance the quality of life of patients by providing cost-effective acute care specialised hospital services.

Mediclinic was founded 29 years ago in 1983 when its chairman, Dr Edwin Hertzog, was commissioned by the then Rembrandt Group (now Remgro) to undertake a feasibility study on private hospitals in South Africa. Three years later, Mediclinic was operating four hospitals with 691 beds in commission and three hospitals with 688 beds under construction. Today Mediclinic Southern Africa operates 49 hospitals throughout South Africa and three in Namibia with more than 7 000 beds in total; Hirslanden operates 14 private acute care facilities in Switzerland with more than 1 400 beds; and Emirates Healthcare operates two hospitals with 334 beds and eight clinics in Dubai, United Arab Emirates.

Most specialist disciplines are available at the Group's hospitals, which are supported by more than 21 900 staff members – with Mediclinic Southern Africa employing more than 13 800, Hirslanden more than 6 300 and Emirates Healthcare more than 1 800 employees.

6.3. Prospects for the Group

The Group is uniquely positioned across three diverse international operating platforms with stable and experienced management teams in place. It continues to focus on its core business to fulfil its vision of being respected internationally and preferred locally. The Group continues to consolidate its collective intellectual capital and strengths with the goal of establishing a respected international hospital group with a very specific focus on providing comprehensive high-quality hospital services on a cost effective basis.

Although regulatory issues create uncertainties (at the moment especially in Switzerland), the Board is optimistic about the future of the businesses in all three platforms. This is supported by the Group's continued substantial investments in capacity building in all the platforms.

The availability of sufficient skilled medical resources in South Africa remains a challenge and the Group continues to make substantial investments in the training of its staff.

On the whole, the Group remains positive about its operational prospects for the next year.

6.4. Trading history of Mediclinic Shares on the JSE

A table setting out the price history of Shares on the JSE has been included in Annexure 5 to this Circular.

7. Financial information

7.1. Historical financial information

The historical financial information of Mediclinic for the three financial years ended 31 March 2010, 2011 and 2012 is included in Annexure 6 to this Circular.

The Directors of Mediclinic are responsible for the accuracy of the relevant information extracted from the year end statements.

7.2. Material borrowings and loans receivable

Details of all material borrowings and loans receivable are set out in Annexure 7 to this Circular.

7.3. Dividends and dividend policy

The Directors intend to declare a semi-annual dividend. The dividend policy will be reviewed by the Directors from time to time in light of the then prevailing circumstances and cash requirements of Mediclinic.

Although the Group's ability to pay dividends is dictated by the Southern African operations' cash flow, the Group is targeting a dividend cover of three times, based on Group normalised headline earnings, which is in line with levels prior to the Hirslanden acquisition. This does not imply a reduction in dividend per share, only an indicative target which the Board will seek to achieve over time.

All unclaimed dividends that are due to a Shareholder/s shall be held by the Company in trust for the benefit of the Company for an indefinite period until lawfully claimed by such Shareholder/s, but subject to the laws of prescription that apply in South Africa. If, after expiry of the relevant period of time provided for in terms of the Prescription Act, No. 68 of 1969, as amended, or re-enacted from time to time, such monies remain unclaimed and the Company becoming lawfully entitled to such unclaimed monies, such unclaimed monies may be declared by the Directors to be forfeited for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit.

Despite Mediclinic's right to declare dividends as forfeited after a period of 3 years, it has never done this and currently has no intention of doing so in future.

7.4. Material change

There has been no material change in the nature of business, financial or trading position of Mediclinic and its subsidiaries that has occurred since the end of the last financial period for which the audited annual financial statements were published up to the Last Practicable Date.

On 26 October 2007, Mediclinic announced the successful acquisition of Hirslanden for a purchase consideration of CHF2.6 billion as described in paragraph 2. Other than the acquisition of Hirslanden in 2007, there have been no material changes in the business of Mediclinic in the past five years.

8. Information on the Directors and senior management of Mediclinic

The Directors have:

- been appointed in terms of Mediclinic's MOI;
- confirmed that they are free of any conflict of interest between their duties as Directors and their private interests; and
- confirmed that they collectively have the appropriate expertise and experience for the management of Mediclinic and the Group's business.

8.1. Details and experience of Directors and senior management

The full names, positions, dates of appointment, ages, nationalities, business addresses, qualifications, experience and other directorships of the Directors and senior management of Mediclinic and its major subsidiaries are set out in Annexure 8.

8.2. Directors' and senior managements' declarations

None of the Directors and senior managers mentioned above have:

- ever been convicted of an offence resulting from dishonesty, fraud or embezzlement;
- ever been declared bankrupt, insolvent or sequestrated in any jurisdiction;
- at any time been a party to a scheme of arrangement or made any other form of compromise with their creditors;

- ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities;
- ever been involved in any receiverships, compulsory liquidations or creditors voluntary liquidations;
- ever received public criticisms from statutory or regulatory authorities, including professional bodies, and have ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- ever been barred from entry into a profession or occupation;
- ever been convicted in any jurisdiction of any criminal offence;
- ever been removed from an office of trust, on the grounds of misconduct and involving honesty;
- ever been involved in compulsory liquidations, administrations or partnership voluntary agreements of any partnerships where they were partners at the time of, or within the 12 months preceding, any such event;
- ever received a court order declaring the Director a delinquent or placing the Director under probation in terms of Section 162 of the Companies Act or disqualifying him to act as a director in terms of Section 219 of the previous Companies Act (Act 61 of 1973); or
- ever been involved, as a director or in an executive function in any business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of Section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company within the last 12 months.

All of the Directors have completed directors' declarations in terms of Schedule 21 of the Listings Requirements upon their appointment and nothing, relative to the above, has changed since their appointment.

8.3. Qualification, remuneration, borrowing powers and appointment of Directors

8.3.1. **Extracts from the MOI relating to the Directors**

The relevant provisions of the MOI concerning the qualification, remuneration, borrowing powers and appointment of the Directors of Mediclinic are set out in Annexure 9 of this Circular.

8.3.2. **Borrowing powers**

The MOI does not impose any limitation on the borrowing powers of Directors of Mediclinic. No subsidiary of Mediclinic has exceeded its borrowing powers during the preceding three years.

8.3.3. **Directors' emoluments**

The total remuneration, benefits and fees received by Directors for the year ended 31 March 2012 were as follows:

Director	Basic salary (R'000)	Bonus[4] (R'000)	Retire-ment fund (R'000)	Share options (R'000)	Other[3] benefits (R'000)	Expense allowance (R'000)	Directors' fees (R'000)	Total (R'000)
Executive								
E de la H Hertzog*	2 848	2 661	276	–	160	–	–	5 945
D P Meintjes	3 997	2 442	360	–	26	–	–	6 825
K H S Pretorius	2 792	1 745	251	–	26	–	–	4 814
C A van der Merwe	2 171	1 008	195	661	26	–	–	4 061
C I Tingle	3 345	2 043	301	–	26	–	–	5 715
T O Wiesinger	5 892	2 163	786	–	374	–	–	9 215
Subtotal	**21 045**	**12 062**	**2 169**	**661**	**638**	**–**	**–**	**36 575**
Non-executive fees								
J C Cohen**	–	–	–	–	–	–	261	261
J A Grieve***[5]	–	–	–	–	–	–	–	–
R E Leu[2]	–	–	–	–	–	–	925	925
M K Makaba	–	–	–	–	–	–	194	194
N Mandela***	–	–	–	–	–	–	–	–
Z P Manase**	–	–	–	–	–	–	246	246
A R Martin[1]	–	–	–	–	–	–	–	–
T D Petersen***[6]	–	–	–	–	–	–	–	–
D K Smith	–	–	–	–	–	–	312	312
A A Raath	–	–	–	–	–	–	363	363
M A Ramphele**	–	–	–	–	–	–	138	138
C M van den Heever	–	–	–	–	–	–	205	205
W L van der Merwe**	–	–	–	–	–	–	278	278
M H Visser	–	–	–	–	–	–	327	327
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**3 249**	**3 249**
Total	**21 045**	**12 062**	**2 169**	**661**	**638**	**–**	**3 249**	**39 824**

Notes:

1) In the prior year Mr AR Martin also earned a further R284 388 from two subsidiaries, namely Mediclinic Southern Africa (Pty) Ltd and ER24 Holdings (Pty) Ltd.
2) Prof Dr RE Leu also earned a further R540 800 from a subsidiary (Medi-Clinic Switzerland AG) as director's remuneration.
3) Other benefits include medical aid, UIF and payment for accumulated leave.
4) Bonuses consist of the management incentive scheme and a 13th cheque.
5) Mr J A Grieve earned R540 800 from a subsidiary (Medi-Clinic Switzerland AG) as director's remuneration, which remuneration was paid to Compagnie Financière Richemont SA.
6) Mr T D Petersen earned R244 500 from a subsidiary (Mediclinic Southern Africa (Pty) Ltd) as director's remuneration.

* Dr E de la H Hertzog also earned a further R1.9 million from Remgro Management Services. As at 31 March 2012, he was an executive Director. He retired as an executive Director on 31 August 2012, but remains on the Board as non-executive chairman.

** Mr J C Cohen, Ms Z P Manase, Dr M A Ramphele and Prof W L van der Merwe resigned as Directors on 26 July 2012.

*** Mr J A Grieve, Ms N Mandela and Mr T D Petersen were appointed with effect from 13 September 2012.

There have been no fees paid or accrued as payable to a third party in lieu of Directors' fees.

Amounts paid or accrued as payable, within the preceding three years, or proposed to be paid to any promoter, partnership, syndicate or other association of which any Mediclinic Director was a member include a commitment fee for the 2010 Rights Offer detailed in paragraph 8.5.3. Mediclinic also paid an amount of R1 million to Remgro for managerial and administration services, and R2 million for internal audit services for each of the 2012 and 2011 financial years.

The remuneration receivable by any of the Directors of Mediclinic will not be varied in consequence of the Rights Offer or any related transaction.

8.3.4. Terms of office and rights of Shareholders to appoint Directors are contained in clause 27 the MOI as set out in Annexure 9.

8.3.5. Executive Directors have no fixed term service contracts and conditions of employment are governed by engagement letters. Executive Directors retire between the ages of 55 and 65. Pension and provident fund payouts are based on period of service and no provision is made for restraint of trade payments or retrenchment packages.

8.3.6. The total remuneration, benefits and fees received by Directors for the year ended 31 March 2012 is disclosed in paragraph 8.3.3 above.

8.3.7. The Audit and Risk Committee of Mediclinic is satisfied with the expertise and experience of the financial Director.

8.3.8. There are no contractual secretarial or technical fees payable.

8.4. Interests of Directors

8.4.1. Directors' interests in Shares

Before the Rights Offer

The direct and indirect beneficial interests in Shares held by all the Directors of Mediclinic (including Directors who have resigned in the last 18 months) as at the Last Practicable Date are shown below.

Name of Director	Direct beneficial	Indirect beneficial	Held by Associates	% of issued Shares	Total
Executive					
D P Meintjes	187 581	–	–	0.03%	187 581
K H S Pretorius	141 967	–	–	0.02%	141 967
C A van der Merwe	29 845	–	–	0.00%	29 845
C I Tingle	136 611	–	–	0.02%	136 611
T O Wiesinger	–	–	–	–	–
Subtotal	**496 004**	**–**	**–**	**0.08%**	**496 004**
Non-executive					
J C Cohen*	–	–	–	–	–
J A Grieve	–	–	–	–	–
E de la H Hertzog	56 340	3 760 053	384 803	0.64%	4 201 196
R E Leu	–	–	–	–	–
M K Makaba**	–	–	–	–	–
Z P Manase*	–	–	–	–	–
N Mandela	–	–	–	–	–
T D Petersen	–	–	–	–	–
D K Smith	–	–	–	–	–
A A Raath	–	–	–	–	–
M A Ramphele*	–	–	–	–	–
C M van den Heever	–	–	–	–	–
W L van der Merwe*	957	–	–	0.00%	957
Subtotal	**57 297**	**3 760 053**	**384 803**	**0.64%**	**4 202 153**
Total	**553 301**	**3 760 053**	**384 803**	**0.72%**	**4 698 157**

Notes:

The following changes in Directors' shareholding in the Company occurred between 31 March 2012 and the Last Practicable Date due to Shares acquired in terms of the Mediclinic Management Incentive Scheme:

- E de la H Hertzog increased his direct beneficial shareholding by 21 495 Shares.
- D P Meintjes increased his direct beneficial shareholding by 18 671 Shares.
- K H S Pretorius increased his direct beneficial shareholding by 12 449 Shares.
- C I Tingle increased his direct beneficial shareholding by 15 623 Shares.
- C A van der Merwe increased his direct beneficial shareholding by 7 468 Shares.

* Mr J C Cohen, Ms Z P Manase, Dr M A Ramphele and Prof W L van der Merwe resigned as Directors on 26 July 2012.

** Dr M K Makaba holds a 5.08% interest in Phodiso Holdings Limited, which company is the holder of all issued ordinary shares in Mpilo Investment Holdings 2 (Pty) Ltd (RF), which holds a 6.03% interest in Mediclinic.

After the Rights Offer

For the purposes of the table below, it has been assumed that all the Directors as at the Last Practicable Date will follow their Rights in terms of the Rights Offer, and they will accordingly hold the following Shares after the Rights Offer:

Name of Director	Direct beneficial	Indirect beneficial	Held by Associates	% of issued Shares	Total
Executive					
D P Meintjes	237 801	–	–	0.03%	237 801
K H S Pretorius	179 975	–	–	0.02%	179 975
C A van der Merwe	37 835	–	–	0.00%	37 835
C I Tingle	173 185	–	–	0.02%	173 185
T O Wiesinger	–	–	–	–	–
Subtotal	**628 796**	**–**	**–**	**0.08%**	**628 796**
Non-executive	–	–	–	–	–
J C Cohen*	–	–	–	–	–
J A Grieve	–	–	–	–	–
E de la H Hertzog	71 424	4 766 718	487 825	0.64%	5 325 967
R E Leu	–	–	–	–	–
M K Makaba**	–	–	–	–	–
Z P Manase*	–	–	–	–	–
N Mandela	–	–	–	–	–
T D Petersen	–	–	–	–	–
D K Smith	–	–	–	–	–
A A Raath	–	–	–	–	–
M A Ramphele*	–	–	–	–	–
C M van den Heever	–	–	–	–	–
W L van der Merwe*	957	–	–	0.00%	957
Subtotal	**72 381**	**4 766 718**	**487 825**	**0.64%**	**5 326 924**
Total	**701 178**	**4 766 718**	**487 825**	**0.72%**	**5 955 721**

No share options were offered to Directors in the financial year ending 31 March 2012 in terms of the share option scheme.

8.4.2. **Directors' interests in transactions**

None of the Directors had any interest, direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole and which was effected by the Company during the current or immediately preceding financial year or in an earlier year and which remains in any respect outstanding or unperformed.

The following Directors have interests in Remgro, the Underwriter through IPI:

- E de la H Hertzog has a direct beneficial interest in Remgro of 264 764 shares and an indirect beneficial interest of 1 928 942 shares;
- J J Durand, has an indirect beneficial interest in Remgro of 671 577 shares;
- D P Meintjes has a direct beneficial interest in Remgro of 500 shares;
- K H S Pretorius has an indirect beneficial interest in Remgro of 2 000 shares;
- A A Raath has a direct beneficial interest in Remgro of 4 370 shares;
- D K Smith has an indirect beneficial interest in Remgro of 1 100 shares; and
- C M van den Heever has a direct beneficial interest in Remgro of 33 611 shares.

8.5. Information on the Share capital of the Group

8.5.1. Authorised and issued Share capital

The authorised and issued Share capital of Mediclinic, at the Last Practicable Date and the indicative effect of the Rights Offer, are set out below:

Share capital	Rand million
Before the Rights Offer	
Authorised	
1 000 000 000 ordinary Shares of no par value	–
Stated capital	
652 315 341 ordinary Shares of no par value	6 131
Treasury shares	
14 098 891 ordinary Shares of no par value	(257)
Total	**5 874**
After the Rights Offer	
Authorised	
1 000 000 000 ordinary Shares of no par value	–
Stated capital	
826 957 325 ordinary Shares of no par value	11 131
Treasury shares	
14 098 891 ordinary Shares of no par value	(257)
Total	**10 874**

There are no other classes of securities listed and no securities of the Company are listed on any stock exchanges, other than the JSE.

8.5.2. Alterations to Share capital

The summarised changes to Mediclinic's issued Share capital during the three financial years ended 31 March 2012, 2011 and 2010 are set out below:

Changes to issued Share capital	Number of Shares issued and allotted
2012	
Issued Shares at end of year	652 315 341
2011	
Issued Shares at end of year	652 315 341
2010	
Issued Shares at end of year	652 315 341
Issued in respect of the 2010 Rights Offer	59 301 395
Issued Shares at beginning of year	593 013 946

On 10 August 2010, the Company issued 59 301 395 new Mediclinic Shares to all Shareholders based on their proportional shareholdings in terms of the 2010 Rights Offer. The issuance was priced at a 14.1% discount to the 10-day VWAP of Mediclinic Shares as at 18 June 2010. The proceeds of the 2010 Rights Offer were used to finance growth opportunities in Switzerland through expansion projects at existing hospitals.

No Shares have been issued since 31 March 2012 by Mediclinic as at the Last Practicable Date.

Details of material share issuances by Mediclinic subsidiaries in the preceding three years are shown below:

(i) Emirates Healthcare Holdings Limited, concluded a rights offer in three tranches during October to November 2009 (7 October 2009 for the first two tranches and 13 November 2009 for the third tranch), which was made *pro rata* to existing shareholders. During the first and second tranch Mediclinic Middle East (Pty) Ltd exercised its rights to subscribe for 1 643 913 shares at a subscription price of USD2 383 673.85 per tranch and Varkey Group Limited exercised its rights to subscribe for 1 171 007 shares at a subscription price of USD1 697 960.15 each. During the third tranch Mediclinic Middle East (Pty) Ltd exercised its rights to subscribe for 153 432 shares at a subscription price of USD222 476.40 and Varkey Group Limited exercised its rights to subscribe for 109 294 shares at a subscription price of USD158 476.30.

(ii) Mediclinic CHF Finco Limited, a wholly owned subsidiary, issued 998 shares at a subscription price of CHF466 655 683.28 to its sole shareholder, Mediclinic Investments (Pty) Ltd on 30 July 2012. A further issue of 500 shares at a subscription price of CHF233 849 751.53 was made to Mediclinic Investments (Pty) Ltd on 6 August 2012.

There have been no other material offers or issues of any securities by Mediclinic or any of its subsidiaries during the preceding three years.

There have been no material share repurchases, consolidations or subdivisions by Mediclinic and its subsidiaries during the preceding three years.

8.5.3. **Commissions**

Other than the underwriting fee payable to the Underwriter, as disclosed in paragraph 5 above, no commissions were paid to any persons within the preceding three years in relation to the Rights Offer.

The following commissions (including VAT) were paid within the preceding three years in relation to the 2010 Rights Offer:

Nature of commission	Paid to	Amount (Rand million)
Underwriting fee	Standard Bank of South Africa Limited	19.9
Commitment fee	Remgro	5.9
Commitment fee	Trilantic	1.4
Total		**27.2**

Full details of these commissions were disclosed in the rights offer circular to Mediclinic shareholders dated 19 July 2010.

There have been no other commissions paid or accrued as payable, within the preceding three years.

8.5.4. **Rights attaching to Shares and power to issue Shares**

All the authorised and issued Shares are of the same class and rank *pari passu* in every respect. Any variation of Rights attaching to such Shares will require a special resolution of Mediclinic Shareholders in general meeting in accordance with the MOI. In accordance with the MOI, at any general meeting, every Mediclinic Shareholder present in person or by proxy (or if a body corporate, duly represented by an authorised representative) shall have one vote on a show of hands and on a poll every Mediclinic Shareholder present in person or by proxy (or if a body corporate, duly represented by an authorised representative) shall be entitled to exercise that proportion of the total votes in the Company which the aggregate amount of the nominal value of the Shares held by such Mediclinic Shareholder bears to the aggregate amount of the nominal value of all the Shares issued by Mediclinic.

8.5.5. **Major beneficial Shareholders**

In so far as it is known to the Directors of Mediclinic, the name of any Shareholder, other than a Director, that, directly or indirectly, is beneficially interested in 5% or more of the issued Shares, together with the amount of each such Shareholder's interest as at the Last Practicable Date are as follows:

Before the Rights Offer

Shareholder	Number of Shares held	Direct beneficial holding	Indirect beneficial holding	Beneficial Shareholding %
Remgro, through IPI	283 080 915	283 080 915	–	43.40
Black economic empowerment Shareholders	76 762 582	76 762 582	–	11.77
Mpilo Investment Holdings 2 (Pty) Ltd (RF) (Phodiso Holdings)	39 332 736	39 332 736	–	6.03
Mpilo Investment Holdings 1 (Pty) Ltd (RF) (Circle Capital Ventures)	23 377 488	23 377 488	–	3.58
The Mpilo Trust & The Mpilo Trust (Namibia)	14 052 358	14 052 358	–	2.15
Government Employees Pension Fund	60 139 222	42 682 257	17 456 965	9.22
Trilantic	39 231 535	39 231 535	–	6.01

Assuming that all the major beneficial Shareholders follow their Rights in terms of the Rights Offer, and that the Rights Offer is fully subscribed, their revised Shareholding post the Rights Offer will be as follows:

After the Rights Offer

Shareholder	Number of Shares held	Rights Offer Shares	Total beneficial holding	Beneficial Shareholding %
Remgro, through IPI	283 080 915	75 788 206	358 869 121	43.40
Black economic empowerment Shareholders	76 762 582	20 551 362	97 313 944	11.77
Mpilo Investment Holdings 2 (Pty) Ltd (RF) (Phodiso Holdings)	39 332 736	10 530 408	49 863 144	6.03
Mpilo Investment Holdings 1 (Pty) Ltd (RF) (Circle Capital Ventures)	23 377 488	6 258 768	29 636 256	3.58
The Mpilo Trust & The Mpilo Trust (Namibia)	14 052 358	3 762 186	17 814 544	2.15
Government Employees Pension Fund	60 139 222	16 100 851	76 240 073	9.22
Trilantic	39 231 535	10 503 314	49 734 849	6.01

In so far as it is known to the Directors of Mediclinic, Mediclinic does not have a controlling Shareholder.

8.5.6. **Advisers' interests**

As at the Last Practicable Date, none of the advisers to the Company had any material interest in the issued Share capital of Mediclinic.

9. Additional Information

9.1. Subsidiary companies

Details of Mediclinic's principal subsidiary companies are set out in Annexure 11 to this Circular.

9.2. Principal immovable property

9.2.1. **Principal immovable property owned or leased**

Details of the principal immovable properties owned or leased by Mediclinic and its subsidiaries are set out in Annexure 11 to this Circular.

9.3. Material acquisitions and disposals

9.3.1. **Material acquisitions**

There have been no material acquisitions made by Mediclinic during the preceding three years of any securities or in the business undertakings of any other companies or any immovable property or the option to acquire such property.

Mediclinic proposes to acquire an additional indirect beneficial interest in Emirates Healthcare Holdings Limited BVI, as detailed in the SENS announcement on 27 August 2012.

No Director of Mediclinic had any beneficial interest in any of the acquisitions described above.

9.3.2. **Material disposals**

There has been no material property disposed of during the preceding three years, by Mediclinic or any of its subsidiaries.

9.4. Promoters

No amounts were paid, or accrued as payable, within the preceding three years, or were proposed to be paid to any promoter, or to any partnership, syndicate or other association of which he/she/it is or was a member, and the consideration for such payment, and any other benefit given to such promoter, partnership, syndicate or other association within the said period or proposed to be given, and the consideration for the giving of such benefit.

No promoter had any material beneficial interest, direct, or indirect, in the promotion of Mediclinic and in any property acquired by Mediclinic out of the proceeds of the listing or during the three years preceding the date of this prelisting statement.

9.5. Material contracts

Other than the contracts entered into in the ordinary course of business, there are no material contracts entered into by Mediclinic, either verbally or in writing. No contracts entered into at any time contain an obligation or settlement that is material to Mediclinic or its subsidiaries as at the date of the Circular.

No royalties or items of similar nature, are payable in respect of the Company and its subsidiaries.

9.6. Corporate governance

The Board accepts full responsibility for corporate governance and is committed to ensuring a high standard of discipline, independence, ethics, responsibility, equity, social responsibility, accountability, co-operation and transparency. The Board believes that the Group has complied in all material respects with the principles of the King III Report and has met the Listings Requirements.

Annexure 12 to this Circular contains further information on Mediclinic's Corporate Governance and areas of non-compliance.

9.7. Litigation statement

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the issuer is aware, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Group's financial position.

10. Directors' responsibility statement

The Directors of Mediclinic, appointed as at the Last Practicable Date, whose names appear on page 9 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no facts, the omission of which, would make any statement in this Circular false or misleading and that they have made all reasonable inquiries to ascertain such facts and that this Circular contains all information required by law and by the Listings Requirements.

11. Consents

Each of the joint advisers, independent sponsor, reporting accountants and auditors, legal advisers, communication adviser and Transfer Secretaries, have consented and have not, prior to the Last Practicable Date, withdrawn their written consent to the inclusion of their names and, where applicable, reports in the form and context in which they appear in this Circular.

12. Working capital statement

The Board has considered the effects of the Rights Offer and is of the opinion that subsequent to the full subscription for the Rights Offer:

- Mediclinic and its subsidiaries will be able to pay their debts in the course of business for a period of 12 months after the date of issue of this Circular;
- the assets of Mediclinic and its subsidiaries will be in excess of their liabilities for a period of 12 months after the date of issue of this Circular. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the audited results of the Company for the year ended 31 March 2012;
- the capital and reserves of Mediclinic and its subsidiaries will be adequate for their requirements for a period of at least 12 months after the date of issue of this Circular; and
- the working capital available to Mediclinic and its subsidiaries will be sufficient for their requirements for a period of at least 12 months after the date of issue of this Circular.

13. Documents available for inspection

Copies of the following documents will be available for inspection at the registered offices of Mediclinic and the independent sponsor during normal business hours (excluding Saturdays, Sundays and public holidays) from the date of issue of this Circular up to and including 5 October 2012:

- the Memorandum of Incorporation of Mediclinic and its major subsidiaries;
- the audited annual financial statements of Mediclinic for the three financial years ended 31 March 2012, 2011 and 2010;
- a copy of the standard Directors' service agreement;
- the *pro forma* statement of financial position and income statement of Mediclinic;
- the signed independent reporting accountants' report on the *pro forma* financial information of Mediclinic;
- the signed Underwriting Agreement referred to in paragraph 3.5 of this Circular and the signed Reinstatement and Amendment Agreement;
- written consents of the joint advisers, independent sponsor, independent reporting accountants, legal advisers, communication adviser and Transfer Secretaries to the inclusion of their names and reports where applicable in this Circular in the context and form in which they appear; and
- a signed copy of this Circular and the Form of Instruction, as approved by the JSE.

Signed at Stellenbosch by or on behalf of Mediclinic on 17 September 2012, in terms of powers of attorney granted by the Directors of Mediclinic.

For and on behalf of the Board

Mediclinic International Limited

G C Hattingh
Company Secretary

Stellenbosch
17 September 2012

TABLE OF ENTITLEMENT

The number of Rights Offer Shares to which Qualifying Shareholders will be entitled is set out below, based on the assumption that Shareholders will be entitled to 26.77263 Rights Offer Shares for every 100 Shares held. Shareholders' entitlements will be rounded up or down, as appropriate with fractions of 0.5 and above being rounded up and fractions of less than 0.5 being rounded down, and only whole numbers of Rights Offer Shares will be issued, in accordance with the Listings Requirements.

Shares Held	Entitlement	Shares Held	Entitlement
1	0	81	22
2	1	82	22
3	1	83	22
4	1	84	22
5	1	85	23
6	2	86	23
7	2	87	23
8	2	88	24
9	2	89	24
10	3	90	24
11	3	91	24
12	3	92	25
13	3	93	25
14	4	94	25
15	4	95	25
16	4	96	26
17	5	97	26
18	5	98	26
19	5	99	27
20	5	100	27
21	6	200	54
22	6	300	80
23	6	400	107
24	6	500	134
25	7	600	161
26	7	700	187
27	7	800	214
28	7	900	241
29	8	1 000	268
30	8	1 100	294
31	8	1 200	321
32	9	1 300	348
33	9	1 400	375
34	9	1 500	402
35	9	1 600	428
36	10	1 700	455
37	10	1 800	482
38	10	1 900	509
39	10	2 000	535
40	11	2 100	562
41	11	2 200	589
42	11	2 300	616
43	12	2 400	643
44	12	2 500	669
45	12	2 600	696
46	12	2 700	723
47	13	2 800	750
48	13	2 900	776
49	13	3 000	803
50	13	3 100	830
51	14	3 200	857
52	14	3 300	883
53	14	3 400	910
54	14	3 500	937
55	15	3 600	964
56	15	3 700	991
57	15	3 800	1 017
58	16	3 900	1 044
59	16	4 000	1 071
60	16	4 100	1 098
61	16	4 200	1 124
62	17	4 300	1 151
63	17	4 400	1 178
64	17	4 500	1 205
65	17	4 600	1 232
66	18	4 700	1 258
67	18	4 800	1 285
68	18	4 900	1 312
69	18	5 000	1 339
70	19	10 000	2 677
71	19	100 000	26 773
72	19	1 000 000	267 726
73	20	10 000 000	2 677 263
74	20		
75	20		
76	20		
77	21		
78	21		
79	21		
80	21		

INFORMATION ON THE UNDERWRITER

The proposed Rights Offer is underwritten by Remgro, through IPI. Details pertaining to the Underwriter as required by the Listings Requirements are set out below.

Full legal entity name:	Remgro Limited
Directors:	J P Rupert E de la H Hertzog P E Beyers J Malherbe G T Ferreira P K Harris N P Mageza P J Moleketi M M Morobe M A Ramphele F Robertson H Wessels J J Durand W E Buhrmann L Crouse J W Dreyer J A Preller
Company secretary:	Mariza Lubbe
Date and place of incorporation:	1968, South Africa
Registration number:	1968/006415/06
Registered office:	Millennia Park, 16 Stellentia Avenue, Stellenbosch, 7600
Auditors:	PricewaterhouseCoopers Inc.
Bankers:	FNB, a division of FirstRand Bank Ltd.
Authorised share capital:	512 493 650 ordinary shares of R0.01 each 40 506 352 “B” ordinary shares of R0.10 each
Issued share capital:	481 106 370 ordinary shares of R0.01 each 35 506 352 “B” ordinary shares of R0.10 each

UNAUDITED *PRO FORMA* STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT OF MEDICLINIC

The unaudited *pro forma* statement of financial position at 31 March 2012 and income statement for the year ended 31 March 2012 of Mediclinic are set out below. The unaudited *pro forma* statement of financial position and income statement have been prepared for illustrative purposes only to provide information on how the Rights Offer might have impacted on the financial position and results of the Group. Because of their nature, the unaudited *pro forma* statement of financial position and income statement may not fairly present the Group's financial position after the Rights Offer, nor of its future earnings.

The unaudited *pro forma* statement of financial position and income statement as set out below should be read in conjunction with the report of the independent reporting accountants which is included as Annexure 4 to this Circular.

The Directors of Mediclinic are responsible for the preparation of the unaudited *pro forma* statement of financial position and income statement.

UNAUDITED *PRO FORMA* STATEMENT OF FINANCIAL POSITION OF MEDICLINIC

R'millions	Audited 31 March 2012	*Pro forma* adjustments for the Rights Offer	*Pro forma* after the Rights Offer
ASSETS			
Non-current assets	**42 033**	**–**	**42 033**
Property, equipment and vehicles	34 808	–	34 808
Intangible assets	6 350	–	6 350
Interest in subsidiary	–	–	–
Investments in associates	1	–	1
Other investments and loans	662	–	662
Derivative financial instruments	–	–	–
Deferred income tax assets	212	–	212
Current assets	**8 162**	**–**	**8 162**
Inventories	582	–	582
Trade and other receivables	4 815	–	4 815
Current income tax assets	4	–	4
Derivative financial instruments	24	–	24
Other investments and loans	128	–	128
Investment in money market funds	510	–	510
Cash and cash equivalents	2 099	–	2 099
Total assets	**50 195**	**–**	**50 195**
EQUITY			
Capital and reserves			
Share capital and premium	6 131	4 898	11 029
Treasury shares	(269)	–	(269)
Share capital	5 862	4 898	10 760
Retained earnings[6]	4 171	(735)	3 436
Other reserves[6]	83	651	734
Attributable to equity holders of the Company	10 116	4 814	14 930
Non-controlling interests	1 288	–	1 288
Total equity	**11 404**	**4 814**	**16 218**
LIABILITIES			
Non-current liabilities	**32 969**	**(4 814)**	**28 155**
Borrowings	22 864	(4 178)	18 686
Deferred income tax liabilities[6]	5 303	84	5 387
Retirement benefit obligations	823	0	823
Provisions	240	0	240
Derivative financial instruments	3 739	(720)	3 019
Current liabilities	**5 822**	**–**	**5 822**
Trade and other payables	3 460	–	3 460
Borrowings	1 930	–	1 930
Provisions	121	–	121
Derivative financial instruments	0	–	0
Current income tax liabilities	311	–	311
Total liabilities	**38 791**	**(4 814)**	**33 977**
Total equity and liabilities	**50 195**	**–**	**50 195**

Notes and assumptions:

1) The audited financial information has been extracted without adjustment from the audited financial statements of Mediclinic for the year ended 31 March 2012.
2) The *pro forma* adjustments to the statement of financial position have been calculated on the assumption that the proceeds from the Rights Offer were received on 31 March 2012.
3) A Rights Offer price of R28.63 per Share has been used for the *pro forma* adjustments with 174 641 984 new Shares being issued for gross proceeds of R5.0 billion.
4) Estimated once-off expenses of R102.4 million, relating to the Rights Offer, have been taken into account in determining the *pro forma* financial effects.
5) The R4 898 million net proceeds of the Rights Offer are assumed to have been used to partly repay the secured long-term bank loan in the Group's Swiss operations (R4 178 million) and to extinguish the corresponding portion of the interest rate swap (R720 million) (once-off effects).
6) Part settlement of the interest rate swap results in a R651 million decrease in negative hedge reserves and a R84 million increase in deferred tax liabilities, with a resultant R735 million decrease in retained earnings. This is a once-off adjustment.
7) The exchange rate of ZAR8.50/CHF as at 31 March 2012 has been used for the *pro forma* adjustments to the statement of financial position.

UNAUDITED *PRO FORMA* INCOME STATEMENT OF MEDICLINIC

R'millions	Audited 31 March 2012	*Pro forma* adjustments for the Rights Offer	*Pro forma* after the Rights Offer
Revenue	**21 986**	**–**	**21 986**
Cost of sales	(12 314)	–	(12 314)
Administration and other operating expenses	(5 003)	–	(5 003)
EBITDA	4 669	–	4 669
Depreciation and amortisation	(910)	–	(910)
Operating profit	3 759	–	3 759
Other gains and losses[7]	(26)	(503)	(529)
Income from associates	1	–	1
Finance income	85	–	85
Finance costs[6]	(1 642)	284	(1 358)
Profit before tax	2 177	(219)	1 958
Income tax expense[8]	(693)	67	(626)
Profit for the year	**1 484**	**(152)**	**1 332**
Attributable to:			
Equity holders of the Company	1 221	(152)	1 069
Non-controlling interests	263	–	263
	1 484	(152)	**1 332**
Reconciliation of headline earnings			
Profit attributable to shareholders	**1 221**	(152)	**1 069**
Re-measurements for:	**1**	–	**1**
Impairment of property and equipment	**2**	–	**2**
Profit on disposal of property, equipment and vehicles	**(1)**	–	**(1)**
Headline earnings	**1 222**	(152)	**1 070**
Reconciliation of normalised headline earnings			
Headline earnings	**1 222**	**(152)**	**1 070**
Re-measurements for:	**(11)**	436	**425**
Past-service cost	(11)	–	(11)
De-recognition of interest rate swap (net of deferred tax)	–	436	436
Normalised headline earnings[10]	**1 211**	**284**	**1 495**

Notes and assumptions:

1) The audited financial information has been extracted without adjustment from the audited financial statements of Mediclinic for the year ended 31 March 2012.
2) The *pro forma* adjustments to the income statement have been calculated on the assumption that the proceeds from the Rights Offer were received on 1 April 2011.
3) A Rights Offer price of R28.63 per Share has been used for the *pro forma* adjustments with 174 641 984 new Shares being issued for gross proceeds of R5.0 billion.
4) Estimated once-off expenses of R102.4 million, relating to the Rights Offer, have been taken into account in determining the *pro forma* financial effects.
5) The R4 898 million net proceeds of the Rights Offer are assumed to have been used to partially repay the secured long-term bank loan in the Group's Swiss operations (R4 178 million) and to extinguish the corresponding pro rata portion of the interest rate swap (R720 million) (once-off effects).
6) Total interest savings of R284 million are realised upon partial repayment of the long-term bank loan and settlement of the interest rate swap agreement. This is a continuing effect.
7) A R503 million loss is realised upon the partial de-recognition of the interest rate swap. This is a once-off adjustment.
8) Deferred tax liabilities of R67 million are recycled upon the part settlement of the interest rate swap. This is a once-off adjustment.
9) The average exchange rate of ZAR8.45/CHF for the year ended 31 March 2012 has been used for the *pro forma* adjustments to the income statement, except for the adjustments relating to the settlement of the interest rate swap and amortisation of capitalised financing expenses which are assumed to have taken place on 1 April 2011 at an exchange rate of ZAR7.42/CHF at that date.
10) Normalised headline earnings exclude once-off *pro forma* adjustments.

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF MEDICLINIC

The Board of Directors
Mediclinic International Limited
Strand Road
Stellenbosch
7600

23 August 2012

Dear Sirs

Independent reporting accountants' limited assurance report on the unaudited *pro forma* financial information of Mediclinic International Limited ("Mediclinic International" or "the company")

Introduction

Mediclinic International is issuing a circular to its shareholders ("the Circular") regarding a rights issue to the company's shareholders ("the Proposed Transaction").

At your request and for the purposes of the Circular to be dated on or about 17 September 2012, we present our limited assurance report on the unaudited *pro forma* statement of financial position as at 31 March 2012, the unaudited *pro forma* income statement for the twelve months ended 31 March 2012 and financial effects ("the unaudited *pro forma* financial information") of Mediclinic International presented in paragraph 4 and Annexure 3 to the Circular.

The unaudited *pro forma* financial information has been prepared in accordance with the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the Proposed Transaction might have affected the reported historical financial information presented, had the Proposed Transaction been undertaken at the commencement of the period or date of the unaudited *pro forma* statement of financial position being reported on.

Directors' responsibility

The directors of Mediclinic International are responsible for the compilation, contents and presentation of the unaudited *pro forma* financial information contained in the Circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the unaudited *pro forma* financial information contained in the Circular has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Mediclinic International; and the *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the unaudited *pro forma* financial information included in the Circular. We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised): International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Guide on *Pro forma* Financial Information issued by the South African Institute of Chartered Accountants. This standard requires us to obtain sufficient appropriate evidence on which to base our limited assurance conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information of Mediclinic International with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Mediclinic International, considering the evidence supporting the unaudited *pro forma* adjustments and discussing the adjusted unaudited *pro forma* financial information with the directors of Mediclinic International in respect of the Proposed Transaction that is the subject of the Circular.

In arriving at our limited assurance conclusion, we have relied upon financial information prepared by the directors of Mediclinic International and other information from various public, financial and industry sources. While our work performed involved an analysis of the historical financial information and other information provided to us, our limited assurance engagement does not constitute either an audit or review of any of the underlying financial information conducted in accordance with the International Standards on Auditing or the International Standards on Review Engagements and, accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- the unaudited *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of Mediclinic International; and
- the adjustments are not appropriate for the purposes of the unaudited *pro forma* financial information as disclosed pursuant to Sections 8.17 and 8.30 of the JSE Listings Requirements.

Yours faithfully

PricewaterhouseCoopers Inc
Director: NH Döman
Accredited Auditor

Capital Place
15 - 21 Neutron Avenue
Techno Park
Stellenbosch, 7600
(PO Box 57, Stellenbosch, 7599)

TRADING HISTORY OF SHARES ON THE JSE

The trading history of Shares on the JSE is set out below:

Day ended	High (cents)	Low (cents)	Volume traded (thousand)	Value traded (R'million)
16 July 2012	3775	3740	327	12
17 July 2012	3900	3775	175	7
18 July 2012	3932	3821	219	8
19 July 2012	3856	3813	107	4
20 July 2012	3879	3813	96	4
23 July 2012	3900	3785	144	6
24 July 2012	3887	3781	239	9
25 July 2012	3889	3783	151	6
26 July 2012	4000	3878	974	39
27 July 2012	4036	3970	456	18
30 July 2012	4063	3901	283	11
31 July 2012	4014	3876	273	11
01 August 2012	4305	3900	3 058	127
02 August 2012	4494	4204	5 856	253
03 August 2012	4260	4116	789	33
06 August 2012	4325	4152	1 310	55
07 August 2012	4283	4206	558	24
08 August 2012	4311	4224	1 569	67
09 August 2012	4311	4224	1 569	67
10 August 2012	4320	4220	515	22
13 August 2012	4251	4213	822	35
14 August 2012	4301	4225	1 015	43
15 August 2012	4280	4230	316	13
16 August 2012	4256	4222	535	23
17 August 2012	4236	4186	139	6
20 August 2012	4230	4130	209	9
21 August 2012	4233	4167	361	15
22 August 2012	4233	4139	217	9
23 August 2012	4282	4195	827	35
24 August 2012	4250	4201	1 316	55
Month ended				
31 August 2011	3253	2925	8 236	252
30 September 2011	3401	3141	5 711	188
31 October 2011	3571	3295	7 694	268
30 November 2011	3600	3231	7 795	261
31 December 2011	3500	3265	6 813	227
31 January 2012	3555	3275	4 016	138
29 February 2012	3641	3477	5 590	200
31 March 2012	4199	3545	48 890	1 778
30 April 2012	3938	3679	3 318	126
31 May 2012	3942	3632	5 837	221
30 June 2012	3799	3601	3 353	125
31 July 2012	4063	3700	6 904	265
Quarter ended				
30 September 2010	2705	2350	23 333	597
31 December 2010	3100	2609	22 685	641
31 March 2011	3121	2682	21 042	615
30 June 2011	3178	2810	19 785	604
30 September 2011	3401	2925	18 152	573
31 December 2011	3600	3231	22 302	756
31 March 2012	4199	3275	58 496	2 115
30 June 2012	3942	3601	12 507	472

Note: The above information was sourced from I-Net Bridge

HISTORICAL FINANCIAL INFORMATION OF MEDICLINIC

INTRODUCTION

The consolidated financial information of Mediclinic for the three years ended 31 March 2012, 2011 and 2010 is set out below. The annual financial statements of Mediclinic International Limited for the last three financial years have been audited by PricewaterhouseCoopers Inc. An unqualified audit opinion was issued in all three years. The audited financial statements for the three years ended 31 March 2012, 2011 and 2010 will be available for inspection as described in paragraph 13.

The report on this historical financial information is the responsibility of the directors of Mediclinic. No material fact or circumstance has occurred between the latest financial year-end of Mediclinic and the Last Practicable Date.

No adjustments concerning the correction of fundamental errors or application of changes in accounting policies have been made in preparing the report of historical financial information. Non-material adjustments have been made for comparative purposes only. There have been no subsidiaries, foreign subsidiaries included, whose financial reports were not completed according to International Financial Reporting Standards ("IFRS").

The financial year-end of the Group did not change at any time during the last three years.

COMMENTARY ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Salient features

- Strong performance in Southern Africa and an excellent performance in the UAE
- Solid performance by most of the Swiss hospitals offset by challenges in the Bern hospitals
- Normalised headline earnings increased by 12%
- Normalised headline earnings per share increased by 7%
- Strong cash generation
- Final dividend per ordinary share increased to 55.0 cents (2011: 50.0 cents)

Commentary

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

Group financial performance

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

Trading results

Group revenue increased by 18% to R21 986m (2011: R18 625m) for the year under review. Normalised operating income before interest, tax, depreciation and amortisation ("normalised EBITDA") was 14% higher at R4 659m (2011: R4 103m). Normalised headline earnings rose by 12% to R1 211m (2011: R1 082m). Normalised headline earnings per ordinary share increased by 7% to 193.0 cents (2011: 179.6 cents).

These results were achieved despite the continuing tough global economic conditions. The lower normalised headline earnings per share growth of 7% compared to the normalised headline earnings growth of 12% was due to the increased weighted average number of ordinary shares in issue which resulted from the rights offer during the previous reporting period.

The average rand/Swiss franc (CHF) exchange rate was R8.45 compared to R7.11 for the comparative period, which had a positive effect on the reported results, as detailed under Hirslanden's financial performance section.

Finance cost

Included in the finance cost is an amount of R81m (2011: R78m), which is the current period's amortisation in respect of raising fees paid on the Group's local and offshore debt. These amounts are amortised over the terms of the relevant loans in line with future cash payments as prescribed in IAS 39 Financial Instruments.

Cash flow

The Group's cash flow continued to be strong. The Group converted 92% (2011: 102%) of normalised EBITDA into cash generated from operations. Cash and cash equivalents increased from R1 567m at 31 March 2011 to R2 099m at year end.

Interest-bearing borrowings

Interest-bearing borrowings ("debt") increased from R22 248m at 31 March 2011 to R24 794m at year end, mainly as a result of the change in the closing rand/CHF exchange rate. The closing rand/CHF exchange rate moved from R7.42 at 31 March 2011 to R8.50 at year end. It is important to note that the foreign debt of the Group's Swiss and Middle Eastern operations, amounting to R21 162m, is matched with foreign assets in the same currencies. The foreign debt also has no recourse to the Southern African operations' assets, as stipulated by the South African Reserve Bank as well as applicable financing arrangements.

Assets

Property, equipment and vehicles increased from R30 409m at 31 March 2011 to R34 808m at year end and intangible assets increased from R5 565m at 31 March 2011 to R6 350m at year end. These increases are mainly a result of the change in the closing rand/CHF exchange rate, as mentioned above.

Dividend

As indicated previously, the Group is moving towards a targeted dividend cover of three times based on Group headline earnings over time. The final dividend per share is 55.0 cents (2011: 50.0 cents). The total dividend per share for the period under review is 78.0 cents (2011: 73.0 cents).

STATEMENTS OF FINANCIAL POSITION

COMPANY 2010 R'm	COMPANY 2011 R'm	COMPANY **2012 R'm**		Notes	GROUP **2012 R'm**	GROUP 2011 R'm	GROUP 2010 R'm
			ASSETS				
4 940	6 279	**6 273**	**Non-current assets**		**42 033**	36 929	33 535
–	–	**–**	Property, equipment and vehicles	5	**34 808**	30 409	28 046
–	–	**–**	Intangible assets	6	**6 350**	5 565	5 243
4 939	6 278	**6 273**	Interest in subsidiary	7	**–**	–	–
–	–	**–**	Investments in associates	8	**1**	4	11
–	–	**–**	Other investments and loans	10	**662**	708	15
–	–	**–**	Derivative financial instruments	22	**–**	33	–
1	1	**–**	Deferred income tax assets	11	**212**	210	220
–	–	**–**	**Current assets**		**8 162**	6 608	4 829
–	–	**–**	Inventories	12	**582**	522	481
–	–	**–**	Trade and other receivables	13	**4 815**	3 796	3 211
–	–	**–**	Current income tax assets		**4**	–	17
–	–	**–**	Derivative financial instruments	22	**24**	–	–
–	–	**–**	Other investments and loans	10	**128**	–	–
–	–	**–**	Investment in money market funds	14	**510**	723	–
–	–	**–**	Cash and cash equivalents		**2 099**	1 567	1 120
4 940	6 279	**6 273**	**Total assets**		**50 195**	43 537	38 364
			EQUITY				
			Capital and reserves				
59	65	**65**	Ordinary shares		**65**	65	59
4 741	6 066	**6 066**	Share premium		**6 066**	6 066	4 741
–	–	**–**	Treasury shares		**(269)**	(288)	(311)
4 800	6 131	**6 131**	Share capital	15	**5 862**	5 843	4 489
17	19	**7**	Retained earnings	16	**4 171**	3 786	3 080
123	129	**135**	Other reserves	17	**83**	(140)	(919)
4 940	6 279	**6 273**	**Attributable to equity holders of the Company**		**10 116**	9 489	6 650
–	–	**–**	**Non-controlling interests**	18	**1 288**	1 071	966
4 940	6 279	**6 273**	**Total equity**		**11 404**	10 560	7 616
			LIABILITIES				
–	–	**–**	**Non-current liabilities**		**32 969**	27 922	27 898
–	–	**–**	Borrowings	19	**22 864**	20 414	20 667
–	–	**–**	Deferred income tax liabilities	11	**5 303**	4 773	4 399
–	–	**–**	Retirement benefit obligations	20	**823**	383	346
–	–	**–**	Provisions	21	**240**	182	155
–	–	**–**	Derivative financial instruments	22	**3 739**	2 170	2 331
–	–	**–**	**Current liabilities**		**5 822**	5 055	2 850
–	–	**–**	Trade and other payables	23	**3 460**	2 938	2 367
–	–	**–**	Borrowings	19	**1 930**	1 834	398
–	–	**–**	Provisions	21	**121**	89	30
–	–	**–**	Derivative financial instruments	22	**–**	48	–
–	–	**–**	Current income tax liabilities		**311**	146	55
–	–	**–**	**Total liabilities**		**38 791**	32 977	30 748
4 940	6 279	**6 273**	**Total equity and liabilities**		**50 195**	43 537	38 364

INCOME STATEMENTS

COMPANY					GROUP		
2010 R'm	2011 R'm	**2012 R'm**		Notes	**2012 R'm**	2011 R'm	2010 R'm
445	486	**507**	**Revenue**		**21 986**	18 625	17 141
–	–	**–**	Cost of sales		**(12 314)**	(10 327)	(9 573)
–	–	**(5)**	Administration and other operating expenses	24	**(5 003)**	(4 112)	(3 735)
445	486	**502**	**Operating profit before depreciation (EBITDA)**		**4 669**	4 186	3 833
			Depreciation and amortisation		**(910)**	(738)	(718)
445	486	**502**	**Operating profit**		**3 759**	3 448	3 115
–	–	**–**	Other gains and losses	25	**(26)**	13	28
–	–	**–**	Income from associates		**1**	4	7
–	–	**–**	Finance income		**85**	61	41
–	–	**–**	Finance cost	27	**(1 642)**	(1 491)	(1 524)
445	486	**502**	**Profit before tax**		**2 177**	2 035	1 667
(39)	(37)	**(38)**	Income tax expense	28	**(693)**	(654)	(481)
406	449	**464**	**Profit for the year**		**1 484**	1 381	1 186
			Attributable to:				
			Equity holders of the Company		**1 221**	1 177	1 058
			Non-controlling interests		**263**	204	128
					1 484	1 381	1 186
			Earnings per ordinary share attributable to the equity holders of the Company – cents				
			Basic	29	**194.7**	195.3	186.1
			Diluted	29	**187.3**	186.9	176.8

STATEMENTS OF COMPREHENSIVE INCOME

COMPANY					GROUP		
2010 R'm	2011 R'm	**2012 R'm**		Notes	**2012 R'm**	2011 R'm	2010 R'm
406	449	**464**	**Profit for the year**		**1 484**	1 381	1 186
			Other comprehensive income				
–	–	**–**	Currency translation differences	17 & 18	**1 405**	488	(1 401)
–	–	**–**	Fair value adjustment – cash flow hedges	17	**(1 126)**	246	(183)
–	–	**–**	Actuarial gains and losses	16	**(403)**	(73)	331
–	–	**–**	**Other comprehensive income/(loss), net of tax**	30	**(124)**	661	(1 253)
406	449	**464**	**Total comprehensive income for the year**		**1 360**	2 042	(67)
			Attributable to:				
			Equity holders of the Company		**1 035**	1 877	(88)
			Non-controlling interests		**325**	165	21
					1 360	2 042	(67)

STATEMENTS OF CASH FLOWS

COMPANY					GROUP		
2010 R'm Inflow/ (outflow)	2011 R'm Inflow/ (outflow)	**2012 R'm Inflow/ (outflow)**		Notes	**2012 R'm Inflow/ (outflow)**	2011 R'm Inflow/ (outflow)	2010 R'm Inflow/ (outflow)
			CASH FLOW FROM OPERATING ACTIVITIES				
–	–	**–**	Cash received from customers		**21 704**	18 352	17 048
–	–	**(5)**	Cash paid to suppliers and employees		**(17 438)**	(14 173)	(13 248)
–	–	**(5)**	Cash generated from operations	31.1	**4 266**	4 179	3 800
445	486	**507**	Dividends received		**–**	–	–
–	–	**–**	Interest received		**51**	45	40
–	–	**–**	Interest paid	31.2	**(1 576)**	(1 413)	(1 436)
(39)	(39)	**(38)**	Tax paid	31.3	**(525)**	(495)	(444)
406	447	**464**	Net cash generated from operating activities		**2 216**	2 316	1 960
9	(1 331)	**12**	**CASH FLOW FROM INVESTMENT ACTIVITIES**		**(1 055)**	(2 563)	(1 271)
–	–	**–**	Investment to maintain operations	31.4	**(731)**	(645)	(654)
–	–	**–**	Investment to expand operations	31.5	**(742)**	(778)	(649)
–	–	**–**	Proceeds on disposal of property, equipment and vehicles	31.6	**23**	24	25
–	–	**–**	Insurance proceeds		**27**	57	–
9	(1 331)	**12**	Proceeds from other investments and loans		**5**	120	7
–	–	**–**	Proceeds from derivative financial instrument		**24**	–	–
–	–	**–**	Proceeds from FVTPL financial assets		**134**	–	–
–	–	**–**	Purchases of FVTPL financial assets		**(144)**	(688)	–
–	–	**–**	Proceeds from money market funds		**823**		–
–	–	**–**	Purchases of money market funds		**(507)**	(672)	–
–	–	**–**	Interest received		**33**	19	–
415	(884)	**476**	Net cash generated/(utilised) before financing activities		**1 161**	(247)	689
(415)	884	**(476)**	**CASH FLOW FROM FINANCING ACTIVITIES**		**(735)**	688	(542)
	1 364	**–**	Proceeds of shares issued		**–**	1 364	–
	(33)	**–**	Share issue costs		**–**	(33)	–
–	–	**–**	Distributions to non-controlling interests	18	**(111)**	(59)	(55)
(415)	(447)	**(476)**	Distributions to shareholders	31.7	**(436)**	(398)	(374)
–	–	**–**	Repayments of borrowings		**(214)**	(208)	(155)
–	–	**–**	Contributions by non-controlling interests		**7**	–	27
–	–	**–**	Acquisition of non-controlling interest		**–**	(1)	–
–	–	**–**	Treasury shares purchased		**(9)**	–	–
–	–	**–**	Proceeds from disposal of treasury shares		**28**	23	15
–	–	**–**	Net increase in cash, cash equivalents and bank overdrafts		**426**	441	147
–	–	**–**	Opening balance of cash, cash equivalents and bank overdrafts		**1 447**	967	941
–	–	**–**	Exchange rate fluctuations on foreign cash		**108**	39	(121)
–	–	**–**	Closing balance of cash, cash equivalents and bank overdrafts	31.8	**1 981**	1 447	967

STATEMENTS OF CHANGES IN EQUITY

GROUP

	Share capital (note 15) R'm	Share premium (note 15) R'm	Treasury shares (note 15) R'm	Share-based payment reserve (note 17) R'm	Foreign currency translation reserve (note 17) R'm	Hedging reserve (note 17) R'm	Retained earnings (note 16) R'm	Shareholders' equity R'm	Non-controlling interests (note 18) R'm	Total equity R'm
Balance at 31 March 2009	59	4 741	(326)	116	2 595	(2 160)	2 066	7 091	898	7 989
Utilised by the Mpilo Trusts	–	–	4	–	–	–	–	4	–	4
Utilised for share option scheme	–	–	11	–	–	–	–	11	–	11
Share-based payment expense	–	–	–	7	–	–	–	7	–	7
Change in shareholding of subsidiaries	–	–	–	–	–	–	(1)	(1)	102	101
Total comprehensive income/(loss) for the year	–	–	–	–	(1 294)	(183)	1 389	(88)	21	(67)
Dividends paid	–	–	–	–	–	–	(374)	(374)	(55)	(429)
Balance at 31 March 2010	59	4 741	(311)	123	1 301	(2 343)	3 080	6 650	966	7 616
Shares issued	6	1 358	–	–	–	–	–	1 364	–	1 364
Share issue costs	–	(33)	–	–	–	–	–	(33)	–	(33)
Utilised by the Mpilo Trusts	–	–	6	–	–	–	–	6	–	6
Utilised for share option scheme	–	–	17	–	–	–	–	17	–	17
Share-based payment expense	–	–	–	6	–	–	–	6	–	6
Change in shareholding of subsidiaries	–	–	–	–	–	–	–	–	(1)	(1)
Total comprehensive income/(loss) for the year	–	–	–	–	527	246	1 104	1 877	165	2 042
Dividends paid	–	–	–	–	–	–	(398)	(398)	(59)	(457)
Balance at 31 March 2011	**65**	**6 066**	**(288)**	**129**	**1 828**	**(2 097)**	**3 786**	**9 489**	**1 071**	**10 560**
Shares issued	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Share issue costs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Utilised by the Mpilo Trusts	**–**	**–**	**7**	**–**	**–**	**–**	**–**	**7**	**–**	**7**
Utilised for employee incentive schemes	**–**	**–**	**21**	**–**	**–**	**–**	**–**	**21**	**–**	**21**
Treasury shares purchased	**–**	**–**	**(9)**	**–**	**–**	**–**	**–**	**(9)**	**–**	**(9)**
Share-based payment expense	**–**	**–**	**–**	**6**	**–**	**–**	**–**	**6**	**–**	**6**
Change in shareholding of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3**	**3**
Transactions with non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**3**	**3**	**–**	**3**
Total comprehensive income/(loss) for the year	**–**	**–**	**–**	**–**	**1 343**	**(1 126)**	**818**	**1 035**	**325**	**1 360**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**(436)**	**(436)**	**(111)**	**(547)**
Balance at 31 March 2012	**65**	**6 066**	**(269)**	**135**	**3 171**	**(3 223)**	**4 171**	**10 116**	**1 288**	**11 404**

COMPANY

	Share capital (note 15) R'm	Share premium (note 15) R'm	Treasury shares (note 15) R'm	Share-based payment reserve (note 17) R'm	Foreign currency translation reserve (note 17) R'm	Hedging reserve (note 17) R'm	Retained earnings (note 16) R'm	Shareholders' equity R'm	Non-controlling interests (note 18) R'm	Total equity R'm
Balance at 31 March 2009	59	4 741	–	116	–	–	26	4 942	–	4 942
Share-based payment expense	–	–	–	7	–	–	–	7	–	7
Total comprehensive income for the year	–	–	–	–	–	–	406	406	–	406
Dividends paid	–	–	–	–	–	–	(415)	(415)	–	(415)
Balance at 31 March 2010	59	4 741	–	123	–	–	17	4 940	–	4 940
Shares issued	6	1 358	–	–	–	–	–	1 364	–	1 364
Share issue costs	–	(33)	–	–	–	–	–	(33)	–	(33)
Share-based payment expense	–	–	–	6	–	–	–	6	–	6
Total comprehensive income for the year	–	–	–	–	–	–	449	449	–	449
Dividends paid	–	–	–	–	–	–	(447)	(447)	–	(447)
Balance at 31 March 2011	**65**	**6 066**	**–**	**129**	**–**	**–**	**19**	**6 279**	**–**	**6 279**
Shares issued	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0**	**–**	**–**
Share issue costs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0**	**–**	**–**
Share-based payment expense	**–**	**–**	**–**	**6**	**–**	**–**	**–**	**6**	**–**	**6**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**464**	**464**	**–**	**464**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**(476)**	**(476)**	**–**	**(476)**
Balance at 31 March 2012	**65**	**6 066**	**–**	**135**	**–**	**–**	**7**	**6 273**	**–**	**6 273**

ACCOUNTING POLICIES OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2012

1. GENERAL INFORMATION

Mediclinic International Limited ("the Company") and its subsidiaries ("the Group") operate multi-disciplinary private hospitals. The main business of the Group is to enhance the quality of life of patients by providing comprehensive, high-quality hospital services on a cost-effective basis.

The Company is a limited liability company incorporated and domiciled in South Africa. The address of its registered offices is: Mediclinic Offices, Strand Road, Stellenbosch 7600.

The Company is listed on the JSE Limited. These annual financial statements have been approved for issue by the Board of Directors on 22 May 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS), the requirements of The South African Companies Act, as amended, and the Listings Requirements of the JSE Limited. The financial statements are prepared on the historical cost convention, as modified by the revaluation of certain financial instruments to fair value.

2.2. Consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are no longer consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair values of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes any direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b) Transactions and non-controlling interests

The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

c) *Joint ventures*

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. The Group combines its share of the joint venture's individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

d) *Associates*

Companies and other entities in which the Group has an interest and over which the Group has the ability to exercise significant influence, but not control, are treated as associates on the equity method and are initially recognised at cost. According to the equity method, the share of post-acquisition reserves and retained income is included in the carrying value.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Associates' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3. Segmental reporting

Consistent with internal reporting, the Group's segments are identified as Hospital Services and Hospital Properties at the three platforms in Southern Africa, Switzerland and the Middle East. The reportable segments are distinguished by the type of service provided at the different geographical locations. The type of service is as follows:

i) Hospital Services: Operate multi-disciplinary private hospitals.
ii) Hospital Properties: Rent hospitals to Hospital Services.

2.4. Property, equipment and vehicles

Land and buildings comprise mainly hospitals and offices. All property, equipment and vehicles are shown at cost less subsequent depreciation and impairment, except for land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on the other assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as follows:

– Buildings:	50–100 years
– Leasehold improvements:	10 years
– Equipment:	3–10 years
– Furniture and vehicles:	3–8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

For a private hospital it is fundamentally important that the earnings potential of a building is placed on a permanent basis. The Group therefore follows a structured maintenance programme with regards to hospital buildings with the specific goal to prolong the useful lifetime of these buildings.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Profit or loss on disposals is determined by comparing proceeds with carrying amounts. These are included in the income statement.

2.5. Intangible assets

a) Trade names

Trade names that are deemed to have an indefinite useful life are carried at cost less accumulated impairment losses. Trade names that are deemed to have a finite useful life are capitalised at the cost to the Group and amortised on the straight-line basis over its estimated useful lifetime. No value is placed on internally developed trade names. Expenditure to maintain trade names is accounted for against income as incurred.

b) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from business combinations in which goodwill arose. CGUs have been defined as certain hospital groupings within the Group.

c) Computer software

Acquired computer software licences and internally developed software programmes are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (1–5 years). Costs associated with maintaining computer software programmes or development expenditure that does not meet the recognition criteria are recognised as an expense as incurred.

2.6. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.7. Financial assets

The Group classifies its financial assets in the following categories: loans and receivables, available-for-sale financial assets and financial assets at fair value through profit and loss. The classification depends on the purpose for which the asset was acquired. Management determines the classification of its investments at initial recognition.

Purchases and sales of investments are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not subsequently carried at fair value through profit or loss.

Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included in current assets, except for maturities greater than 12 months after the statement of financial position date, which are classified as non-current assets. Loans and receivables are carried at amortised cost using the effective interest rate method.

Investments available-for-sale

Other long-term investments are classified as available-for-sale and are included within non-current assets unless management intends to dispose of the investment within twelve months of the statement of financial position date. These investments are carried at fair value. Unrealised gains and losses arising from changes in the fair value of available-for-sale investments are recognised in other comprehensive income in the period in which they arise. When available-for-sale investments are either sold or impaired, the accumulated fair value adjustments are realised and included in profit or loss.

Financial assets at fair value through profit and loss

These instruments, consisting of financial instruments held-for-trading and those designated at fair value through profit and loss at inception, are carried at fair value. Derivatives are also classified as held-for-trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these financial instruments are recognised in the income statement in the period in which they arise.

Impairment

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the investments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement.

Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.8. Inventories

Inventories are valued at the lower of cost, determined on the first-in, first-out method, or net realisable value. The valuation excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.9. Trade and other receivables

Trade and other receivables are recognised at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the provision is recognised in the income statement.

2.10. Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and cash on hand and are classified as loans and receivables. Bank overdrafts are classified as financial liabilities at amortised cost and are disclosed as part of borrowings in current liabilities in the statement of financial position.

2.11. Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction is designated as a cash flow hedge.

The Group documents, at inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 22. The hedging reserve in shareholders' equity is shown in note 17. On the statement of financial position hedging derivatives are not classified based on whether the amount is expected to be recovered or settled within, or after, 12 months. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedge relationship is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedge relationship is less than 12 months.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that is designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within finance cost. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in the income statement within sales. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in case of inventory, or in depreciation in case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

2.12. Share capital

Ordinary shares are classified as equity. Shares in the Company held by wholly owned group companies are classified as treasury shares and are held at cost.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

The difference between the fair value of the equity instruments issued in a BEE transaction and the fair value of the cash and other assets received is recognised as an expense on grant date, with a corresponding increase in equity.

2.13. Treasury shares

Treasury shares are deducted from equity. No gains or losses are recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. All consideration paid or received for treasury shares is recognised directly in equity.

2.14. Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.15. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Borrowing costs are expensed when incurred, except for borrowing costs directly attributable to the construction or acquisition of qualifying assets. Borrowing cost directly attributable to the construction or acquisition of qualifying assets is added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

2.16. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2.17. Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18. Employee benefits

a) Retirement benefit costs

The Group provides defined benefit and defined contribution plans for the benefit of employees, the assets of which are held in separate trustee administered funds. These plans are funded by payments from the employees and the Group, taking into account recommendations of independent qualified actuaries.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to make further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

Defined benefit plans

A defined benefit plan is a plan that is not a defined contribution plan. This plan defines an amount of pension benefit an employee will receive on retirement, dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets. The defined benefit obligation is calculated at least every three years by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Current service costs are recognised immediately in income.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

b) *Post-retirement medical benefits*

Some group companies provide for post-retirement medical contributions in relation to current and retired employees. The expected costs of these benefits are accounted for by using the projected unit credit method. Under this method, the expected costs of these benefits are accumulated over the service lives of the employees. Valuation of these obligations is carried out by independent qualified actuaries. All actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

c) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

d) *Profit-sharing and bonus plans*

The Group recognises an obligation where contractually obliged or where there is a past practice that has created a constructive obligation.

2.19. Revenue recognition

Revenue comprises hospital fees and is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of discounts and value added tax.

Other revenues earned are recognised on the following bases:

a) Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

b) Dividend income

When the shareholders' right to receive payment is established.

c) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

2.20. Cost of sales

Cost of sales consist of the cost of inventories, including obsolete stock, which have been expensed during the year, together with personnel costs and related overheads which are directly attributable to the provision of services.

2.21. Leased assets

Leases of property, equipment and vehicles where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest-bearing borrowings. The interest element of the finance charges is charged to the income statement over the lease period. The property, equipment and vehicles acquired under finance leasing contracts are depreciated over the useful lives of the assets or the term of the lease agreement if shorter and transfer of ownership at the end of the lease period is uncertain.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.22. Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's Board.

2.23. Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which it operates (the functional currency). The consolidated financial statements are prepared in South African rand which is the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are translated to the functional currency at the rates of exchange ruling on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Group entities

The results and financial position of all foreign operations that have a functional currency that is different from the Group's presentation currency are translated into the presentation currency as follows:

– Assets and liabilities are translated at the closing rate at the reporting date.

– Income and expenses for each income statement are translated at average exchange rates for the year.

– All resulting exchange differences are recognised in other comprehensive income.

On consolidation exchange differences arising from the translation of the net investment in foreign operations are taken directly to other comprehensive income. Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and translated at closing rates at statement of financial position date.

3. FINANCIAL RISK MANAGEMENT

3.1. Financial risk factors

Normal business activities of a company exposes it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

a) Market risk

i) Currency risk

Investments in foreign operations

The Group has investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies. Changes in the rand/Swiss franc and rand/UAE dirham exchange rate over a period of time will result in increased/decreased earnings.

The impact of a 10% change in the rand/Swiss franc and the rand/UAE dirham exchange rates for a sustained period of one year is:

- profit for the year would increase/decrease by R31m (2011: increase/decrease by R34m) due to exposure to the rand/Swiss franc exchange rate;

- profit for the year would increase/decrease by R22m (2011: increase/decrease by R12m) due to exposure to the rand/UAE dirham exchange rate.

The following exchange rates were applicable during the year:

Average SA rand/Swiss franc exchange rate : CHF1 = R8.45 (2011:CHF1 = R7.11)
Closing SA rand/Swiss franc exchange rate : CHF1 = R8.50 (2011: CHF1 = R7.42)
Average SA rand/UAE dirham exchange rate : AED1 = R2.03 (2011: AED1 = R1.96)
Closing SA rand/UAE dirham exchange rate : AED1 = R2.09 (2011: AED1 = R1.85)

Investments in investment grade bonds

The Group has investments in US dollar and Euro-denominated investment grade bonds. The investments are earmarked to finance growth opportunities at the Swiss business, and therefore the Group is exposed to currency risk. The Group limits its currency exposure by applying a policy to hedge 100% of the US dollar and Euro-denominated investment grade bonds to the Swiss franc by taking out forward contracts.

ii) Interest rate risk

The Group's interest rate risk arises from long-term borrowings as well as the investments in bonds and short-term deposits. Investment grade bonds consist mainly of interest-bearing liquid investments, and although they are measured at fair value, these movements are mainly because of changes in market interest rates; refer to note 10 for further details. Borrowings and short-term deposits issued at variable rates expose the Group to cash flow interest rate risk. Investments in bonds and interest rate derivatives expose the Group to fair value interest rate risk. Group policy is to maintain an appropriate mix between fixed and floating rate borrowings and placings.

The Group manages its interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

In respect of financial assets, interest rate risk is managed by using approved counterparties that offer the best rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the statement of financial position date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's profit for the year would increase/decrease by R54m (2011: increase/decrease by R45m). This is mainly attributable to the Group's exposure to interest rates on its unhedged variable rate borrowings and cash.

Refer to note 10 for interest rate sensitivity of the bonds.

iii) Other price risk

The Group is not materially exposed to commodity price risk.

b) Credit risk

Financial assets which potentially subject the Group to concentrations of credit risk consist principally of cash, short-term deposits, money market funds, bonds and trade and other receivables. The Group's cash equivalents, short-term deposits, money market funds and bonds are placed with quality financial institutions with a high credit rating. Trade receivables are represented net of the allowance for doubtful receivables. Credit risk with respect to trade receivables is limited due to the large number of customers comprising the Group's customer base, which consists mainly of medical schemes and insurance companies. The financial condition of these clients in relation to their credit standing is evaluated on an ongoing basis. Medical schemes and insurance companies are forced to maintain minimum reserve levels. The policy for patients that do not have a medical scheme or an insurance company paying for the Group's service, is to require a preliminary payment instead. The Group does not have any significant exposure to any individual customer or counterparty.

The Group is exposed to credit-related losses in the event of non-performance by counterparties to hedging instruments. The counterparties to these contracts are major financial institutions. The Group monitors its positions and limits the extent to which it enters into contracts with any one party.

The carrying amounts of financial assets included in the statement of financial position represents the Group's maximum exposure to credit risk in relation to these assets. At 31 March 2012 and 31 March 2011, the Group did not consider there to be a significant concentration of credit risk.

c) *Liquidity risk*

The Group manages liquidity risk by monitoring cash flow forecasts to ensure that it has sufficient cash to meet operational needs, while maintaining sufficient headroom on its undrawn borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

	2012 R'm	2011 R'm	2010 R'm
The Group's unused overdraft facilities are:	**1 134**	1 073	860

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the required date of repayment. The table includes both interest and principal cash flows.

Financial liabilities	**Contractual cash flows R'm**	**0 – 12 months R'm**	**1 – 5 years R'm**	**Beyond 5 years R'm**
31 March 2012				
Interest-bearing borrowings*	**28 371**	**3 312**	**25 013**	**46**
Trade payables	**1 736**	**1 736**	**–**	**–**
Other payables and accrued expenses	**1 112**	**1 112**	**–**	**–**
31 March 2011				
Interest-bearing borrowings*	26 362	3 141	23 093	128
Trade payables	1 678	1 678	–	–
Other payables and accrued expenses	745	745	–	–
Bank overdrafts	–	–	–	–
31 March 2010				
Interest-bearing borrowings*	28 698	1 967	26 537	194
Trade payables	1 287	1 287	–	–
Other payables and accrued expenses	658	658	–	–

* The Group uses floating-to-fixed interest rate swaps to hedge against interest rate movements which have the economic effect of converting the interest-bearing borrowings to fixed interest rate borrowings. The cash flows for the interest-bearing borrowings and the interest rate swaps have been aggregated. This is consistent with the way the Group monitors the cash flows.

3.2. Fair value of financial instruments

The fair value of financial assets and liabilities are determined as follows:

Cash and cash equivalents, trade and other receivables and money market funds: The carrying amounts reported in the statement of financial position approximate fair values because of the short-term maturities of these amounts.

Borrowings and trade and other payables: The carrying amounts reported in the statement of financial position approximate fair values determined on the basis of a discounted cash flow methodology.

Financial assets at fair value through profit and loss: The fair value of the bonds are derived from quoted prices in active markets for identical assets.

Derivative financial instruments: Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

3.3. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 19, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, retained earnings and other reserves and non-controlling interest as disclosed in notes 15, 16, 17 and 18 respectively. The Group's Audit and Risk Committee reviews the going concern status and capital structure of the Group annually. The Group balances its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt. The debt-to-adjusted capital ratios at 31 March 2012 and 31 March 2011 were as follows:

	2012 **R'm**	2011 R'm	2010 R'm
Borrowings	**24 794**	22 248	21 065
Less: cash and cash equivalents	**(2 099)**	(1 567)	(1 120)
Net debt	**22 695**	20 681	19 945
Total equity	**11 404**	10 560	7 616
Add back: amounts accumulated in equity relating to cash flow hedges	**3 223**	2 097	2 343
Add back: amounts accumulated in equity relating to Swiss pension benefits	**734**	321	235
Adjusted capital	**15 361**	12 978	10 194
Debt-to-adjusted capital ratio	**1.5**	1.6	2.0

The debt-to-adjusted capital ratio improved marginally.

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Estimated impairment of goodwill and intangible asset

The Group tests annually whether goodwill and the intangible asset with an indefinite useful life have suffered any impairment, in accordance with the accounting policy stated in note 2.6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. The estimated figures assume a stable regulatory and tariff environment. Since 1 January 2012, a new financing and tariff system for mandatory basic insured patients in Switzerland was implemented. Although the new system is operational, there are still a number of areas that are not concluded and still uncertain, namely:

- DRG pricing finalisation for the base rates;
- Hospital lists in some cantons not finalised, under debate or legally challenged;
- Restrictions in cantonal legislation could impact the business;
- Highly specialised medicine developments can impact the future medical mix; and
- Cantons subsidising public hospitals.

These uncertainties can have an impact on the recoverability of the goodwill and intangible asset's recoverable amount. Also refer to the sensitivity analysis in respect of the discount rate and the growth rate in note 6.

b) Income taxes

The Group is subject to income taxes in South Africa, Namibia and Switzerland. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Swiss tax authorities recently expressed a view on the pricing of certain intercompany transactions within the Swiss group which may lead to additional income tax payments. The Group assessed the probability for additional tax liabilities as low, subsequently an additional contingent liability was not recognised.

c) Retirement benefits

The cost of defined benefit pension plans and post-retirement medical benefit liability obligations are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 20.

d) Share-based compensation to employees

The Group uses valuation models to calculate the IFRS 2 expense for share-based compensation to employees. These models require a number of assumptions to be made as inputs. These include financial assumptions as well as various assumptions around individual employee behaviour.

e) Indefinite life trade names

The estimation of the indefinite useful life of the Swiss trade names is based on the expectation that there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the Group. This expectation requires a significant degree of management judgement.

f) Property, equipment and vehicles

The estimation of the useful lives of property, equipment and vehicles is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. These depreciation rates represent management's current best estimate of the useful lives and residual values of the assets.

5. PROPERTY, EQUIPMENT AND VEHICLES

	2012 R'm	2011 R'm	2010 R'm
Land – cost	**9 365**	8 294	7 712
Buildings	**21 694**	19 039	17 508
Cost	**22 588**	19 652	17 930
Accumulated depreciation	**(894)**	(613)	(422)
Land and buildings	**31 059**	27 333	25 220
Equipment	**2 176**	1 949	1 725
Cost	**4 782**	3 988	3 489
Accumulated depreciation	**(2 606)**	(2 039)	(1 764)
Furniture and vehicles	**473**	452	412
Cost	**1 280**	1 049	899
Accumulated depreciation	**(807)**	(597)	(487)
Subtotal	**33 708**	29 734	27 357
Capital expenditure in progress	**1 100**	675	689
	34 808	30 409	28 046

	Land and buildings R'm	Equipment R'm	Furniture and vehicles R'm	Total R'm
At 1 April 2009				
Cost	29 830	3 282	810	33 922
Accumulated depreciation	(323)	(1 496)	(382)	(2 201)
Net book value	29 507	1 786	428	31 721
Year ended 31 March 2010				
Net opening book value	29 507	1 786	428	31 721
Capital expenditure	470	517	173	1 160
Prior year capital expenditure completed	96	38	–	134
Exchange differences	(4 678)	(196)	(54)	(4 928)
Disposals	(7)	(17)	(1)	(25)
Impairments				–
Depreciation per income statement	(168)	(403)	(134)	(705)
Net closing book value	25 220	1 725	412	27 357
At 31 March 2010				
Cost	25 642	3 489	899	30 030
Accumulated depreciation	(422)	(1 764)	(487)	(2 673)
Net book value	25 220	1 725	412	27 357
Year ended 31 March 2011				
Net opening book value	25 220	1 725	412	27 357
Capital expenditure	318	542	158	1 018
Prior year capital expenditure completed	197	–	(3)	194
Exchange differences	1 531	43	18	1 592
Disposals	(5)	(13)	(5)	(23)
Business acquisitions	245	81	23	349
Impairment losses	(18)	(9)	–	(27)
Depreciation per income statement	(155)	(420)	(151)	(726)
Net closing book value	27 333	1 949	452	29 734
At 31 March 2011				
Cost	27 946	3 988	1 049	32 983
Accumulated depreciation	(613)	(2 039)	(597)	(3 249)
Net book value	27 333	1 949	452	29 734
Year ended 31 March 2012				
Net opening book value	**27 333**	**1 949**	**452**	**29 734**
Capital expenditure	**303**	**580**	**170**	**1 053**
Exchange differences	**3 639**	**169**	**24**	**3 832**
Disposals	**(17)**	**(2)**	**(2)**	**(21)**
Depreciation per income statement	**(199)**	**(520)**	**(171)**	**(890)**
Net closing book value	**31 059**	**2 176**	**473**	**33 708**
At 31 March 2012				
Cost	**31 953**	**4 782**	**1 280**	**38 015**
Accumulated depreciation	**(894)**	**(2 606)**	**(807)**	**(4 307)**
Net book value	**31 059**	**2 176**	**473**	**33 708**

Property, equipment and vehicles with a book value of R32 856m (2011: R27 745m) are encumbered as security for borrowings (see note 19).

The register containing details of land and buildings is available for inspection by members or their proxies at the registered office of the Company.

6. INTANGIBLE ASSETS

	Software and IT Projects R'm	Trade names R'm	Goodwill R'm	Total R'm
At 1 April 2009				
Cost	49	3 334	2 943	6 326
Accumulated amortisation and impairment	(17)	(13)	(3)	(33)
Net book value	32	3 321	2 940	6 293
Year ended 31 March 2010				
Net opening book value	32	3 321	2 940	6 293
Amortisation charge	(13)	–	–	(13)
Additions	18	–	2	20
Exchange differences	(5)	(555)	(497)	(1 057)
Net closing book value	32	2 766	2 445	5 243
At 31 March 2010				
Cost	58	2 779	2 448	5 285
Accumulated amortisation and impairment	(26)	(13)	(3)	(42)
Net book value	32	2 766	2 445	5 243
Year ended 31 March 2011				
Net opening book value	32	2 766	2 445	5 243
Amortisation charge	(12)	–	–	(12)
Additions	28	–	–	28
Exchange differences	3	196	107	306
Net closing book value	51	2 962	2 552	5 565
At 31 March 2011				
Cost	91	2 975	2 555	5 621
Accumulated amortisation and impairment	(40)	(13)	(3)	(56)
Net book value	51	2 962	2 552	5 565
Year ended 31 March 2012				
Net opening book value	**51**	**2 962**	**2 552**	**5 565**
Amortisation charge	**(19)**	**(1)**	**–**	**(20)**
Additions	**20**	**–**	**–**	**20**
Exchange differences	**6**	**432**	**347**	**785**
Net closing book value	**58**	**3 393**	**2 899**	**6 350**
At 31 March 2012				
Cost	**124**	**3 407**	**2 902**	**6 433**
Accumulated amortisation and impairment	**(66)**	**(14)**	**(3)**	**(83)**
Net book value	**58**	**3 393**	**2 899**	**6 350**

Impairment testing of goodwill and indefinite life trade names

The carrying amounts of goodwill and the indefinite life trade names allocated to the Swiss hospital operations are significant in comparison to the total carrying amount of intangible assets. The impairment tests for goodwill and the indefinite life trade names are based on value-in-use calculations. These calculations use cash flow projections based on financial budgets covering a five-year period. The discount rates used reflect specific risks related to the hospital industry. These calculations indicate that there was no impairment in the carrying value of goodwill and the trade names.

	2012 R'm	2011 R'm	2010 R'm
Carrying amount of Swiss goodwill	**2 377**	2 075	1 938
Carrying amount of Swiss indefinite life trade names	**3 391**	2 960	2 764

Key assumptions used for value-in-use calculations are as follows:

– Budgeted margins – the basis used to determine the value assigned to the budgeted margins is based on the margins achieved in the previous years with a slight increase for expected efficiency improvements. The margins are driven by consideration of future admissions and case mix and based on past experience and management's assessment of growth.

– Discount rates – discount rates reflect management's estimate of the time value and the risks associated with the Swiss business. The weighted average cost of capital (WACC) has been determined by consideration of respective debt and equity costs and ratios. The pre-tax discount rate applied to cash flow projections is between 5.0% and 6.0%.

– Growth rates – growth rates are based on budgeted figures and management's estimates. The estimated figures assume a stable regulatory and tariff environment. Cash flows beyond the five-year period are extrapolated using a 1.5% growth rate.

For the goodwill, the recoverable amount calculated based on value in use exceeded the carrying value by approximately R5 100m (2011: R8 904m). A fall in growth rate to 0.9% (2011: 0.4%) or a rise in discount rate to 6.0% (2011: 6.2%) would remove the remaining headroom.

For the indefinite life trade names, the recoverable amount calculated based on value in use exceeded the carrying value by approximately R1 590m (2011: R1 670m). A fall in growth rate to 0% would not affect the headroom significantly, but a rise in discount rate to 8.8% (2011: 7.7%) would remove the remaining headroom.

COMPANY					GROUP		
2010 R'm	2011 R'm	**2012 R'm**			**2012 R'm**	2011 R'm	2010 R'm
			7.	**INTEREST IN SUBSIDIARY**			
				Unlisted			
1	6	**12**		Shares at cost less amounts written off			
4 938	6 272	**6 261**		Due by subsidiary			
4 939	6 278	**6 273**					
				Details appear in Annexure 10 of this Circular.			
			8.	**INVESTMENTS IN ASSOCIATES**			
				Unlisted			
				Carrying value of investments in associates' equity			
				Opening balance	**4**	11	12
				Share in current year profits	**1**	4	7
				Distribution received	**(5)**	(12)	–
				Exchange differences	**1**	1	(1)
				Associate recognised as subsidiary	**–**	–	(5)
				Associate sold	**–**	–	(2)
					1	4	11
				The total profit of associates is R3m (2011: R8m). Total revenue for the associates is R172m (2011: R139m).			
				The aggregate statement of financial positions of associates are summarised as follows:			
				Total assets	**37**	28	40
				Total liabilities	**(34)**	(19)	(20)
				Shareholders' funds	**3**	9	20
				Outside interests	**(2)**	(5)	(9)
				Group's share in net assets of associates	**1**	4	11
				Details appear in Annexure 10.			
			9.	**JOINT VENTURE**			
				The Group has a 49.9% interest in Wits University Donald Gordon Medical Centre (Pty) Ltd.			
				The following amounts are included in the financial statements as a result of the proportionate consolidation:			
				Current assets	**17**	21	15
				Non-current assets	**104**	91	79
				Current liabilities	**12**	26	21
				Non-current liabilities	**35**	31	20
				Income	**115**	100	86
				Expenses	**109**	99	87

10. OTHER INVESTMENTS AND LOANS

	2012 R'm	2011 R'm	2010 R'm
Listed – active market			
Financial assets designated at fair value through profit and loss (FVTPL): Bonds			
Current portion	**128**	–	–
Non-current portion	**646**	694	–
	774	694	–
Unlisted – no active market			
Loans and receivables	**1**	1	2
Available-for-sale: Shares	**15**	13	13
	16	14	15
	790	708	15
Other investments and loans are held in the following currencies:			
Euro (2012: €13.6m; 2011: €14.2m)	**139**	137	–
US dollar (2012: US$82.7m; 2011: US$81.7m)	**635**	557	–
Swiss franc (2012: CHF2m; 2011: CHF2m)	**15**	13	14
SA rand	**1**	1	1
	790	708	15

The Group holds bonds returning a fixed rate of interest. The weighted average interest rate on these securities is 1.74% (2011: 2.4%) per annum. If interest rates increase/decrease by 100 basis points the return rate changes to 2.41% (-100) or to 1.69% (+100) (2011: 3.46% and 2.07%). The bonds have maturity dates ranging between two and 55 months from the end of the reporting period. The counterparties have a minimum Baa3 credit by Moody's Investors Service, or BBB- or better by Standard & Poor's Corporation.

The bonds are designated as financial assets at fair value through profit and loss (FVTPL).The fair value of the bonds are derived from quoted prices in active markets for identical assets and therefore the degree to which the fair values are observable is grouped as Level 1.

COMPANY				GROUP		
2010 R'm	2011 R'm	**2012 R'm**		**2012 R'm**	2011 R'm	2010 R'm
			11. DEFERRED TAX			
			Deferred income tax assets and deferred income tax liabilities are offset when there is a legally enforceable right of offset and when the deferred income tax relates to the same fiscal authority.			
1	1	**1**	Opening balance	**(4 563)**	(4 179)	(4 984)
–	–	**(1)**	Income statement charge for the year (note 28)	**(27)**	(60)	14
–	–	**(1)**	Provision for the year	**(29)**	(60)	(86)
			Tax rate changes (note 28)	**2**	–	100
			Business acquisition	**–**	(3)	–
			Exchange differences	**(694)**	(312)	868
			Charged to other comprehensive income (note 30)	**193**	(9)	(77)
1	1	**–**	Balance at the end of the year	**(5 091)**	(4 563)	(4 179)
			The balance consists of:			
			Property, equipment and vehicles	**(4 783)**	(4 168)	(3 864)
			Intangible assets	**(817)**	(690)	(626)
			Financial assets	**–**	(1)	(3)
			Current assets	**(18)**	(12)	(12)
			Current liabilities	**159**	149	133
			Long-term liabilities	**97**	–	–
			Provisions	**(78)**	(50)	(31)
			Derivatives	**281**	171	187
			Tax losses carried forward	**66**	28	28
			STC credits	**–**	4	3
			Other	**2**	6	6
				(5 091)	(4 563)	(4 179)
1	**1**	**–**	Deferred income tax assets	**212**	210	220
			Deferred income tax liabilities	**(5 303)**	(4 773)	(4 399)
1	**1**	**–**		**(5 091)**	(4 563)	(4 179)
			12. INVENTORIES			
			Inventories consist of:	**496**	450	418
			Pharmaceutical products	**77**	66	56
			Consumables	**9**	6	7
			Finished goods and work in progress	**582**	522	481

The cost of inventories recognised as an expense and included in cost of sales amounted to R5 324m (2011: R4 663m).

There are no inventories that are valued at net realisable value.

13. TRADE AND OTHER RECEIVABLES

	2012 R'm	2011 R'm	2010 R'm
Trade receivables	**3 025**	2 751	2 344
Less provision for impairment of receivables	**(148)**	(141)	(128)
Trade receivables – net	**2 877**	2 610	2 216
Other receivables	**1 938**	1 186	995
	4 815	3 796	3 211

Trade and other receivables are categorised as loans and receivables.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2012 R'm	2011 R'm	2010 R'm
SA rand*	**1 194**	1 140	1 191
Swiss franc*	**3 304**	2 402	1 820
UAE dirham	**317**	254	200
	4 815	3 796	3 211

Included in the Group's trade receivables balance are trade receivables with a carrying value of R921m (2011: R509m) which are past due at the reporting date but which the Group has not impaired as there has not been a significant change in credit quality and the amounts are still considered to be recoverable. The ageing of these receivables are as follows:

	2012 R'm	2011 R'm	2010 R'm
Up to 3 months	**745**	417	312
Over 3 months	**176**	92	53
	921	509	365

Movement in the provision for impairment of receivables			
Opening balance	**141**	128	121
Provision for receivables impairment	**55**	67	64
Business acquisitions	**–**	1	–
Exchange differences	**6**	(2)	(7)
Amounts written off as uncollectable	**(54)**	(53)	(50)
Balance at the end of the year	**148**	141	128

Amounts written off during the year relate to individually identified accounts that are considered to be irrecoverable. Management considers the credit quality of the fully performing trade receivables to be high in light of the nature of these trade receivables as described in note 3.1(b).

Included in the Group's other receivables balance are other receivables with a carrying value of R143m (2011: R261m) that are past due at the reporting date. This is the net amount after deducting a provision of R50m (2011: R60m) made by the Group.

* In the case of a default on the secured long-term bank loan in Switzerland, debtors that have a turnover of greater than CHF1m will be assigned to the bank (book value R974m (2011: R1 010m), refer to note 18). In addition net trade receivables to the value of R585m (2011: R483m) have been ceded as security for banking facilities.

14. INVESTMENT IN MONEY MARKET FUNDS

Money market fund investments are held in the following currency:

	2012 R'm	2011 R'm	2010 R'm
Swiss franc (2012: CHF60.0m; 2011: CHF97.5m)	**510**	723	–

The effective interest rate on money market funds is 0.45% (2011: 0.18% to 0.95%) and these funds have a maturity over three months. At the reporting date the Group's investment in money market funds was invested at a financial institutions with a Moody's rating of at least A3 (2011: A2).

Investments in money market funds are categorised as loans and receivables.

COMPANY				GROUP		
2010 R'm	2011 R'm	**2012 R'm**		**2012 R'm**	2011 R'm	2010 R'm
			15. SHARE CAPITAL			
			Ordinary shares			
			Authorised:			
			1 000 000 000 ordinary shares of 10 cents each			
100	100	**100**	(2011: 1 000 000 000)	**100**	100	100
59	65	**65**	Issued:	**65**	65	59
59	59	**65**	Opening balance	**65**	59	59
–	6	**–**	Shares issued	**–**	6	–
			652 315 341 ordinary shares of 10 cents each (2011: 652 315 341)			
			Unissued ordinary shares: 5% of the number of the ordinary shares in issue at 31 March 2011 are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.			
4 741	6 066	**6 066**	*Share premium*	**6 066**	6 066	4 741
4 741	4 741	**6 066**	Opening balance	**6 066**	4 741	4 741
–	1 358	**–**	Premium on shares issued	**–**	1 358	–
–	(33)	**–**	Costs of shares issued	**–**	(33)	–
			Treasury shares			
			494 073 (2011: 15 678 885) ordinary shares 10 cents each	**(269)**	(288)	(311)
			Opening balance	**(288)**	(311)	(326)
			Shares acquired by wholly owned subsidiary	**(9)**	–	–
			Utilised by the Mpilo Trusts	**7**	6	4
			Utilised for employee incentive schemes	**21**	17	11
			During the year the Mpilo Trusts, employee share trusts, released 374 390 of its 14 588 338 shares to employees. The Company, through a wholly owned subsidiary, holds 280 125 (2011: 1 090 547) shares in treasury. During the year 418 823 (2011: 575 226) of these shares were utilised in terms of the executive share option scheme and 691 599 (2011: 472 285) of these shares were utilised in terms of the management incentive scheme and 300 000 shares (2011: nil shares) were acquired during the year.			
4 800	6 131	**6 131**		**5 862**	5 843	4 489

Share options

To date 23 880 000 share options of the executive share option scheme have been granted, 6 066 692 (2011: 5 641 038) share options have been forfeited and 17 708 144 (2011: 17 449 321) exercised.

No further options will be granted under the share option scheme.

– 20% of the options granted, vest each year after 3 to 7 years.
All options lapse after a period of 8 years from the grant date.

Movement in the number of share options outstanding are:	Average offer price	**Number**	Number	Number
Outstanding at the beginning of the year	R11.21	**789 641**	1 534 167	2 288 915
Options forfeited		**(425 654)**	(169 300)	(62 838)
Options exercised – treasury shares utilised	R10.30	**(258 823)**	(575 226)	(691 910)
Outstanding at the end of the year	R9.96	**105 164**	789 641	1 534 167

COMPANY				GROUP		
2010 R'm	2011 R'm	**2012 R'm**		**2012 R'm**	2011 R'm	2010 R'm
			16. RETAINED EARNINGS			
17	19	**7**	Company	**7**	19	17
			Subsidiaries and joint ventures	**4 164**	3 767	3 063
17	19	**7**		**4 171**	3 786	3 080
26	17	**19**	Opening balance	**3 786**	3 080	2 066
406	449	**464**	Profit for the year	**1 221**	1 177	1 058
(415)	(447)	**(476)**	Dividends paid	**(436)**	(398)	(374)
			Actuarial gains and losses	**(403)**	(73)	331
			Transactions with non-controlling shareholders	**3**	–	(1)
17	19	**7**	Balance at end of the year	**4 171**	3 786	3 080
			17. OTHER RESERVES			
			Share-based payment reserve			
116	123	**129**	Opening balance	**129**	123	116
7	6	**6**	Employees: value of services	**6**	6	7
123	129	**135**	Balance at end of the year	**135**	129	123
13	14	**14**	Executive share option scheme	**14**	14	13
25	30	**36**	Employee share trust	**36**	30	25
85	85	**85**	Strategic black partners	**85**	85	85
			Foreign currency translation reserve	**3 171**	1 828	1 301
			Opening balance	**1 828**	1 301	2 595
			Currency translation differences	**1 343**	527	(1 294)
			Hedging reserve	**(3 223)**	(2 097)	(2 343)
			Opening balance	**(2 097)**	(2 343)	(2 160)
			Fair value adjustments of cash flow hedges, net of tax	**(1 126)**	246	(183)
123	129	135		**83**	(140)	(919)
			18. NON-CONTROLLING INTERESTS			
			Opening balance	**1 071**	966	898
			Increase/(decrease) in non-controlling interests	**3**	(1)	(6)
			Distributions to non-controlling interests	**(111)**	(59)	(55)
			Share of total comprehensive income	**325**	165	21
			Share of profit	**263**	204	128
			Currency translation differences	**62**	(39)	(107)
			Non-controlling interests in hospital activities	**1 288**	1 071	966

	GROUP		
	2012	2011	2010
	R'm	R'm	R'm
19. BORROWINGS			
Secured long-term bank loans	**2 770**	2 769	2 765
Long-term portion	**1 375**	1 375	2 750
Short-term portion	**1 399**	1 397	22
Capitalised financing expenses – long-term	**(4)**	(3)	(7)
Comprise two loans of R1 375m each. The first loan bears interest at the three-month Jibar variable rate plus a margin of 1.250% compounded quarterly, and is repayable on December 2012. The other loan bears interest at the three-month Jibar variable rate plus a margin of 1.125% compounded quarterly, and is repayable on December 2013. Property and equipment with a book value of R3 842m (2011: R3 798m) are encumbered as security for these loans. The interest on these bank loans has been hedged – note 22 contains information about the interest rate swap agreements.			
Secured long-term bank loans	**548**	581	612
Long-term portion	**500**	534	572
Short-term portion	**49**	48	42
Capitalised financing expenses – long-term	**(1)**	(1)	(2)
These loans bear interest at an average fixed rate of 9.3% per annum and is repayable in one to four (2011: two to five) years. Net trade receivables of R569m (2011: R469m) has been ceded as security for these borrowings.			
Unsecured long-term bank loan	**117**	175	234
Long-term portion	**60**	115	173
Short-term portion	**57**	60	62
Capitalised financing expenses – long-term	**–**	–	(1)
This loan bears interest at interest rates linked to the three-month JIBAR plus a margin of 1.4% payable each quarter in arrears. The capital amount is repayable in 8 (2011: 12) equal quarterly instalments the first having been paid on 1 April 2011.			
Secured long-term bank loans	**78**	112	107
Long-term portion	**63**	106	98
Short-term portion	**15**	6	9
These loans bear interest at variable rates linked to the prime overdraft rate and are repayable in periods ranging between one and thirteen years. Property, equipment and vehicles with a book value of R202m (2011: R201m) are encumbered as security for these loans. Net trade receivables of R8m (2011: R7m) has also been ceded as security for these loans.			
Bank overdraft	**118**	120	153
Net trade receivables of R8m (2011: R7m) has been ceded as security for these overdrafts.			
Borrowings in Southern African operations	**3 631**	3 757	3 871

	GROUP		
	2012	2011	2010
	R'm	R'm	R'm
19. BORROWINGS (CONTINUED)			
Secured long-term bank loans	**440**	408	520
Long-term portion	**326**	350	447
Short-term portion	**120**	66	81
Capitalised financing expenses – long-term	**(6)**	(8)	(8)
These loans bear interest at variable rates linked to EIBOR and are repayable in periods ranging between two to nine years. Properties with a book value of R897m (2011: R770m) are encumbered as security for these loans.			
Vehicle loans	**–**	–	1
Long-term portion	**–**	–	–
Short-term portion	**–**	–	1
Borrowings in Middle East operations	**440**	408	521
Secured long-term bank loan	**20 588**	17 963	16 651
Long-term portion	**20 625**	18 062	16 907
Short-term portion	**168**	134	27
Capitalised financing expenses – long-term	**(205)**	(233)	(283)
This loan bears interest at a variable rate linked to the three-month Swiss LIBOR plus 2% and is repayable in October 2014. The loan is secured by: Swiss properties with a book value of R27 575m (2011: R22 837m); assignment of Swiss receivables with a book value of R974m (2011: R1 010m) in case of default (refer to note 13); and Swiss bank accounts with a book value of R581m (2011: R691m). The interest on this bank loan has been hedged – note 22 contains information about the interest rate swap agreement.			
Secured long-term bank mortgages	**102**	89	–
Long-term portion	**102**	89	–
Short-term portion	**–**	–	–
These mortgages bear interest at interest rates ranging between 1.75% and 2.7% (2011: 1.9% and 2.7%) and are repayable in periods between two and five years. Property with a book value of R310m (2011: R111m) is encumbered as security for these loans.			
Secured long-term finance	**33**	31	22
Long-term portion	**29**	28	21
Short-term portion	**4**	3	1
These loans bear interest at interest rates ranging between 4% and 12% and are repayable in equal monthly payments in periods ranging from one to eleven years. Equipment with a book value of R30m (2011: R28m) is encumbered as security for these loans.			
Borrowings in Swiss operations	**20 723**	18 083	16 673
Total borrowings	**24 794**	22 248	21 065
Short-term portion transferred to current liabilities	**(1 930)**	(1 834)	(398)
	22 864	20 414	20 667

	GROUP		
	2012	2011	2010
	R'm	R'm	R'm
20. RETIREMENT BENEFIT OBLIGATIONS			
Statement of financial position obligations for:			
Pension benefits	**471**	71	64
Post-retirement medical benefits	**352**	312	282
	823	383	346
Income statement charge for:			
Pension benefits	**141**	81	44
Post-retirement medical benefits	**59**	49	50
	200	130	94

(a) Pension benefits

The Group's Swiss operations has three defined benefit pension plans.

Statement of financial position

Amounts recognised in the statement of financial position are as follows:

	2012 R'm	2011 R'm	2010 R'm
Present value of funded obligations	**6 869**	5 326	4 378
Fair value of plan assets	**(6 398)**	(5 292)	(4 329)
Funded Status	**471**	34	49
Restriction to Defined Benefit Asset due to the Asset Ceiling Deficit	**–**	37	15
Deficit	**471**	71	64

The movement in the defined benefit obligation over the period is as follows:

	2012 R'm	2011 R'm	2010 R'm
Opening balance	**5 326**	4 378	5 037
Current service cost	**240**	185	188
Interest cost	**171**	138	126
Employee contributions	**234**	181	174
Benefits paid	**(98)**	(127)	(136)
Actuarial loss	**233**	26	(89)
Acquisition/Divestiture	**–**	241	48
Past service cost	**(14)**	(33)	(97)
Settlements	**–**	–	(14)
Exchange differences	**777**	337	(859)
Balance at end of year	**6 869**	5 326	4 378

The movement of the fair value of plan assets over the period is as follows:

	2012 R'm	2011 R'm	2010 R'm
Opening balance	**5 292**	4 329	4 272
Employer contributions	**269**	216	204
Employee contributions	**234**	181	174
Benefits paid from fund	**(98)**	(127)	(136)
Expected return on assets	**256**	209	173
Investment gain/(loss)	**(329)**	(61)	348
Settlements	**–**	–	(14)
Acquisition/Divestiture	**–**	208	48
Exchange differences	**774**	337	(740)
Balance at end of year	**6 398**	5 292	4 329

Income statement

Amounts recognised in the income statement are as follows:

	2012 R'm	2011 R'm	2010 R'm
Current service cost	**240**	185	188
Past service cost	**(14)**	(33)	(97)
Interest on liability	**171**	138	126
Expected return on plan assets	**(256)**	(209)	(173)
Total expense	**141**	81	44

20. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(a) Pension benefits (continued)

	GROUP		
	2012	2011	2010
	R'm	R'm	R'm
Statement of comprehensive income			
Amounts recognised in other comprehensive income are as follows:			
Actuarial gain/(loss) recognised in other comprehensive income	**(562)**	(86)	437
Change in the effect of the asset ceiling	**43**	(22)	(15)
Total of comprehensive income	**(519)**	(108)	422
Statement of financial position			
Opening net liability	**71**	64	765
Expense as above	**141**	81	44
Contributions paid by employer	**(269)**	(216)	(204)
Exchange differences	**9**	34	(119)
Actuarial (gain)/loss recognised in equity	**519**	108	(422)
Closing net liability	**471**	71	64
Actual return on plan assets	**(72)**	151	542
Principal actuarial assumptions on statement of financial position			
Discount rate	**2.30%**	2.90%	3.10%
Expected rate of return on plan assets	**4.18%**	4.55%	4.55%
Future salary increases	**2.00%**	2.00%	2.00%
Future pension increases	**0.00%**	0.00%	0.50%
Inflation rate	**1.50%**	1.50%	1.50%
Number of plan members			
Active members	**6 311**	5 992	5 478
Pensioners	**531**	476	399
	6 842	6 468	5 877
Experience adjustment			
On plan liabilities: (gain)/loss	**(223)**	194	8
On plan assets: gain/(loss)	**329**	61	(348)
Opening balance	**(392)**	(284)	(706)
Actuarial gain/(loss) recognised in other comprehensive income	**(519)**	(108)	422
Cumulative actuarial losses recognised in other comprehensive income	**(911)**	(392)	(284)
Asset allocation			
Fixed income investments	**40%**	44%	49%
Equity investments	**21%**	22%	22%
Real estate	**21%**	17%	16%
Other	**18%**	17%	13%
	100%	100%	100%
Historical information	**2010**	**2009**	**2008**
Present value of funded obligations	4 378	5 037	4 621
Fair value of plan assets	(4 329)	(4 272)	(4 155)
Deficit	49	765	466
Experience adjustments			
On plan liabilities: gain	8	(106)	–
On plan assets: loss	(348)	(400)	(412)
Actuarial losses recognised in other comprehensive income	422	(294)	(412)

Expected employer contributions to be paid to the pension plans for the year ended 31 March 2013 are R268m.

20. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Post-retirement medical benefits

The Group's Southern African operations have a post-retirement medical benefit obligation.

The Group accounts for actuarially determined future medical benefits and provide for the expected liability in the statement of financial position. During the last valuation on 31 March 2012 a 7.0% (2011: 7.3%) medical inflation cost and a 8.4% (2011: 9.2%) interest rate were assumed. The average retirement age was set at 63 years (2011: 63 years).

The assumed rates of mortality are as follows:
During employment: SA 1972-77 tables of mortality
Post-employment: PA(90) tables

	GROUP		
	2012 R'm	2011 R'm	2010 R'm
Amounts recognised in the statement of financial position are as follows:			
Opening balance	**312**	282	232
Amounts recognised in the income statement	**59**	53	54
Current service cost	**27**	26	23
Interest cost	**32**	27	31
Contributions	**(6)**	(4)	(4)
Actuarial gain recognised in other comprehensive income	**(13)**	(19)	–
Closing balance	**352**	312	282
Present value of unfunded obligations	**352**	312	282
Unrecognised actuarial differences	**–**	–	–
	352	352	312

	2012	**2012**	2011
The effect of a 1% movement in the assumed health cost trend rate is as follows:	**Increase**	**Decrease**	**Decrease**
Aggregate of the current service cost and interest cost	**19%**	**(19%)**	(16%)
Defined benefit obligation	**17%**	**(17%)**	(14%)

Historical information: The present value of the Group's post-retirement medical benefits at 31 March 2010 was R282m, 2009: R232m and 2008: R173m. Expected employer contributions to be paid to the post-retirement medical benefit liability for the year ended 31 March 2013 are R7m.

21. PROVISIONS

	Employee benefits R'm	Legal cases and other R'm	Tariff risks R'm	Total R'm
Year ended 31 March 2010				
Opening balance	166	28	35	229
Charged to the income statement	27	–	–	27
Utilised during the year	(4)	(13)	(6)	(23)
Unused amounts reversed	(1)	(2)	(5)	(8)
Exchange differences	(32)	(3)	(5)	(40)
Balance at the end of the year	156	10	19	185
At 31 March 2010				
Current	8	5	17	30
Non-current	148	5	2	155
	156	10	19	185
Year ended 31 March 2011				
Opening balance	156	10	19	185
Charged to the income statement	26	4	49	79
Business acquisitions	5	–	–	5
Utilised during the year	(2)	(4)	–	(6)
Unused amounts reversed	–	(1)	–	(1)
Exchange differences	5	2	2	9
Balance at the end of the year	190	11	70	271
At 31 March 2011				
Current	14	8	67	89
Non-current	176	3	3	182
	190	11	70	271
Year ended 31 March 2012				
Opening balance	**190**	**11**	**70**	**271**
Charged to the income statement	**51**	**2**	**43**	**96**
Utilised during the year	**(19)**	**(1)**	**(18)**	**(38)**
Unused amounts reversed	**–**	**(3)**	**(4)**	**(7)**
Exchange differences	**28**	**–**	**11**	**39**
Balance at the end of the year	**250**	**9**	**102**	**361**
At 31 March 2012				
Current	**16**	**5**	**100**	**121**
Non-current	**234**	**4**	**2**	**240**
	250	**9**	**102**	**361**

(a) *Employee benefits*
This provision is for benefits granted to employees for long service.

(b) *Legal cases and other*
This provision relates to third-party excess payments for malpractice claims which are not covered by insurance and other costs for legal claims.

(c) *Tariff risks*
This provision relates to compulsory health insurance tariff risks, including the Swiss DRG base rates and other tariff disputes at some of the Group's Swiss hospitals. The tariff provision for the Swiss DRG base rates relates to the Swiss tariff system. Swiss DRG base rates have not been finalised, refer to note 4(a).

21. PROVISIONS (CONTINUED)

	2012 R'm	2011 R'm	2010 R'm
Provisions are expected to be payable during the following financial years:			
Within 1 year	**121**	89	30
After one year but not more than five years	**77**	54	54
More than five years	**163**	128	101
	361	271	185

22. DERIVATIVE FINANCIAL INSTRUMENTS

	2012 R'm Assets	2012 R'm Liabilities	2011 R'm Assets	2011 R'm Liabilities	2010 R'm Assets	2010 R'm Liabilities
Total	**24**	**3 739**	33	2 218	–	2 331
Interest rate swaps – cash flow hedges*	**–**	**3 739**	–	2 214	–	2 331
Forward contracts	**24**	**–**	33	4	–	–
Current portion	**(24)**	**–**	–	(48)	–	–
Interest rate swaps – cash flow hedges*	**–**	**–**	–	(44)	–	–
Forward contracts	**(24)**	**–**	–	(4)	–	–
Non-current portion	**–**	**3 739**	33	2 170	–	2 331

* The fair value portion of the interest rate swaps that is due within 1 year amounts to R789m (2011: R762m).

Interest rate swaps
In order to hedge specific exposures in the interest rate repricing profile of existing borrowings, the Group uses interest rate derivatives to generate the desired interest profile. At 31 March 2012, the Group had three interest rate swap contracts (2011: four). The value of borrowings hedged by the interest rate derivatives and the rates applicable to these contracts are as follows:

	Borrowings hedged R'm	Fixed interest payable	Interest receivable	Fair value gain/(loss) for the year R'm
2010				
6 years+*	16 873	3.62%	3 month Swiss LIBOR	(182)
1 to 6 years**	2 750	9.8 – 10.1% fixed	3 month JIBAR	(15)
2011				
6 years+*	17 929	3.62%	3 month Swiss LIBOR	239
1 to 6 years**	2 750	8.37 – 10.06%	3 month JIBAR	30
2012				
5 years+*	**20 388**	**3.62%**	**3 month Swiss LIBOR**	**(1 182)**
1 to 5 years**	**2 750**	**8.37 – 9.85%**	**3 month JIBAR**	**33**

* The interest rate swap agreement resets every 3 months on 5 January, 5 April, 5 July and 5 October with a final reset on 5 October 2017. There is no ineffective portion recognised in the profit and loss that arises from the cash flow hedge.

** The interest rate swap agreements reset every 3 months on 1 June, 1 September, 1 December and 1 March with a final reset on 2 December 2013 and 1 December 2015. There is no ineffective portion recognised in the profit and loss that arises from the cash flow hedges.

	2012 R'm	2011 R'm	2010 R'm
Forward contracts			
Realised gain recognised in the income statement	24	12	–
Net unrealised (loss)/gain recognised in the income statement	(10)	29	–

The Group has hedged 100% of its US dollar and Euro-denominated investment grade bond portfolio to the Swiss franc with forward contracts. No hedge accounting was applied. The gain or loss on revaluation is recognised in the income statement. At 31 March 2012, the total contract notional value was R815m (2011: R687m).

Based on the degree to which the fair values are observable, the interest rate swaps and the forward contracts are grouped as Level 2.

	GROUP		
	2012 R'm	2011 R'm	2010 R'm
23. TRADE AND OTHER PAYABLES			
Trade payables	**1 736**	1 678	1 287
Other payables and accrued expenses	**1 112**	745	658
Social insurance and accrued leave pay	**572**	457	365
Value added tax	**40**	58	57
	3 460	2 938	2 367
24. EXPENSES BY NATURE			
Auditors' remuneration – external audit	**13**	12	11
– other services	**3**	3	3
Cost of inventories	**5 324**	4 663	4 394
Depreciation – buildings	**199**	155	168
– equipment	**520**	420	403
– furniture and vehicles	**171**	151	134
Employee benefit expenses	**9 091**	7 530	6 866
Wages and salaries	**8 760**	7 278	6 654
Post–retirement medical benefits (note 20.)	**59**	53	50
Retirement benefit costs – defined contribution plans	**125**	112	111
Retirement benefit costs – defined benefit plans (note 20)	**141**	81	44
Share-based payment expense (note 17)	**6**	6	7
Impairment of property, equipment and vehicles	**5**	27	–
Increase/(decrease) in impairment provision for receivables (note 13)	**1**	14	14
Maintenance costs	**601**	499	460
Managerial and administration fees	**1**	4	6
Operating leases – buildings	**264**	196	184
– equipment	**38**	34	32
Amortisation of intangible assets	**20**	12	13
Other expenses	**1 976**	1 457	1 338
General expenses	**1 977**	1 511	1 437
Profit on sale of equipment	**(1)**	(4)	(3)
Other income	**–**	(50)	(96)
	18 227	15 177	14 026
Classified as:			
Cost of sales	**12 314**	10 327	9 573
Administration and other operating expenses	**5 003**	4 112	3 735
Depreciation and amortisation	**910**	738	718
	18 227	15 177	14 026

COMPANY					GROUP		
2010 R'm	2011 R'm	**2012 R'm**			**2012 R'm**	2011 R'm	2010 R'm
			25.	**OTHER GAINS AND LOSSES**			
				Gain on sale of interest in subsidiary	**–**	–	28
				Net fair value adjustment to FVTPL financial assets	**(15)**	(9)	–
				Realised gains on forward contracts	**24**	12	–
				Realised loss on bonds sold	**(1)**	–	–
				Net unrealised (loss)/gain on forward contracts	**(10)**	29	–
				Unrealised exchange losses	**(24)**	(40)	–
				Gain on purchase of business acquisition (note 32)	**–**	21	–
					(26)	13	28
			26.	**DIRECTORS' REMUNERATION**			
				Refer to paragraph 8.3.3 of the Circular.			
			27.	**FINANCE COST**			
				Interest expense	**738**	721	816
				Interest rate swaps	**841**	698	655
				Amortisation of capitalised financing fees	**81**	78	75
				Less: amounts included in the cost of qualifying assets	**(18)**	(6)	(22)
					1 642	1 491	1 524
			28.	**INCOME TAX EXPENSE**			
				Current tax			
(39)	(37)	**(37)**		Current year	**(657)**	(600)	(493)
				Previous year	**(9)**	6	(2)
–	–	**(1)**		Deferred tax (note 11)	**(27)**	(60)	14
(39)	(37)	**(38)**		Taxation per income statement	**(693)**	(654)	(481)
				Composition			
(1)	**(1)**	**–**		Normal South African tax	**(365)**	(353)	(284)
				Foreign tax	**(283)**	(257)	(155)
(38)	**(36)**	**(38)**		Secondary tax on companies ("STC")	**(45)**	(44)	(42)
(39)	**(37)**	**(38)**			**(693)**	(654)	(481)
				Reconciliation of rate of taxation:			
				Standard rate for companies (RSA)	**28.0%**	28.0 %	28.0 %
				Adjusted for:			
				Capital gains tax	**(0.1)%**	(0.3)%	(0.1)%
				Non-taxable income	**(0.8)%**	(0.3)%	(1.7)%
				Non-deductible expenses	**8.4%**	7.5%	9.1%
				Non-controlling interests' share of profit before tax	**(0.5)%**	(0.7)%	(0.8)%
				Effect of different tax rates	**(5.4)%**	(3.9)%	(2.4)%
				Changes to Swiss income tax rates	**(0.4)%**	–	(5.7)%
				STC	**2.2%**	2.1%	2.4%
				Prior year adjustment	**0.4%**	(0.3)%	0.1%
				Effective tax rate	**31.8%**	32.1%	28.9%

29. EARNINGS PER ORDINARY SHARE

Earnings reconciliation

	2012 Gross	**2012 Income tax effect**	**2012 Net**
Profit attributable to shareholders			**1 221**
Re-measurements for:	**1**	**–**	**1**
Impairment of property and equipment	**2**	**–**	**2**
Profit on disposal of property, equipment and vehicles	**(1)**	**–**	**(1)**
Headline earnings			**1 222**
Re-measurements for:			
Past service cost (note 20)	**(14)**	**3**	**(11)**
Normalised headline earnings			**1 211**

	2011 Gross	2011 Income tax effect	2011 Net
Profit attributable to shareholders			1 177
Re-measurements for:	(77)	10	(67)
Profit on disposal of property, equipment and vehicles	(4)	1	(3)
Gain on purchase of business acquisition (note 32)	(21)	–	(21)
Gain on rights sold	(2)	–	(2)
Impairment of property and equipment	34	(9)	25
Insurance proceeds	(84)	18	(66)
Headline earnings			1 110
Re-measurements for:			
Past service cost (note 20)	(33)	5	(28)
Normalised headline earnings			1 082

	2010 Gross	2010 Income tax effect	2010 Net
Profit attributable to shareholders			1 058
Re-measurements for:	(31)	1	(30)
Profit on sale of property, equipment and vehicles	(3)	1	(2)
Gain on sale of interest in subsidiary	(28)	–	(28)
Headline earnings			1 028
Re-measurements for:	(197)	21	(176)
Past service cost (note 20)	(97)	21	(76)
Tax rate changes (note 11)	(100)	–	(100)
Normalised headline earnings			852

29. EARNINGS PER ORDINARY SHARE (CONTINUED)

	2012	2011	2010
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	**652 315 341**	593 013 946	593 013 946
Weighted average number of ordinary shares issued during the year	**–**	37 530 472	–
Adjustment for rights issue (IAS 33 para 26)			7 468 002
Weighted average number of treasury shares	**(25 035 450)**	(28 077 915)	(31 760 784)
BEE shareholders*	**(9 927 016)**	(11 796 572)	(13 923 173)
Mpilo Trusts	**(14 392 872)**	(14 757 847)	(15 217 182)
Wholly owned subsidiary	**(715 562)**	(1 523 496)	(2 620 429)
	627 279 891	602 466 503	568 721 164
Weighted average number of ordinary shares in issue for diluted earnings per share			
Weighted average number of ordinary shares in issue	**627 279 891**	602 466 503	568 721 164
Weighted average number of treasury shares held in terms of the BEE initiative not yet released from treasury stock	**24 319 888**	26 554 419	29 140 355
BEE shareholders	**9 927 016**	11 796 572	13 923 173
Mpilo Trusts	**14 392 872**	14 757 847	15 217 182
Adjustment for outstanding share options granted	**179 234**	467 074	794 826
	651 779 013	629 487 996	598 656 345
Earnings per ordinary share (cents)			
Basic	**194.7**	195.3	186.1
Diluted	**187.3**	186.9	176.8
Headline earnings per ordinary share (cents)			
Basic	**194.9**	184.2	180.8
Diluted	**187.5**	176.3	171.7
Normalised headline earnings per ordinary share (cents)			
Basic	**193.0**	179.6	149.9
Diluted	**185.7**	171.9	142.4

* Represents the equivalent weighted average number of shares for which no value has been received from the BEE shareholders in terms of the Group's black ownership initiative. To date, no value was received for an equivalent of 9 264 351 (2011: 10 985 296) shares issued to the strategic black partners.

Refer to the glossary in the integrated report for the meaning of headline earnings, headline earnings per share, normalised headline earnings and normalised headline earnings per share.

30. OTHER COMPREHENSIVE INCOME

Components of other comprehensive income	2012	2011	2010
Currency translation differences	**1 405**	488	(1 401)
Fair value adjustment – cash flow hedges	**(1 126)**	246	(183)
Actuarial gains and losses	**(403)**	(73)	331
Other comprehensive income/(loss), net of tax	**(124)**	661	(1 253)

Tax and non-controlling interest on other comprehensive income

	Gross R'm	Tax R'm	Non-controlling Interest R'm	Net R'm
Year ended 31 March 2010				
Currency translation differences	(1 294)	–	(107)	(1 401)
Fair value adjustment – cash flow hedges	(197)	14	–	(183)
Actuarial gains and losses	422	(91)	–	331
Other comprehensive (loss)/income	(1 069)	(77)	(107)	(1 253)
Year ended 31 March 2011				
Currency translation differences	527	–	(39)	488
Fair value adjustment – cash flow hedges	271	(25)	–	246
Actuarial gains and losses	(89)	16	–	(73)
Other comprehensive (loss)/income	709	(9)	(39)	661
Year ended 31 March 2012				
Currency translation differences	**1 343**	**–**	**62**	**1 405**
Fair value adjustment – cash flow hedges	**(1 216)**	**90**	**–**	**(1 126)**
Actuarial gains and losses	**(506)**	**103**	**–**	**(403)**
Other comprehensive income/(loss)	**(379)**	**193**	**62**	**(124)**

GROUP

	2012 R'm	2011 R'm	2010 R'm
31. CASH FLOW INFORMATION			
31.1 *Reconciliation of profit before taxation to cash generated from operations*			
Operating profit before interest and taxation	**3 759**	3 448	3 115
Non-cash items			
Movement in share-based payment reserve	**6**	6	7
Depreciation	**890**	726	705
Intangibles amortised	**20**	12	13
Impairment losses	**4**	27	–
Insurance proceeds	**–**	(78)	–
Movement in provisions	**51**	72	(3)
Movement in retirement benefit obligations	**(69)**	(87)	(110)
Profit on disposal of property, equipment and vehicles	**(1)**	(4)	(3)
Operating income before changes in working capital	**4 660**	4 122	3 724
Working capital changes	**(394)**	57	76
Increase in inventories	**(15)**	(26)	(39)
Increase in trade and other receivables	**(670)**	(437)	(151)
Increase in trade and other payables	**291**	520	266
	4 266	4 179	3 800

COMPANY					GROUP		
2010 R'm	2011 R'm	**2012 R'm**			**2012 R'm**	2011 R'm	2010 R'm
			31.	**CASH FLOW INFORMATION (CONTINUED)**			
			31.2	*Interest paid*	**1 642**	1 491	1 524
				Finance cost per income statement			
				Non-cash items			
				Amortisation of capitalised financing fees	**(81)**	(78)	(75)
				Other non-cash-flow finance expenses	**15**	–	(13)
					1 576	1 413	1 436
			31.3	*Tax paid*			
				Liability at the beginning of the year	**(146)**	(38)	6
				Exchange differences	**(20)**	(3)	5
(39)	(37)	**(38)**		Provision for the year	**(666)**	(600)	(493)
(39)	(37)	**(38)**			**(832)**	(641)	(482)
				Liability at the end of the year	**307**	146	38
(39)	(37)	**(38)**			**(525)**	(495)	(444)
			31.4	*Investment to maintain operations*			
				Property, equipment and vehicles purchased	**(711)**	(617)	(652)
				Intangible assets purchased	**(20)**	(28)	(2)
9	(1 331)	**12**		Loans to subsidiaries	**–**	–	–
9	(1 331)	**12**			**(731)**	(645)	(654)
			31.5	*Investment to expand operations*			
				Property, equipment and vehicles purchased	**(712)**	(560)	(628)
				Intangible assets purchased	**–**	–	(18)
				Loans granted	**–**	–	–
				Acquisition of minority interest in hospital activities	**–**	–	(3)
				Business acquisitions (note 32)	**(30)**	(218)	–
					(742)	(778)	(649)
			31.6	*Proceeds on disposal of property, equipment and vehicles*			
				Book value of property, equipment and vehicles sold	**21**	23	25
				Profit per income statement	**1**	4	3
				Exchange differences	**1**	(3)	(3)
					23	24	25

COMPANY					GROUP		
2010 R'm	2011 R'm	**2012 R'm**			**2012 R'm**	2011 R'm	2010 R'm
			31.7	*Distributions paid to shareholders*			
	(447)	**(476)**		Dividends declared and paid during the year	**(436)**	(398)	(374)
				The dividends paid in 2012 (dividend number 28 & 29) were 73.0 cents per share (2011: 73.0 cents, dividend number 26 & 27). A final dividend (dividend number 30) in respect of the year ended 31 March 2012 of 55.0 cents per share was declared at a directors' meeting on 22 May 2012. These financial statements do not reflect this dividend payable.			
			31.8	*Cash, cash equivalents and bank overdrafts*			
				For the purposes of the statement of cash flows, cash, cash equivalents and bank overdrafts include:			
				Cash and cash equivalents	**2 099**	1 567	1 120
				Bank overdrafts (note 19)	**(118)**	(120)	(153)
					1 981	1 447	967
				Cash, cash equivalents and bank overdrafts are denominated in the following currencies:			
				SA rand*	**703**	631	333
				Swiss franc**	**951**	702	526
				UAE dirham***	**325**	114	108
				Euros	**2**	–	–
					1 981	1 447	967

* The counterparties have a minimum A3 credit rating by Moody's.

** The facility agreement of the Swiss subsidiary restricts the distribution of cash. The counterparties have a minimum Aa3 credit rating by Moody's and a minimum A+ credit rating by Standard & Poor's.

*** The counterparties have a minimum Baa1 credit rating by Moody's and a minimum BBB+ credit rating by Standard & Poor's.

32. BUSINESS ACQUISITIONS

	2012 R'm	2011 R'm
	Cash flow on acquisition	**Cash flow on acquisition**
Klinik Stephanshorn	**–**	**179**
Emaar Clinics	**30**	**39**
Total	**30**	**218**

Klinik Stephanshorn

During the prior year, on 4 October 2010, Klinik Hirslanden AG acquired 100% of the voting shares of Klinik Stephanshorn AG, a company based in Switzerland, St. Gallen and specialising in enhancing the quality of life of patients by providing comprehensive, high-quality hospital services.

	Fair value recognised on acquisition
Assets	
Property, equipment and vehicles	**280**
Inventories	**6**
Trade and other receivables	**97**
Cash and cash equivalents	**3**
Total assets	**386**
Liabilities	
Trade and other payables	**(38)**
Other current liabilities	**(2)**
Borrowings	**(102)**
Provisions	**(5)**
Pension liabilities	**(33)**
Deferred tax liability	**(3)**
Total liabilities	**(183)**
Total identifiable net assets at fair value	**203**
Gain on purchase of business acquisition (note 25)	**(21)**
Purchase consideration transferred	**182**
Analysis of cash flow on acquisition	
Purchase consideration	**(182)**
Net cash acquired with the subsidiary	**3**
Net cash flow on acquisition	**(179)**

The fair value of the trade receivables amounts to R90.7m. The gross amount of trade receivables is R91.4m. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

In the prior year a gain of purchase on business acquisition of R21m was recognised.

In the prior year acquisition-related costs of R2.4m have been expensed and are recognised in the income statement.

Emaar clinics

During the prior year, on 15 January 2011, the Group acquired all the equipment of The Dubai Mall Medical Center, Meadows Clinic and Arabian Ranches Clinic for R69m. As part of the agreement, the Group will operate the three clinics from the acquisition date.

	GROUP 2012 R'm	GROUP 2011 R'm
		Fair value recognised on acquisition
Assets		
Equipment and vehicles		69
Total identifiable net assets at fair value		69
Purchase consideration transferred		69
Analysis of cash flow on acquisition		
Purchase consideration		(69)
Net cash acquired with the subsidiary		–
Net cash flow on acquisition	**(30)**	(69)
Less outstanding purchase consideration	**–**	30
Net cash flow recognised for the year	**(30)**	(39)

No goodwill arising from the acquisition in the prior year.

In the prior year acquisition-related costs of R0.1m have been expensed and are recognised in the income statement.

33. COMMITMENTS

	2012 R'm	2011 R'm	2010 R'm
Capital commitments			
Incomplete capital expenditure contracts	**1 179**	1 292	452
Southern Africa	**556**	452	309
Switzerland	**592**	831	133
Middle East	**31**	9	10
Capital expenses authorised by the Board of Directors but not yet contracted	**982**	1 101	641
Southern Africa	**871**	1 038	558
Switzerland	**111**	63	83
Middle East	**–**	–	–
	2 161	2 393	1 093
These commitments will be financed from group and borrowed funds.			
Financial lease commitments			
The Group has entered into financial lease agreements on equipment. The future non-cancellable minimum lease rentals are payable during the following financial years:			
Within 1 year	**7**	6	4
1 to 5 years	**23**	23	13
Beyond 5 years	**18**	19	19
	48	48	36
Operating lease commitments			
The Group has entered into various operating lease agreements on premises and equipment. The future non-cancellable minimum lease rentals are payable during the following financial years:			
Within 1 year	**231**	195	151
1 to 5 years	**636**	537	342
Beyond 5 years	**1 501**	1 450	934
	2 368	2 182	1 427

34. SEGMENTAL REPORT

The Group is organised into six reportable segments, namely: Southern Africa Hospital Services and Southern Africa Hospital Properties; Swiss Hospital Services and Swiss Hospital Properties; Middle East Hospital Services and Middle East Hospital Properties.

	Southern Africa Hospital Services	Southern Africa Hospital Properties	Adjustments and eliminations	Southern Africa Total
Year ended 31 March 2012:				
Revenue	9 423	826	(826)	9 423
EBITDA	1 156	801		1 957
Depreciation and amortisation	(256)	–		(256)
EBIT	900	801		1 701
Finance income	41	10	(10)	41
Finance cost	(68)	(315)	14	(369)
Taxation	(295)	(139)		(434)
Segment result	578	357		939
At 31 March 2012:				
Capital expenditure	480	43		523
Total segment assets	5 266	7 468	(6 118)	6 616
Segment liabilities	2 358	4 062	(1 100)	5 320

	Swiss Hospital Services	Swiss Hospital Properties	Adjustments and eliminations	Swiss Total
Year ended 31 March 2012:				
Revenue	10 732	1 596	(1 596)	10 732
EBITDA	887	1 477		2 364
Depreciation and amortisation	(399)	(157)		(556)
EBIT	488	1 320		1 808
Income from associates	1	–		1
Finance income	9	–		9
Finance cost	(19)	(1 229)		(1 248)
Taxation	(73)	(187)		(260)
Segment result	406	(96)		310
At 31 March 2012:				
Investments in associates	1	–		1
Capital expenditure	430	442		872
Total segment assets	11 538	28 231		39 769
Segment liabilities	3 846	28 929		32 775

	Middle East Hospital Services	Middle East Hospital Properties	Adjustments and eliminations	Middle East Total
Year ended 31 March 2012:				
Revenue	1 831	59	(59)	1 831
EBITDA	289	59		348
Depreciation and amortisation	(98)	–		(98)
EBIT	191	59		250
Finance income	1	–		1
Finance cost	(13)	(15)		(28)
Taxation	–	–		–
Segment result	179	44		223
At 31 March 2012:				
Capital expenditure	47	–		47
Total segment assets	1 322	817		2 139
Segment liabilities	613	267		880

	Total Hospital Services	Total Hospital Properties	Adjustments and eliminations	Total
Year ended 31 March 2012:				
Revenue	21 986	2 481	(2 481)	21 986
EBITDA	2 332	2 337		4 669
Depreciation and amortisation	(753)	(157)		(910)
EBIT	1 579	2 180		3 759
Income from associates	1	–		1
Finance income	51	10	(10)	51
Finance cost	(100)	(1 559)	14	(1 645)
Taxation	(368)	(326)		(694)
Segment result	1 163	305		1 472
At 31 March 2012:				
Investments in associates	1	–		1
Capital expenditure	957	485		1 442
Total segment assets	18 126	36 516	(6 118)	48 524
Segment liabilities	6 817	33 258	(1 100)	38 975

	Southern Africa Hospital Services	Southern Africa Hospital Properties	Adjustments and eliminations	Southern Africa Total
Year ended 31 March 2011:				
Revenue	8 632	760	(760)	8 632
EBITDA	1 150	737		1 887
Depreciation and amortisation	(229)	–		(229)
EBIT	921	737		1 658
Finance income	35	10	(9)	36
Finance cost	(77)	(319)	12	(384)
Taxation	(277)	(120)		(397)
Segment result	602	308		913
At 31 March 2011:				
Capital expenditure	481	43		524
Total segment assets	4 937	6 872	(5 609)	6 200
Segment liabilities	2 381	3 973	(1 059)	5 295

	Swiss Hospital Services	Swiss Hospital Properties	Adjustments and eliminations	Swiss Total
Year ended 31 March 2011:				
Revenue	8 659	1 326	(1 326)	8 659
EBITDA	834	1 225		2 059
Depreciation and amortisation	(307)	(126)		(433)
EBIT	527	1 099		1 626
Other gains and losses	21	–		21
Income from associates	4	–		4
Finance income	9	–		9
Finance cost	(18)	(1 050)		(1 068)
Taxation	(101)	(156)		(257)
Segment result	442	(107)		335
At 31 March 2011:				
Investments in associates	4	–		4
Capital expenditure	315	320		635
Total segment assets	9 812	24 338		34 150
Segment liabilities	3 176	23 923		27 099

	Middle East Hospital Services	Middle East Hospital Properties	Adjustments and eliminations	Middle East Total
Year ended 31 March 2011:				
Revenue	1 334	57	(57)	1 334
EBITDA	183	57		240
Depreciation and amortisation	(76)	–		(76)
EBIT	107	57		164
Finance income	1	–		1
Finance cost	(22)	(17)		(39)
Taxation	–	–		–
Segment result	86	40		126
At 31 March 2011:				
Capital expenditure	46	–		46
Total segment assets	1 005	727		1 732
Segment liabilities	473	263		736

	Total Hospital Services	Total Hospital Properties	Adjustments and eliminations	Total
Year ended 31 March 2011:				
Revenue	18 625	2 143	(2 143)	18 625
EBITDA	2 167	2 019		4 186
Depreciation and amortisation	(612)	(126)		(738)
EBIT	1 555	1 893		3 448
Other gains and losses	21	–		21
Income from associates	4	–		4
Finance income	45	10	(9)	46
Finance cost	(117)	(1 386)	12	(1 491)
Taxation	(378)	(276)		(654)
Segment result	1 130	241		1 374
At 31 March 2011:				
Investments in associates	4	–		4
Capital expenditure	842	363		1 205
Total segment assets	15 754	31 937	(5 609)	42 082
Segment liabilities	6 030	28 159	(1 059)	33 130

	Southern Africa Hospital Services	Southern Africa Hospital Properties	Adjustments andeliminations	Southern Africa Total
Year ended 31 March 2010:				
Revenue	7 680	687	(687)	7 680
EBITDA	985	666		1 651
Depreciation and amortisation	(206)	–		(206)
EBIT	779	666		1 445
Gain on sale of interest in subsidiary	28	–		28
Finance income	39	7	(7)	39
Finance cost	(61)	(319)	7	(373)
Taxation	(227)	(99)		(326)
Segment result	558	255		813
At 31 March 2010:				
Capital expenditure	322	187		509
Total segment assets	4 495	6 048	(4 785)	5 758
Segment liabilities	2 287	3 962	(931)	5 318

	Swiss Hospital Services	Swiss Hospital Properties	Adjustments and eliminations	Swiss Total
Year ended 31 March 2010:				
Revenue	8 335	1 330	(1 330)	8 335
EBITDA	806	1 244		2 050
Depreciation and amortisation	(307)	(130)		(437)
EBIT	499	1 114		1 613
Income from associates	7	–		7
Finance income	10	–		10
Finance cost	(17)	(1 089)		(1 106)
Taxation	(62)	(93)		(155)
Segment result	437	(68)		369
At 31 March 2010:				
Investments in associates	11	–		11
Capital expenditure	431	311		742
Total segment assets	8 323	22 555		30 878
Segment liabilities	2 361	22 289		24 650

	Middle East Hospital Services	Middle East Hospital Properties	Adjustments and eliminations	Middle East Total
Year ended 31 March 2010:				
Revenue	1 126	62	(62)	1 126
EBITDA	71	61		132
Depreciation and amortisation	(75)	–		(75)
EBIT	(4)	61		57
Finance income	1	–		1
Finance cost	(33)	(21)		(54)
Taxation	–	–		–
Segment result	(36)	40		4
At 31 March 2010:				
Capital expenditure	49	–		49
Total segment assets	942	786		1 728
Segment liabilities	468	312		780

	Total Hospital Services	Total Hospital Properties	Adjustments and eliminations	Total
Year ended 31 March 2010:				
Revenue	17 141	2 079	(2 079)	17 141
EBITDA	1 862	1 971		3 833
Depreciation and amortisation	(588)	(130)		(718)
EBIT	1 274	1 841		3 115
Gain on sale of interest in subsidiary	28	–		28
Income from associates	7	–		7
Finance income	50	7	(16)	41
Finance cost	(111)	(1 429)	16	(1 524)
Taxation	(289)	(192)		(481)
Segment result	959	227		1 186
At 31 March 2010:				
Investments in associates	11	–		11
Capital expenditure	802	498		1 300
Total segment assets	13 760	29 389	(4 785)	38 364
Segment liabilities	5 116	26 563	(931)	30 748

	2012	2011	2010
Reconciliation of segment result, assets and liabilities			
Segment result			
Total profit from reportable segments	**1 472**	1 374	1 186
Unallocated corporate amounts:			
Other gains and losses	**(26)**	(8)	–
Interest received	**34**	15	–
Elimination of intersegment loan interest	**4**	–	–
Consolidated profit before tax	**1 484**	1 381	1 186
Assets			
Total assets from reportable segments	**48 524**	42 082	38 364
Unallocated corporate assets	**1 671**	1 455	–
	50 195	43 537	38 364
Liabilities			
Total liabilities from reportable segments	**38 975**	33 130	30 748
Elimination of intersegment loan	**(184)**	(157)	–
Other liabilities	**–**	4	–
	38 791	32 977	30 748
The total non-current assets, excluding property, equipment and vehicles, financial instruments and deferred tax assets per geographical location is:			
Southern Africa	**135**	135	136
Middle East	**384**	344	372
Switzerland	**5 826**	5 086	4 735
	6 345	5 565	5 243

Adjustments and eliminations

The adjustments and eliminations relate to the elimination of the following items on consolidation: intersegmental rent, intersegmental finance cost/income, intersegmental loans and intersegmental revaluation of properties.

COMPANY				GROUP		
2010 R'm	2011 R'm	**2012 R'm**		**2012 R'm**	2011 R'm	2010 R'm
			35. RELATED PARTY TRANSACTIONS			
			The major shareholder of the Group is Industrial Partnership Investments Limited (Remgro Limited), which owns 43.4% (2011: 43.4%).			
			The following transactions were carried out with related third parties:			
			i) Transactions with shareholders			
			Remgro Management Services Limited (subsidiary of Remgro Limited)			
			Managerial and administration fees	**1**	1	6
			Internal audit services	**2**	2	2
			Commitment fees in respect of the rights offer	**–**	6	–
			Balance due to	**–**	–	–
			ii) Key management compensation			
			Directors			
			Information regarding the directors' remuneration appears in paragraph 8.3.3 of this Circular.			
			iii) Transactions with subsidiaries and associates			
			Mediclinic Investments Limited			
415	447	**476**	Dividend received			
4 938	6 272	**6 261**	Balance due from			
			Zentrallabor Zürich (ZLZ)			
			Fees earned	**(15)**	(7)	(7)
			Purchases	**76**	58	61

MATERIAL LIABILITIES AND COMMITMENTS

1. BORROWINGS

Material borrowings of the Group at 31 March 2012

Lender	How borrowing arose	Facility size R'm	Amount outstanding R'm	Interest rate	Security	Terms and conditions of repayment
Standard Bank Group Limited	To acquire properties	1 375	1 375	Three-month Jibar + 1.25% compounded quarterly	Property and equipment with a book value of R3 842m	Interest repayable quarterly Fully payable in December 2012
Standard Bank Group Limited	To acquire properties	1 375	1 375	Three-month Jibar + 1.125% compounded quarterly	Property and equipment with a book value of R3 842m	Interest repayable quarterly Fully payable in December 2013
Barclays Capital Plc	To finance acquisition of Hirslanden	20 588	20 588	Three-month LIBOR + 2%	Swiss property with a book value of R27 575m	Repayable quarterly Fully payable in October 2014
Standard Bank Group Limited	To finance working capital	548	548	Fixed rate of 9.3% per annum	Net trade receivables of R569m	Repayable in one to four years
Total		**23 288**	**23 288**			

2. INTER-COMPANY FINANCING

Material inter-company loans as at 31 March 2012

Lender	Borrower	Amount	Interest rate
Interest-bearing Group loans			
Mediclinic CHF Finco Limited	Medi-Clinic Switzerland AG	CHF22m	2.5%
Non-interest-bearing Group loans			
Mediclinic Investments (Pty) Ltd	Mediclinic Southern Africa (Pty) Ltd	R109m	zero
Mediclinic Investments (Pty) Ltd	Mediclinic Middle East (Pty) Ltd	R470m	zero
Mediclinic Investments (Pty) Ltd	Mediclinic Europe (Pty) Ltd	R6 803m	zero
Mediclinic Group Services (Pty) Ltd	Mediclinic Investments (Pty) Ltd	R35m	zero
Mecli Properties Limited	Mediclinic CHF Finco Limited	CHF175m	zero

Other than the inter-Company loans stated above, no other loans were granted or security furnished by the Company or its subsidiaries to or for the benefit of any third parties, including any directors or managers or any associates of any directors or managers of the Company or its subsidiaries as at the Last Practicable Date.

3. COMMITMENTS

Material commitments, lease payments and contingent liabilities as at 31 March 2012.

Capital commitments	**R'm**
Incomplete capital expenditure commitments	1 179
Capital expenses authorised by the Directors but not yet contracted	982
Subtotal	**2 161**

Operating lease commitments	
The Group has entered into various operating lease agreements on premises and equipment. The future non-cancellable minimum lease rentals are payable during the following financial years:	
Within 1 year	231
One to five years	636
Beyond five years	1 501
Subtotal	**2 368**

Financial lease commitments	
The Group has entered into financial lease agreements on equipment. The future non-cancellable minimum lease rentals are payable during the following financial years:	
Within 1 year	7
One to five years	23
Beyond five years	18
Subtotal	**48**

Total	**4 577**

INFORMATION ON THE DIRECTORS AND SENIOR MANAGEMENT OF MEDICLINIC

DIRECTORS OF MEDICLINIC INTERNATIONAL LIMITED

Dr Edwin de la Harpe Hertzog (Edwin)

Position	Non-executive Chairman Member of the Remunerations and Nominations Committee and Investment Sub-committee
Appointed	03/10/1983
Age	63
Nationality	South African
Business address	Mediclinic Offices, Strand Road, Stellenbosch, 7600
Qualifications	M.B.Ch.B., M.Med., F.F.A. (SA)
Experience	Appointed as Managing Director in 1983, as executive Vice-chairman in 1990 and as executive Chairman of the Company in 1992.
Other directorships* in the past 5 years	Current: Distell Group Limited, DWRH Holdings Limited (BVI), Elstelm Beleggings (Pty) Ltd, Elstelm Boerdery (Pty) Ltd, Remgro Limited, Total (South Africa) (Pty) Ltd Previous: M & I Management Services (Pty) Ltd, Meadow Fresh (Pty) Ltd, University board of Stellenbosch University, Trans Hex Group Limited, Vodafone Telecommunications Investments (SA) (Pty) Ltd, Vodafone Investments (SA) (Pty) Ltd

Daniël Petrus Meintjes (Danie)

Position	Chief Executive Officer Member of the Social and Ethics Committee and Investment Sub-committee
Appointed	31/01/1996
Age	56
Nationality	South African
Business address	Mediclinic Offices, Strand Road, Stellenbosch, 7600
Qualifications	B.Pl. (Hons)
Experience	Joined the Group in 1985 and appointed as a director of the Company in 1996. Seconded to Dubai in 2006 and appointed as the Chief Executive Officer of Emirates Healthcare in 2007. Appointed as Chief Executive Officer of the Group with effect from 1 April 2010.
Other directorships* in the past 5 years	–

Craig Ian Tingle (Craig)

Position	Chief Financial Officer Member of the Investment Sub-committee
Appointed	01/09/2010
Age	53
Nationality	South African
Business address	Mediclinic Offices, Strand Road, Stellenbosch, 7600
Qualifications	B.Sc. (For), B.Compt. (Hons), CA(SA)
Experience	Appointed as the Financial Director of the Company in 1992. After his resignation as the Financial Director in 1999, he stayed on as a non-executive director until 2005 when he was appointed as the Chief Financial Officer of the Company's operations in Dubai. Appointed as the Chief Financial Officer of the Company from 1 September 2010.
Other directorships* in the past 5 years	–

Carel Aron van der Merwe (Ronnie)

Position	Chief Clinical Officer Member of the Social and Ethics Committee
Appointed	26/07/2010
Age	50
Nationality	South African
Business address	Mediclinic Offices, Strand Road, Stellenbosch, 7600
Qualifications	M.B.Ch.B., D.A. (SA), F.C.A. (SA)
Experience	Joined the Group in 1999 as head of the Clinical Information Department. Currently the Chief Clinical Officer of the Company. Appointed as an executive director of the Company in July 2010.
Other directorships* in the past 5 years	–

Koert Hendrik Stefanus Pretorius (Koert)

Position	Chief Executive Officer: Mediclinic Southern Africa
Appointed	08/11/2006
Age	49
Nationality	South African
Business address	Mediclinic Offices, Strand Road, Stellenbosch, 7600
Qualifications	B.Compt., MBL
Experience	Joined the Group in 1998 and appointed as a director of the Company in 2006. Appointed as the Chief Executive Officer of Mediclinic Southern Africa in 2008.
Other directorships* in the past 5 years	Current: – Previous: Hospital Association of South Africa

Dr Thorsten Ole Wiesinger (Ole)

Position	Chief Executive Officer: Medi-Clinic Switzerland (Hirslanden)
Appointed	05/11/2008
Age	49
Nationality	German
Business address	Hirslanden Head Office, Seefeldstrasse 214, CH-8008, Zürich
Qualifications	Ph.D., Postgraduate Studies in Health Economics
Experience	Joined the Hirslanden group in 2004. Appointed as the Chief Executive Officer of Medi-Clinic Switzerland and a director of the Company in 2008.
Other directorships* in the past 5 years	–

Jan Jonathan Durand (Jannie)

Position	Non-executive director Member of the Remuneration and Nominations Committee
Appointed	07/06/2012
Age	45
Nationality	South African
Business address	Remgro, Millennia Park, 16 Stellentia Avenue, Stellenbosch, 7600
Qualifications	B.Acc. (Hons), M.Phil. (Management Studies), CA(SA)
Experience	Chief Executive Officer of Remgro. Appointed as a director of the Company in June 2012.
Other directorships in the past 5 years	Current: Capevin Holdings Limited, Discovery Holdings Limited (and various subsidiaries), Grindrod Limited, Innovus Tegnologie Oordrag (Pty) Ltd, Leopard Creek Country Club Limited, Leopard Creek Share Block Limited, Premier Team Holdings Limited (UK), Rainbow Chicken Limited, Remgro Limited (and various subsidiaries), RMI Holdings Limited, Retdur Properties (Pty) Ltd, Saracens Limited (UK), Stand 218 LC Properties (Pty) Ltd, Stellenbosch University, The Mad Bunch

Previous: Alexander Forbes Limited, Business Venture Investments No. 1224 (Pty) Ltd, Commsco International Holdings S.A. Luxembourg (Luxembourg), Entek Beleggings Limited, Invenfin (Pty) Ltd, Invenfin Investments 4 (Pty) Ltd, Industrial Electronic Investments Limited, Iprop (BVI), Kagiso Tiso Holdings (Pty) Ltd, Kagiso Trust Investment (Pty) Ltd, Malelane Lodge (Pty) Ltd, Pembani Remgro Infrastructure Managers (Pty) Ltd, R&V Technology Holdings Ltd (Switzerland), RFS Limited (Jersey), RFS Finance Limited (Jersey), RFS Holdings Limited (Jersey), RFS Investments Limited (Jersey), Riverside Processors (Pty) Ltd, RMB Holdings Limited (Alternate), RPII Holdings Limited, Sabido Investments (Pty) Ltd, Seacom SA SPV (Pty) Ltd, Sports Science Institute of South Africa, Stellenbosch Academy of Sport Properties (Pty) Ltd, Stellenbosch University Sport Performance Institute, Total SA (Pty) Ltd (alternate), Tracking and Signal Distribution Technologies (Pty) Ltd, Tracker Investment Holdings (Pty) Ltd, Venfin Limited, Venfin Finansiële Beleggings Limited, Venfin Finansiersing-Korporasie (Pty) Ltd, Venfin Funding Corporation (Pty) Ltd, Venfin Group Finance (Pty) Ltd, Venfin Holdings Limited (Jersey), Venfin Investments (Pty) Ltd, Venfin Manco (Pty) Ltd, Venfin Media Beleggings (Pty) Ltd, Venfin Sports Investments (Pty) Ltd, Venfin Technology (Pty) Ltd, Venfin Risk Services Investments (Pty) Ltd, Venfin Shareholding (Pty) Ltd, Venfin Share Platform (Pty) Ltd, Venfin Securities (Pty) Ltd, Venfin DD Holdings Limited, Vodacom Group (Pty) Ltd, V & R Management Services (Pty) Ltd (Switzerland), Western Province Rugby (Pty) Ltd

Mr James Alan Grieve (Alan)

Position	Independent non-executive director Member of the Audit and Risk Committee and Investment Sub-committee
Appointed	13/09/2012
Age	60
Nationality	British
Business address	Compagnie Financière Richemont SA, 50, chemin de la Chênaie CP30, 1293 Bellevue, Geneva, Switzerland
Qualifications	BA (Hons), CA
Experience	Director of Corporate Affairs of Richemont, as well as the Chief Executive Officer of Reinet Investments Manager SA and Reinet Fund Manager SA. Appointed as an independent non-executive director on 26 July 2012 with effect from 13 September 2012.
Other directorships* in the past 5 years	Current: AATC Trading AG (Switzerland), Adena Holdings Limited (BVI), Business Aviation Services (Jersey) Limited (Jersey), Cartier Création Studio SA (Switzerland), Cartier International AG (Switzerland), DWRH Holdings A Limited (BVI), DWRH Holdings B Limited (BVI), DWRH Holdings C Limited (BVI), DWRH Holdings D Limited (BVI), DWRH Holdings E Limited (BVI), DWRH Holdings F Limited (BVI), Ehrbar Nominees Limited (BVI), Flight Services (Bermuda) Limited (Bermuda), Keoni Holdings Limited (BVI), Officine Panerai AG (Switzerland), Reinet GmbH (Switzerland), Reinet Limited (UK), Reinet S.à.r.l. (Luxembourg), Reinet Columbus Limited (Jersey), Reinet Flex Holdings Limited (Jersey), Reinet Fund Manager SA (Luxembourg), Reinet Investments Manager SA (Luxembourg), Reinet Jersey Holdings Limited (Jersey), Reinet PC Investments (Jersey) Limited (Jersey), Reinet Securities SA (Switzerland), Reinet SPG Limited (Jersey), Reinet Stokes Holdings SA (Luxembourg), Reinet TCP Fund V NECI Limited (Jersey), Reinet TCP Holdings Limited (Jersey), Reinet TEM Holdings Limited (Jersey), RFM GmbH (Switzerland), Richemont DNS Inc. (Switzerland), Richemont Holdings AG (Switzerland), Richemont Securities SA (Switzerland), Rona Holdings Limited (BVI), RPH Limited (Jersey), RSF SA (Luxembourg), RSF I SA (Luxembourg), RSF II Limited (Jersey), RTH Euro Investments Limited (Jersey), RTH Euro Investments II Limited (Jersey), RTH Global Holdings Limited (Jersey), RTH Global Investors Limited (Jersey), RTH Global Parallel Holdings Limited (Jersey), Tangs Department Limited (BVI), V&R Management Services AG (Switzerland) Previous: Intervid International SA/AG/Limited (Switzerland), IPI (Overseas) Limited (Jersey), IPROP Holdings Limited (BVI), Laureus Foundation (Switzerland), Reinet Group Limited (BVI), Remgro Investments Limited (Jersey), Remont Investments Limited (Jersey), RFS Limited (Jersey), RFS Finance Limited (Jersey), RFS Holdings Limited (Jersey), RFS Investments Limited (Jersey), R&R Holdings Limited (Luxembourg), RTH Finance Limited (Jersey), R&V Technology Holdings Limited (BVI), Trans Tropic Trading (BVI), VenFin Holdings Limited (Jersey)

Robert Eduard Leu (Robert)

Position	Independent non-executive director Member of the Remuneration and Nominations Committee
Appointed	26/07/2010
Age	65
Nationality	Swiss
Business address	Department Of Economics, University Of Bern, Schanzeneckstrasse 1, CH-3012, Bern, Switzerland
Qualifications	Master in Economics, Ph.D., Professor in Economics
Experience	Executive director of the Department of Economics at the University of Bern in Switzerland. Also serves on the board of Medi-Clinic Switzerland. Appointed as an independent non-executive director of the Company in July 2010.
Other directorships* in the past 5 years	Current: VISANA AG (Switzerland) Previous: –

Ms Nandi Mandela (Nandi)

Position	Independent non-executive director Member of the Social and Ethics Committee
Appointed	13/09/2012
Age	44
Nationality	South African
Business address	71 Davenport Road, Glenwood, 4001
Qualifications	B.Soc.Sc., Associate in Management (AIM)
Experience	Director of Linda Masinga & Associates, a town planning and consultancy firm. She is also the founder and director of New Ground Investments (Pty) Ltd, a property development company and Natholigugu Investment (Pty) Ltd, a women owned investment company focusing on property development. Appointed as an independent non-executive director on 26 July 2012 with effect from 13 September 2012.
Other directorships in the past 5 years	Current: Linda Masinga & Associates, MP1 Investment Holdings (Pty) Ltd, Natholigugu Investment (Pty) Ltd, New Ground Investments (Pty) Ltd, Oceanspray Investments (Pty) Ltd, Turquoise Moon Trading 553 (Pty) Ltd Previous: Dolphin Whispers Trading 23 (Pty) Ltd

Mpumela Kayalethu Makaba (Kabs)

Position	Non-executive director
Appointed	16/09/2008
Age	59
Nationality	South African
Business address	Faranani Health, Unit 6, The Oaks Office Park, 368 Oak Avenue, Randburg
Qualifications	M.B.Ch.B., Intermediate Diploma in Personnel Management and Training, Certificate in Small Business Management
Experience	Chief Executive Officer of Faranani Health Solutions and director of Phodiso Holdings and Ububele Holdings. Appointed as a director of the Company in 2008.
Other directorships in the past 5 years	Current: Alfaspray (Pty) Ltd, Apo-Doc Net (Pty) Ltd, Faranani Life Health Solution (Pty) Ltd, Faranani Healthcare Management (Pty) Ltd, Faranani Health Solutions Limited, Mandate Meal Management (North West Province) (Pty) Ltd, Masibambisane Frail Care (Pty) Ltd, Mpilo Investment Holdings 2 (Pty) Ltd (RF), Phodiso Clinics (Pty) Ltd, Phodiso Holdings Limited, Phodiso Medical Management Services (Pty) Ltd, Tamrron Innovations (Pty) Ltd, Touchstone Healthcare Technologies (Pty) Ltd, Tshwane Health Technologies (Pty) Ltd, Tswelelang, Ububele Chemicals Group (Pty) Ltd, Ubulele Holdings Limited Previous: Faranani Health Solutions Limited, Ubulele Alfa Chemicals (Pty) Ltd

Albert Anton Raath (Anton)

Position	Independent non-executive director
	Member of the Audit and Risk Committee and the Investment Sub-committee
Appointed	17/05/1996
Age	57
Nationality	South African
Business address	Glacier Financial Holdings, Block A, Tuscan Park, Cnr Old Oak Road & Twist Street, Durbanville, 7550
Qualifications	B.Comm, Higher Diplomas in Accounting and Tax, CA(SA)
Experience	Chief Executive Officer of Glacier, a subsidiary of Sanlam. Appointed as a director of the Company in 1996.
Other directorships in the past 5 years	Current: Glacier Financial Holdings (Pty) Ltd, Glacier Financial Solutions (Pty) Ltd, Glacier Management Company Limited, Sanlam Personal Portfolios (Pty) Ltd
	Previous: –

Desmond Kent Smith (Desmond)

Position	Independent non-executive director (Lead Independent Director)
	Chairman of the Audit and Risk Committee
Appointed	31/03/2008
Age	65
Nationality	South African
Business address	Sanlam Head Office, 2 Strand Road, Bellville, 7530
Qualifications	B.Sc., FASSA
Experience	Chairman of Sanlam and the Reinsurance Group of America (RGA). Appointed in 2008 as a director of the Company. Also appointed as the Lead Independent Director of the Company in 2010.
Other directorships in the past 5 years	Current: RGA Reinsurance Company of South Africa Limited, RGA Southern African Holdings (Pty) Ltd, Sanlam Limited, Sanlam Life Insurance Limited, Tedo Beleggings 5 (Pty) Ltd, Twee Klippen Estates (Pty) Ltd, Innovus Tegnologie Oordrag (Pty) Ltd, Road Accident Fund, Stellenbosch Institute for Advanced Study
	Previous: Atlantic Asset Management (Pty) Ltd, Clover Beverages Limited, Clover Holdings (Pty) Ltd, Clover Industries Limited, Clover SA (Pty) Ltd, First International Security Trust (Pty) Ltd, Gensec Eiendomsdienste Limited, International Congress of Actuaries in 2010, Jacques Malan Wealth (Pty) Ltd, Mcgregor Homeowners Association, Overstrand Local Economic Development Agency (Pty) Ltd, Plexus Asset Consulting (Pty) Ltd, Plexus Asset Management (Pty) Ltd, Plexus Holdings (Pty) Ltd, Plexus Investment Consulting (Pty) Ltd, Plexus Fund Solutions (Pty) Ltd, Santam Limited, Santam Insurance, Snyman en Van Der Vyver Finansiële Dienste (Pty) Ltd, Strategy Partners (Pty) Ltd, Sygnia Life Limited

Christiaan Mauritz van den Heever (Chris)

Position	Non-executive director
	Chairman of the Social and Ethics Committee
Appointed	05/02/2010
Age	47
Nationality	South African
Business address	Remgro, Millennia Park, 16 Stellentia Avenue, Stellenbosch, 7600
Qualifications	B.Eng. (Chem), MBA
Experience	An investment manager at Remgro (and previously at VenFin). Appointed as a director of the Company in 2010.
Other directorships in the past 5 years	Current: One Digital Media (Pty) Ltd, Tracker Investment Holdings (Pty) Ltd, TSB Sugar Holdings (Pty) Ltd, Wispeco Holdings Limited
	Previous: Fynbos Media (Pty) Ltd, Venfin Manco (Pty) Ltd

Mr Trevor David Petersen (Trevor)

Position	Non-executive director
	Member of the Remuneration and Nominations Committee
Appointed	13/09/2012
Age (at 17/09/12)	56
Nationality	South African
Business address	116 Woodside Village, 21 Norton Way, Rondebosch, 7700
Qualifications	B.Comm (Hons), CA(SA)
Experience	Former managing partner of the Cape Town office of PricewaterhouseCoopers Inc. ("PwC") and former chairman of PwC Western Cape and the South African Institute of Chartered Accountants. He currently serves on the University of Cape Town Council and is also a director of Petmin Limited. Appointed as a non-executive director on 26 July 2012 with effect from 13 September 2012.
Other directorships in the past 5 years	Current: Petmin Limited, University of Cape Town
	Previous: PricewaterhouseCoopers Inc., South African Institute of Chartered Accountants

Details on the directors (not already disclosed above) of Mediclinic Investments (Pty) Ltd, Mediclinic Southern Africa (Pty) Ltd, Mediclinic (Pty) Ltd, Mediclinic Europe (Pty) Ltd, Mediclinic Luxembourg S.à.r.l, Mediclinic Holdings Netherlands BV, Medi-Clinic Switzerland AG and Klinik Hirslanden AG, all major subsidiaries of the Company (whether individually or on consolidated basis) are listed below:

MEDICLINIC INVESTMENTS (PTY) LTD

Directors already listed above.

MEDICLINIC SOUTHERN AFRICA (PTY) LTD

Willem Hendrik Aucamp (Wimpie)

Position	Chief Operating Officer: Mediclinic Southern Africa
Appointed	22/02/2008
Age	44
Nationality	South African
Business address	Mediclinic Offices, Strand Road, Stellenbosch, 7599
Qualifications	B.Comm (Personnel Management)
Experience	Joined Mediclinic in 1995 as Human Resources Manager. Appointed as head of operations of the Northern Region in 2003 and as Chief Operating Officer of Mediclinic Southern Africa in 2008.
Other directorships* in the past 5 years	–

Abraham Jozua Joubert (Braam)

Position	Chief Financial Officer: Mediclinic Southern Africa
Appointed	22/02/2008
Age	42
Nationality	South African
Business address	Mediclinic Offices, Strand Road, Stellenbosch, 7599
Qualifications	B Acc (Hons) (CA)
Experience	Joined Mediclinic in 1995 as an accountant and as financial manager of the group since 1998. Appointed as Chief Financial Officer of Mediclinic Southern Africa from 2008.
Other directorships* in the past 5 years	–

Nkaki Sydwell Matlala (Nkaki)

Position	Government and Industry Affairs Director: Mediclinic Southern Africa
Appointed	22/02/2008
Age	59
Nationality	South African
Business address	Mediclinic Offices, Strand Road, Stellenbosch, 7599
Qualifications	B.Sc., M.Sc., M.D., M.Med., F.C.S.
Experience	Practiced as a general practitioner from 1983 and as a specialist surgeon from 1995. Previous CEO of Safika Health. Joined Mediclinic in 2005 and appointed as Chief Clinical Officer of Mediclinic Southern Africa from 2008. Currently Government and Industry Affairs Director of Mediclinic Southern Africa.
Other directorships* in the past 5 years	Current: Clicks Group Limited, Hospital Association of South Africa, Mpilo Investment Holdings 2 (Pty) Ltd (RF), Phodiso Clinics (Pty) Ltd, Umnotho weSizwe Group (Pty) Ltd

Biren Valodia

Position	Chief Marketing Officer: Mediclinic Southern Africa
Appointed	22/02/2008
Age	45
Nationality	South African
Business address	Mediclinic Offices, Strand Road, Stellenbosch, 7599
Qualifications	B.Pharm., B.B&A (Hons), M.B.A.
Experience	Various managerial positions held in the healthcare industry from 1999. Joined Mediclinic in 2006 as Chief Marketing Officer of Mediclinic Southern Africa.
Other directorships* in the past 5 years	Current: Aragolf (Pty) Ltd, Goram Research And Investments (Pty) Ltd, Hospital Association of South Africa Previous: –

MEDICLINIC (PTY) LTD

Directors already listed above.

MEDICLINIC EUROPE (PTY) LTD

Directors already listed above.

MEDICLINIC HOLDINGS NETHERLANDS B.V.

Martinus Nicolaas Maria Warmerdam (Michel)

Position	Director
Appointed	10/07/2007
Age	52
Nationality	Dutch
Business address	Van Galenlaan 40, 3941 VD Doorn, The Netherlands
Qualifications	Certificate in federal taxation inspector training, Master's degree in economic sciences
Experience	Various tax advisory positions held throughout career. Currently independent tax advisor and appointed as a director of Mediclinic Holdings Netherlands in 2007.
Other directorships* in the past 5 years	Current: Andante B.V. (Netherlands), Millesime B.V. (Netherlands), Haymarket Financial Luxemborg 1,2,3 S.à.r.l. (Luxembourg) Previous: A Prima Vista B.V. (Netherlands)

Gert Cornelis Hattingh (Gert)

Position	Director
Appointed	27/08/2010
Age	47
Nationality	South African
Business address	Mediclinic Offices, Strand Road, Stellenbosch, 7599
Qualifications	B.Acc. (Hons), CA(SA)
Experience	Joined Mediclinic in 1991 as group accountant. Various managerial positions held throughout the Mediclinic group. Appointed as Company Secretary since 2000 and Group Services Executive since 2011 of Mediclinic International.
Other directorships* in the past 5 years	–

MEDICLINIC LUXEMBOURG S.À.R.L.

Ivo Hemelraad (Ivo)

Position	Director
Appointed	23/02/2011
Age	50
Nationality	Dutch
Business address	Vistra (Luxembourg) S.à.r.l, 15 Rue Edward Steichen, L-2540, Luxembourg
Qualifications	Master of Law, General Education Banking, N.I.B.E.
Experience	Various positions held at Managing Director level in Private Banking (global level), before joining Vistra in 2009. Ivo is Managing Director of Vistra Luxembourg S.à.r.l. and Vistra Fund Services S.à.r.l. Ivo also acts as Director of Mediclinic Luxembourg S.à.r.l.
Other directorships* in the past 5 years	Current: Vistra (Luxembourg) S.à.r.l. (Luxembourg), Vistra Fund Services S.à.r.l. (Luxembourg) Previous: Amicorp Trustees (Singapore) Limited (Singapore)

Barbara Katharina Neuerburg (Barbara)

Position	Director
Appointed	02/08/2012
Age	33
Nationality	German
Business address	Vistra (Luxembourg) S.à.r.l, 15 Rue Edward Steichen, L-2540, Luxembourg
Qualifications	M.A., L.L.M.
Experience	Europe and Middle East Team Leader at Vistra (Luxembourg). Appointed as a director of Mediclinic Luxembourg S.à.r.l. in August 2012.
Other directorships* in the past 5 years	Current: Aabar Block S.à.r.l., Aabar Commodities S.à.r.l., Aabar Luxembourg S.à.r.l., Ballywilliam S.A., Belina Universal S.A., EAV Lux S.à.r.l., International Media Distribution (Luxembourg) S.à.r.l., MDC Commercial Finance Luxembourg S.à.r.l., MS NLP Funding S.A., SistemApsys S.à.r.l., Suppliers and Tour Operations Platform (Luxembourg) S.à.r.l., Triton Beteiligungs GmbH/S.à.r.l., Yangtze Solar Power (Luxembourg) Investment S.A. (all Luxembourg) Previous: –

MEDI-CLINIC SWITZERLAND AG AND KLINIK HIRSLANDEN AG

Directors already listed above.

SENIOR MANAGEMENT (not already disclosed above)

David John Hadley (David)

Position	Chief Executive Officer: Emirates Healthcare Holdings Limited
Appointed	1993
Age	39
Nationality	British
Business address	EHL Management Services, Dubai Mall Medical Centre, Dubai Mall, Fashion Parking Level 7, Dubai, United Arab Emirates
Qualifications	B.Com. (Accounting), M.B.A.
Experience	Joined Mediclinic in 1993 and has held many positions in HR and administration and eventually hospital management. Seconded to Dubai in 2007 to commission and open Mediclinic's first offshore greenfield project – The City Hospital. Became the CEO of Emirates Healthcare Holdings Limited in January 2010.
Directorships* in the past 5 years	Current: Christopher's Corner Limited (UK)
	Previous: –

* Directorships held in subsidiaries and associates of Mediclinic not included.

RELEVANT PROVISIONS OF THE MOI OF MEDICLINIC

Directors' remuneration

The Company may pay remuneration to the non-executive Directors for their services as Directors in accordance with a special resolution approved by the Shareholders within the previous 2 (two) years, and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

Unless the Company by special resolution decides otherwise, the executive Directors, who are remunerated for their services as employees of the Company, shall not be paid Directors' remuneration. The remuneration of the executive Directors shall be determined by a disinterested quorum of the Directors or a remuneration committee appointed by the Directors. Such remuneration may consist of fixed (such as salary and benefits) and variable (such as incentive programmes) components as the Directors may direct.
Any Director who:

- serves on any committee; or
- devotes special attention to the business of the Company; or
- is required to go or reside abroad for the purpose of the Company; or
- otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,

may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.

Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with the business of the Company and attending meetings of the Directors or of committees of the Directors of the Company.

Borrowing powers

Subject to the provisions of this Memorandum of Incorporation, the Directors may from time to time:

- borrow for the purposes of the Company such sums as they think fit;
- secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

The Board shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by –

- the Company; and
- all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company of any of its subsidiaries for the time being for the share capital or indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised),

shall not exceed the aggregate amount at that time authorised to be borrowed or secured by the Directors of the Company's holding company (if any) in respect of that holding company and all the then subsidiaries of that holding company, provided that no such sanction shall be required to the borrowing of any moneys intended to be applied and actually applied within 90 (ninety) days in the repayment (with or without any premium) of any moneys then already borrowed and outstanding and notwithstanding that new borrowing may result in the abovementioned limit being exceeded.

Executive Directors

Subject to "Composition and election of Directors" below, the Directors may from time to time appoint:

- managing and other executive Directors (with or without specific designation) of the Company;
- any Director to any other executive office with the Company,

as the Directors shall think fit, for a period as the Directors shall think fit, and may from time to time remove or dismiss such persons from office and appoint another or others in his or their place or places.

Any Director appointed in terms of the above shall (subject to the provisions of the contract under which he is appointed) be subject to the same provisions as to removal as the other Directors of the Company, and if he ceases to hold office as a Director, his appointment to such position or executive office shall ipso facto terminate, without prejudice to any claims for damages which may accrue to him as a result of such termination.

The Board must comprise at least four Directors and no more than such number as the Board may from time to time determine.

The Directors may from time to time entrust to and confer upon an executive Director for the time being such of the powers exercisable in terms of this Memorandum of Incorporation by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as they think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Retirement of Directors in rotation

The periods of service of the executive Directors shall be governed by their employment contracts.

At each Annual General Meeting, ⅓ (one third) of the non-executive Directors for the time being, or if their number is not a multiple of 3 (three), the number nearest to ⅓ (one third), but not less than ⅓ (one third), shall retire from office, in accordance with the following provisions:

- the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;
- a Director who has already held his office for a period of 3 (three) years since his last election shall retire at such meeting, either as one of the Directors retiring according to the roster referred to above, or over and above such Directors;
- the length of time a Director has been in office shall be computed from his last election or re-election;
- a Director retiring at a meeting shall retain office until the election of Directors at that meeting has been completed; and
- a retiring Director shall be eligible for re-election.

The Board shall, through its nomination committee (if such a committee has been constituted), provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution.

Composition and election of Directors

The Board has the power to appoint or co-opt any person as Director, whether to fill any vacancy on the Board or as additional Director, on a temporary basis provided that such appointment must be approved by the Shareholders at the next Annual General Meeting. A person appointed by the Directors in terms of this clause shall:

- retire at the next Annual General Meeting;
- not be considered in determining the Directors to retire by rotation in terms of the "Retirement of Directors in rotation", above; and
- be eligible for re-election.

Qualification and disqualification of Directors

The removal of Directors by the Shareholders or the Board, as the case may be, shall be in accordance with the Act.

A Director who becomes ineligible or disqualified in terms of the Act to act as a director of a company, immediately ceases to be entitled to continue to act as a Director. The ineligibility or disqualification and removal of such Director shall be confirmed by the Board in accordance with the Act.

Subject to the provisions of the Act, the office of a Director shall ipso facto be vacated if:

- he ceases to be a Director by virtue of any provision of the Act or becomes prohibited from being a director by reason of an order made under the Act;
- his estate is sequestrated or he surrenders his estate or enters into a general compromise with his creditors;
- he is found to be or become of unsound mind;
- he is removed from office by an ordinary resolution of the Shareholders;
- he resigns or retires from his office as Director;
- he is absent from meetings of the Board for 6 (six) consecutive months without leave of the Directors while not engaged in the business of the Company, and he is not represented at any such meeting during such 6 (six) consecutive months by an alternate Director; and the Directors resolve that his office be, by reason of such absence, vacated, provided that the Directors shall have the power to grant to any Director leave of absence for a definite or indefinite period.

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Details of the material subsidiary companies of Mediclinic as at 31 March 2012 are set out below:

	Issued share capital	Ownership percentage held	Voting percentage held	Rights held by other persons to vary voting rights
SUBSIDIARIES				
Company				
Mediclinic Investments (Pty) Ltd	R100 share capital	100%	100%	none
Group				
Indirectly held through Mediclinic Investments (Pty) Ltd				
Mediclinic Southern Africa (Pty) Ltd	R312 433 600 share capital	100%	100%	none
Mediclinic Europe (Pty) Ltd	R100 share capital	100%	100%	none
Mediclinic Middle East (Pty) Ltd	R100 share capital	100%	100%	none
Mecli Properties Limited	CHF215 740 167 share capital	100%	100%	none
Mediclinic CHF Finco Limited	CHF1 500 share capital	100%	100%	none
Mediclinic Group Services (Pty) Ltd		100%	100%	none
ASSOCIATES				
Zentrallabor Zurich, Zurich (ZLZ)	–	50.0%	49.0%	none
JOINT VENTURE				
Wits University Donald Gordon Medical Centre (Pty) Ltd	R5 001 501 share capital	49.9%	49.9%	none

Details of all subsidiary companies of Mediclinic as at 31 March 2012 are set out below:

Name	Registration number	Place and date of incorporations	Date it became a subsidiary	Issued/stated capital	Percentage held	Nature of business
Mediclinic Investments (Pty) Ltd	1968/003378/07	South Africa, 1968	1968	R100 share capital	100	Investment in and operation of private healthcare facilities
Indirectly held through Mediclinic Investments (Pty) Ltd						
Mediclinic Southern Africa (Pty) Ltd	2008/004849/07	South Africa, 2008	2008	R100 share capital	100	Investment in and operation of private healthcare facilities
Mediclinic Europe (Pty) Ltd	2006/003430/07	South Africa, 2006	2006	R100 share capital	100	Investment in and operation of private healthcare facilities
Mediclinic Middle East (Pty) Ltd	2005/037246/07	South Africa, 2005	2005	R100 share capital	100	Investment in and operation of private healthcare facilities
Mecli Properties Limited	97052	Jersey, 2007	2007	CHF215 740 16 share capital	100	Ownership and leasing of properties
Mediclinic CHF Finco Limited	106317	Jersey, 2010	2010	CHF1 500 share capital	100	Investment in and operation of private healthcare facilities
Mediclinic Group Services (Pty) Ltd	2008/014068/07	South Africa, 2008	2008	R100 share capital	100	Healthcare service provider
Indirectly held through Mediclinic Southern Africa (Pty) Ltd						
Curamed Holdings Limited	1997/015428/06	South Africa, 1997	2002	R5 000 000 ordinary share capital, R10 000 "A" ordinary share capital	69.8	Ownership, management and operation of private healthcare facilities
Howick Private Hospital Holdings Limited*	2002/013282/06	South Africa, 2002	2002	R2 800 share capital	49.1	Ownership, management and operation of private healthcare facilities
Medical Human Resources (Pty) Ltd	1983/011839/07	South Africa, 1983	1985	R101 share capital	100	Placement agency for nursing and administration staff for healthcare industry
Medical Innovations (Pty) Ltd	1967/002540/07	South Africa, 1967	1984	R100 share capital	100	Manufacturer and distributor of medical equipment
Mediclinic (Pty) Ltd	1969/009218/06	South Africa, 1969	1984	R150 102 000 share capital	100	Ownership, management and operation of private healthcare facilities
Mediclinic Holdings (Namibia) (Pty) Ltd	88/085	Namibia, 1988	1995	N$100 share capital	100	Investment in and operation of private healthcare facilities
Mediclinic Properties (Pty) Ltd	2006/003456/07	South Africa, 2006	2006	R100 share capital	100	Ownership and leasing of properties
Mediclinic Finance Corporation (Pty) Ltd	2007/014949/07	South Africa, 2007	2007	R100 share capital	100	Funding of subsidiaries

Name	Registration number	Place and date of incorporations	Date it became a subsidiary	Issued/stated capital	Percentage held	Nature of business
Medipark Clinic (Pty) Ltd	1966/004891/07	South Africa, 1966	1984	R2 ordinary share capital, R2 "A" ordinary share capital	100	Investment in private healthcare facilities
Newcastle Private Hospital Limited *	1995/011368/06	South Africa, 1995	1999	R1 498 share capital	15.1	Ownership, management and operation of private healthcare facilities
Mediclinic Paarl (Pty) Ltd*	2003/000398/07	South Africa, 2003	2003	R10 000 share capital	70	Ownership, management and operation of private healthcare facilities
Phodiclinics (Pty) Ltd	2004/028089/07	South Africa, 2004	2008	R100 share capital	100	Ownership, management and operation of private healthcare facilities
Legae Medi-Clinic (Pty) Ltd	1993/070151/07	South Africa, 1993	2005	R1 750 000 share capital	100	Ownership, management and operation of private healthcare facilities
Practice Relief (Pty) Ltd	2003/000407/07	South Africa, 2003	2003	R100 share capital	100	Practice management
Mediclinic Brits (Pty) Ltd*	1994/000566/07	South Africa, 1994	1999	R1 700 share capital	60.1	Ownership, management and operation of private healthcare facilities
Reef Medical Property Holdings (Pty) Ltd	1981/008047/07	South Africa, 1981	1999	R1 700 share capital	60.1	Ownership, management and operation of private healthcare facilities
Tshwane Private Hospitals (Pty) Ltd	2002/012543/07	South Africa, 2002	2002	Rnil deregistered share capital	100	Holding, administrative and investment company
Mediclinic Tzaneen (Pty) Ltd*	2001/021422/07	South Africa, 2001	2002	R18 000 share capital	49.4	Ownership, management and operation of private healthcare facilities
Victoria Hospital Limited*	1984/003424/06	South Africa, 1984	2003	R11 016 879 share capital	33.7	Ownership, management and operation of private healthcare facilities

Name	Registration number	Place and date of incorporations	Date it became a subsidiary	Issued/stated capital	Percentage held	Nature of business
Indirectly held through Mediclinic (Pty) Ltd						
Mediclinic Barberton (Pty) Ltd $*	1996/011320/07	South Africa, 1996	1999	R3 000 share capital	77	Ownership, management and operation of private healthcare facilities
Mediclinic Ermelo (Pty) Ltd $*	1995/005758/07	South Africa, 1995	1999	R1 157 share capital	50.1	Ownership, management and operation of private healthcare facilities
Mediclinic Hermanus Limited*	1995/008998/06	South Africa, 1995	1999	R3 263 316 share capital	34.9	Ownership, management and operation of private healthcare facilities
Mediclinic Kimberley (Pty) Ltd*	1984/006858/07	South Africa, 1984	1999	R13 429 826 share capital	89.7	Ownership, management and operation of private healthcare facilities
Mediclinic Limpopo Limited $	1989/006526/06	South Africa, 1989	1999	R10 484 038 share capital	50	Ownership, management and operation of private healthcare facilities
Mediclinic Potchefstroom (Pty) Ltd*	1985/004441/07	South Africa, 1985	1999	R3 600 share capital	94.6	Ownership, management and operation of private healthcare facilities
Mediclinic Upington (Pty) Ltd*	1996/001943/07	South Africa, 1996	1999	R23 721 share capital	40.9	Ownership, management and operation of private healthcare facilities
Indirectly held through Howick Private Hospital Holdings Limited						
Howick Private Hospital (Pty) Ltd*	1994/003179/07	South Africa, 1994	2003	R100 share capital	100	Ownership, management and operation of private healthcare facilities
Indirectly held through Curamed Holdings Ltd						
Curamed Hospitals (Pty) Ltd	1997/015427/07	South Africa, 1997	2002	R2 share capital	100	Ownership, management and operation of private healthcare facilities
Curamed Properties (Pty) Ltd	1997/015415/07	South Africa, 1997	2002	R1 share capital	100	Ownership and leasing of properties

Name	Registration number	Place and date of incorporations	Date it became a subsidiary	Issued/stated capital	Percentage held	Nature of business
Indirectly held through Mediclinic Holdings (Namibia) (Pty) Ltd						
Mediclinic Capital (Namibia) (Pty) Ltd	98/239	Namibia, 1998	pre-2000	N$100 share capital	100	Ownership, management and operation of private healthcare facilities
Mediclinic Operations (Namibia) (Pty) Ltd	95/494	Namibia, 1995	1995	N$10 share capital	100	Ownership, management and operation of private healthcare facilities
Mediclinic Properties (Windhoek) (Pty) Ltd	89/443	Namibia, 1989	1995	N$800 share capital	100	Ownership and leasing of properties
Mediclinic Properties (Swakopmund) (Pty) Ltd	95/493	Namibia, 1995	2004	N$1 share capital	100	Ownership and leasing of properties
Mediclinic Investments (Namibia) (Pty) Ltd	95/490	Namibia, 1995	2004	N$1 000 share capital	100	Investment in and operation of private healthcare facilities
Indirectly held through Mediclinic Europe (Pty) Ltd						
Mediclinic Holdings Netherlands B.V.	24418117	Netherlands, 2007	2007	EUR18 000 share capital	100	Holding, administrative and investment company
Mediclinic Luxembourg S.à.r.l.	B129758	Luxembourg, 2007	2007	EUR12 500 share capital	100	Investment in and operation of private healthcare facilities
Medi-Clinic Switzerland AG	CH-020.3.031.411-4	Switzerland, 2007	2007	CHF102m share capital	100	Holding company

Name	Registration number	Place and date of incorporations	Date it became a subsidiary	Issued/stated capital	Percentage held	Nature of business
Indirectly held through Medi-Clinic Switzerland AG						
Hirslanden Klinik Aarau AG	CH-400.3.912.009-2/a	Switzerland, 1958	2007	CHF 0.1m share capital	100	Ownership, management and operation of private healthcare facilities
Hirslanden Klinik Am Rosenberg AG	CH-300.3.010.382-2	Switzerland, 1998	2007	CHF2m share capital	100	Ownership, management and operation of private healthcare facilities
AndreasKlinik AG	CH-170.3.021.993-6	Switzerland, 1998	2007	CHF0.1m share capital	100	Ownership, management and operation of private healthcare facilities
Beau-Site AG	CH-035.3.000.188-4	Switzerland, 1944	2007	CHF2m share capital	100	Ownership, management and operation of private healthcare facilities
Klinik Belair AG	CH-290.3.003.694-0	Switzerland, 1976	2007	CHF0.6m share capital	100	Ownership, management and operation of private healthcare facilities
Klinik Birshof AG	CH-280.3.916.892-5	Switzerland, 1986	2007	CHF9.7m share capital	99.7	Ownership, management and operation of private healthcare facilities
Clinique Bois-Cerf SA	CH-550.0.082.572-3	Switzerland, 1987	2007	CHF3m share capital	100	Ownership, management and operation of private healthcare facilities
Klinik Hirslanden AG	CH-020.3.004.754-0	Switzerland, 1994	2007	CHF22.5m share capital	100	Ownership, management and operation of private healthcare facilities
Klinik Im Park AG	CH-020.3.901.297-5/a	Switzerland, 1983	2007	CHF2m share capital	100	Ownership, management and operation of private healthcare facilities
Salem-Spital AG	CH-035.030.467-3	Switzerland, 2002	2007	CHF2m share capital	100	Ownership, management and operation of private healthcare facilities
Clinique Cecil SA	CH-550.0.068.793-0	Switzerland, 1931	2007	CHF1.5m	100	Ownership, management and operation of private healthcare facilities
Klinik St. Anna AG	CH-100.6.007.535-0	Switzerland, 1911	2007	CHF0.1m	100	Ownership, management and operation of private healthcare facilities
Klinik Am Rosenberg Heiden AG	CH-300.3.010.496-3	Switzerland, 1979	2007	CHF2.5m	99.1	Ownership, management and operation of private healthcare facilities
Klinik Stephanshorn AG	CH-320.3.01594-7	Switzerland, 1976	2010	CHF10.8m	100	Ownership, management and operation of private healthcare facilities

Name	Registration number	Place and date of incorporations	Date it became a subsidiary	Issued/stated capital	Percentage held	Nature of business
Indirectly held through Mediclinic Middle East (Pty) Ltd						
Mediclinic Middle East Holdings Limited	110806	Jersey, 2012	2012	US$10 000 share capital	100	Investment in and operation of private healthcare facilities
Emirates Healthcare Holdings Limited BVI	1007205	British Virgin Islands, 2006	2006	AED491m share capital	50.4	Investment in and operation of private healthcare facilities
Indirectly held through Emirates Healthcare Holdings Limited BVI						
Welcare World Health Systems Limited BVI	553644	British Virgin Islands, 2004	2007	AED4 share capital	100	Investment in and management and operation of private healthcare facilities
EHL Management Services FZ LLC	00009	Dubai, 2003	2007	AED0.05m share capital	100	Manage and operate healthcare facilities.
Welcare Hospital LLC	244289	Dubai, 1996	2007	AED1m share capital	49	Operation of private healthcare facilities
American Healthcare Management Systems Limited	188292	British Virgin Islands, 1996	2007	AED7 share capital	100	Manage and operate healthcare facilities.
The Creek Hospital Dubai FZ LLC	00011	Dubai, 2003	2007	AED1m share capital	100	Operation of private healthcare facilities
Welcare EDC Al Qusais Clinic LLC	589117	Dubai, 2006	2007	AED0.3m share capital	49	Operation of private healthcare facilities
Welcare Clinic Mirdiff LLC	594128	Dubai, 2006	2007	AED0.3m share capital	49	Operation of private healthcare facilities
Welcare IBN Battuta LLC	637322	Dubai, 2010	2010	AED0.3m share capital	49	Operation of private healthcare facilities
Emirates Healthcare Estates Limited BVI	657798	British Virgin Islands, 2005	2007	AED90m share capital	100	Buy, Sell,Own & lease Land & Buildings
Emirates Healthcare Limited BVI	632634	British Virgin Islands, 2004	2007	AED455m share capital	99.3	Investment in and operation of private healthcare facilities
EHL Clinics LLC	650193	Dubai, 2011	2007	AED0.3m share capital	49	Operation of private healthcare facilities

Name	Registration number	Place and date of incorporations	Date it became a subsidiary	Issued/stated capital	Percentage held	Nature of business
The City Hospital FZ LLC	00010	Dubai, 2003	2007	AED1m share capital	100	Operation of private healthcare facilities
Welcare Hospital Limited BVI	121155	British Virgin Islands, 1995	2007	AED61 share capital	100	Investment in and operation of private healthcare facilities
Welcare World Holdings Limited BVI	1016131	British Virgin Islands, 2006	2007	–	–	Investment in and management and operation of private healthcare facilities
Indirectly held through Curamed Hospitals (Pty) Ltd						
Mediclinic Thabazimbi (Pty) Ltd	2000/003412/07	South Africa, 2000	2000	R10 000 share capital	85%	Ownership, management and operation of private healthcare facilities

Name	Registration number	Place and date of incorporations	Date it became a subsidiary	Issued/stated capital	Percentage held	Nature of business
Indirectly held through Medipark Clinic (Pty) Ltd						
ER24 Holdings (Pty) Ltd	2002/017330/07	South Africa, 2002	2002	R100 share capital	100	Holding company in respect of ER24 emergency response
ER24 EMS (Pty) Ltd	2000/005657/07	South Africa, 2000	2000	R100 share capital	100	Emergency response

Notes:

* Controlled through long term management agreements

$ Operating through trusts or partnerships

None of the above subsidiaries are listed.

PRINCIPAL IMMOVABLE PROPERTIES OWNED AND LEASED

Principal immovable properties owned by the Group as at 31 March 2012 are set out below:

Name	Situation/location (South Africa)	Area (m^2)
Marapong Private Hospital	175 Mosethla Street, Marapong	17 914
Mediclinic Barberton	Corner Sheba and Bulemba Avenues, Barberton	10 006
Mediclinic Bloemfontein	Corner Kellner and Parfit Avenues, Bloemfontein	20 499
Mediclinic Brits	Kerk Street, Brits	14 019
Mediclinic Cape Gate	Corner Okavango and Tanner Roads, Cape Town	27 070
Mediclinic Cape Town	Hof Street, Oranjezicht	11 632
Mediclinic Constantiaberg	65 Burnham Road, Cape Town	48 044
Mediclinic Cottage	Corner Haupt and Franziska van Neel Streets, Swakopmund, Namibia	21 711
Mediclinic Durbanville	45 Wellington Road, Durbanville	33 611
Mediclinic Emfuleni	6 Jan Van Riebeek Blvd, Vanderbijlpark	77 531
Mediclinic Ermelo	Corner Camden and Melmentz Streets, George	21 684
Mediclinic Geneva	7 Varing Avenue, Dormehlsdrift, George	7 118
Mediclinic George	York Street, George	3 791
Mediclinic Gynaecological Hospital	132 Celliers Street, Pretoria	9 618
Mediclinic Heart Hospital	551 Park Street, Pretoria	8 667
Mediclinic Head office	Strand Street, Stellenbosch	19 942
Mediclinic Hermanus	Hospitaal Street, Hermanus	16 247
Mediclinic Highveld	Voortrekker Street, Trichardt	8 583
Mediclinic Hoogland	De Leeuw Street, Bethlehem	32 584
Mediclinic Howick	107 Main Street, Howick	6 583
Mediclinic Kathu	Frikkie Meyer Road, Kathu	26 557
Mediclinic Kimberley	177 du Toitspan Road, Kimberley	10 455
Mediclinic Klein Karoo	185 Church Street, Oudtshoorn	44 982
Mediclinic Kloof	Jochemus Street, Pretoria	28 730
Mediclinic Legae	Off Lucas Mangope Highway, Mabopane	53 866
Mediclinic Limpopo	Corner Thabo Mbeki and Burger Streets, Polokwane	4 166
Mediclinic Louis Leipoldt (parking)	9 Solway Street, Bellville	535
Mediclinic Medforum	Schoeman Street, Pretoria	10 642
Mediclinic Milnerton	Racecourse Road, Milnerton	41 773
Mediclinic Morningside	Corner Rivonia and Hill Roads, Morningside	21 596
Mediclinic Muelmed	577 Pretorius Street, Pretoria	13 587
Mediclinic Nelspruit	Louis Street, Sonheuwel	46 390
Mediclinic Newcastle	Corner Hospital and Bird Streets, Newcastle	44 230
Mediclinic Otjiwarongo	Sonn Street, Otjiwarongo, Namibia	9 657
Mediclinic Paarl	Berlyn Street, Paarl	16 343
Mediclinic Panorama	Rothschild Boulevard, Parow	41 353
Mediclinic Pietermaritzburg	Payne Street, Pietermaritzburg	33 587
Mediclinic Plettenberg Bay	Muller Street, Plettenberg Bay	8 444
Mediclinic Potchefstroom	66 Meyer Street, Potchefstroom	22 613
Mediclinic Sandton	Corner Peter Place and Main Road, Bryanston	35 038
Mediclinic Secunda	Heunis Street, Secunda	2 101
Mediclinic Stellenbosch	Rokewood Avenue, Stellenbosch	21 953
Mediclinic Strand	26 Atena Road, Strand	5 098
Mediclinic Thabazimbi	1 Hospital Street, Thabazimbi	9 785
Mediclinic Tzaneen	Wolkberg Drive, R71, Tzaneen	42 075
Mediclinic Upington	Corner 4th Avenue and du Toit Street, Upington	26 105
Mediclinic Vereeniging	Corner Hofmeyer Avenue and Joubert Street, Vereeniging	40 907
Mediclinic Vergelegen	Main Road, Somerset West	59 910
Mediclinic Victoria	35 High Street, Tongaat	9 295
Mediclinic Welkom	Meulen Street, Welkom	26 661
Mediclinic Windhoek	Heliodoor Street, Windhoek, Namibia	11 893
Mediclinic Worcester	67 Fairbairn Street, Worcester	6 761

Name	Situation/location (UAE)	Area (m²)
The City Hospital and office	Dubai	9 291
The Creek Hospital	Dubai	7 200

Name	Situation/location (Switzerland)	Area (m²)
Hirslanden Klinik Am Rosenberg AG	Hassenbuhlstrasse 11, 940 Heiden	6 799
Klinik Birshof AG	Reinacherstrasse 28, 4142 Munchenstein/Basel	13 797
Clinique Bois-Cerf SA	Avenue d'Ouchy 31, 1006 Lausanne	10 600
Clinique Cecil SA	Avenue Ruchonnet 53, 1003 Lausanne	11 143
Klinik Hirslanden AG	Witellikerstrasse 40, 8032 Zurich	55 495
Klinik Am Rosenberg Heiden AG	Hasenbuhlstrasse 11, 9410 Heiden	6 799
Klinik Stephanshorn	Brauerstrasse 95 9016 St. Gallen	45 352

Principal immovable properties leased by the Group as at 31 March 2012 are set out below:

Lessee	Situation/location (South Africa)	Area (m²)	Lessor	Rental (Rand)	Expiry date
Mediclinic Louis Leipoldt	9 Solway Street, Bellville	22 311	Vukile Property Fund Limited	24 228 401	2025
Mediclinic Bloemfontein	Quantum Park, 172 Zastron Street, Bloemfontein	1 242	Janzylbas Trust	86 940	2013
Bloemfontein Practice Relief	Quantum Park, 172 Zastron Street, Bloemfontein	970	Janzylbas Trust	67 900	2017
Mediclinic (Pty) Ltd (WC Regional Offices)	Baltron Building, Techno Park, Stellenbosch	1 740	Wonderdeals 45 (Pty) Ltd	130 326	2013
Medical Innovations (Pty) Ltd	Interchange Industrial Park, Somerset West	1 070	Cool Ideas 30 (Pty) Ltd	55 758	2017
Mediclinic Medforum (Admin Offices)	Curator Building, 421 Pretorius Street, Arcadia, Pretoria	629	Apex HI Properties Ltd	51 578	2012
Mediclinic Medforum (Consulting Rooms)	Medforum Building, Stand 1047, Arcadia	2 868	Stand 1047, Arcadia (Pty) Ltd	100 000	2014
Mediclinic Morningside	Rochester Place, 173 Rivonia Road, Morningside	4 697 500	Public Investment Corporation Ltd	507 266 54 000	2017 2014
Practice Relief, Plattekloof	Plattekloof Office Park, Bloulelie Street, Plattekloof	630	Metropolitan Life	53 662	2014
Mediclinic (Pty) Ltd (Northern Regional Offices)	International Business, Gateway, Midrand	612	Vukile Property Fund Limited	54 069	2014
Mediclinic (Pty) Ltd (Tshwane Regional Offices)	Office Block J, The Boardwalk Lakeside, Faerie Glen	917	Faerie glen Waterpark (Pty) Ltd	74 412	2013
Practice Relief Sunnyside	536 Schoeman Street, Sunnyside	731	Old Mutual Life Assurance Company (SA) Ltd	67 983	2015
Mediclinic (Pty) Ltd (Peninsula Regional Offices)	Tijgerpark, Bellville	3 198	Vukile Property Fund Limited	279 673	2014

Lessee	Situation/location (UAE)	Area (m²)	Lessor	Rental (AED)	Expiry date
Emirates Diagnostic Clinic	Satwa	1 088	H E Shaika Fathima Bint Mohammed Sulaiman	298100	2012
Welcare Ambulance Care Centre	Media City	1 147	Dubai Technology & Media Free Zone Authority	1 062 358	2014
Welcare Hospital LLC	Al Gharhoud	13 594	H E Nasser Lootah	4 400 400	2012
Welcare Hospital Admin	Unit 202, 217, 218, 219	570	Saleh Lehej Building	710 850	2012
Welcare Clinic Mirdiff LLC	Mirdiff	743	Life Healthcare Group	1 386 000	2016

Lessee	Situation/location (UAE)	Area (m²)	Lessor	Rental (AED)	Expiry date
Welcare EDC Al Qusais Clinic LLC	Al Qusais	690	Legend Middle East LLC	982 353	2016
Welcare Clinic IBN Battuta LLC	IBN Battutta Mall,Dubai	1 397	Retailcorp Malls LLC	2 146 712	2021
The Dubai Mall Medical Center	Dubai Mall	5 730	Emaar Healthcare Group LLC	6 473 355	2021
EHL Meadows Clinic	Meadows	3 298	Emaar Healthcare Group LLC	1 418 550	2021
EHL Arabian Ranches Clinic	Arabian Ranches	1 393	Emaar Healthcare Group LLC	1 146 600	2021

Lessee	Situation/location (Switzerland)	Area (m²)	Lessor	Rental (CHF)	Expiry date
Office/medical office space	Seefelsrtasse 214, 8008, Zurich	2 568	Schweizerische National-Versicherunges-Gesellschaft	2 606 010	2024
Offices/Archives/parking lots	Bellariastr. 38, 8038, Zurich	1 250	Elvia Leben	768 204	2012
Medical training center facility	Aarau	1 270	AZ Medienhaus AG	1 077 167	2015
Hirslanden Klinik Arau AG Schachenallee	Schachenallee, Aarau	17 296	Einwohnergemeinde Aarau	54 051	2099
Klinik Aarau Schänisweg	Schänisweg, Aarau		Kaspar Hangarner	347 481	2084
AndreasKlinik AG Rigistrasse 1	Rigistrasse 1, Cham	9 558	Bürgergemeinde Cham	262 440	2094
Beau-Site AG	Schänzlihalde, 17, Bern	7 263	R. Georges, A. Bouckar-Georges, A. Georgres Kunz	191 581	2032
Klinik Im Park AG	Seestrasse 129, Zürich	16 083	Dr. Richard Allemann	270 113	2039
Klinik Permanence	Bümplizstrasse, Zürich	3 956	Neuapostolische Kirche Schweiz	30 240	2018
Klinik St. Anna AG	Dorenbach, Luzern	35 339	Maria Waibel Schwytzer von Buonas	32 480	2101
Salem-Spital AG	Schänzlistrasse 39, Bern	20 012	Stiftung Diakonissenhaus	1 039 009	2062
Klinik Belair AG	Vordere Breite, Schaffhausen	3 298	Einwohnergemeinde Schaffhausen	5 327	2098
Haus Blumenberg Nr. 33	Schänzlistrasse 33, Bern	2 608	Diakonissenhaus Bern	685 796	2023

CORPORATE GOVERNANCE – EXTRACTS FROM THE 2012 INTEGRATED ANNUAL REPORT

Mediclinic remains committed to maintaining strict principles of good corporate governance to ensure that its business is managed responsibly and with integrity, fairness, transparency and accountability. The board of directors of the Company ("the Board") supports the governance principles and guidelines contained in the Companies Act, 71 of 2008 ("the Companies Act"), the JSE Listings Requirements, the King Code of Governance for South Africa 2009 and King Report on Governance for South Africa 2009 (jointly referred to as "King III") and is satisfied that effective controls are implemented and complied with throughout the Group. We believe that the King III principles and the increased governance requirements of the Companies Act can only be beneficial to the reputation of South African businesses as leaders in corporate governance.

The Board is satisfied that the Company has met the requirements of the Companies Act, the Listings Requirements of the JSE Limited ("the JSE") and the majority of the principles contained in King III throughout the period under review. The JSE Listings Requirements require all JSE-listed companies to report on the application of the King III principles in accordance with the "apply or explain" approach of King III. While the vast majority of King III principles are applied by the Company, those principles which have not been applied are explained in the integrated annual report for the year ended 31 March 2012, also stating for what part of the year any non-compliance had occurred.

1. Composition

As at year end the Board consisted of an executive Chairman, five executive directors and ten non-executive directors, of whom five are regarded as independent, as illustrated in Figure 1. The attendance of Board meetings is set out in this Annexure. The composition of the Board reflects an appropriate balance between executive and non-executive directors to ensure that there is a clear division of responsibilities so that no one individual has unfettered decision-making powers. Although the majority of directors are non-executive, the majority of the non-executives are not independent, as recommended in King III. The Board regards the current composition as being in the best interest of the Company.

FIGURE 1: Board and sub-committee composition

Board
Executive directors:
Edwin Hertzog (Chairman)
Danie Meintjes (Chief Executive Officer)
Craig Tingle (Chief Financial Officer)
Ronnie van der Merwe (Chief Clinical Officer)
Koert Pretorius (CEO: Mediclinic Southern Africa)
Ole Wiesinger (CEO: Medi-Clinic Switzerland/Hirslanden)
Non-executive directors:*
Joe Cohen
Kabs Makaba
Mamphela Ramphele
Chris van den Heever
Thys Visser**
Independent non-executive directors:
Robert Leu
Zodwa Manase
Anton Raath
Desmond Smith
Wynand van der Merwe

Audit and Risk Committee
Desmond Smith (Chairman)
Robert Leu
Zodwa Manase
Anton Raath
Remuneration and Nominations Committee
Wynand van der Merwe (Chairman)
Edwin Hertzog
Anton Raath
Thys Visser**
Social and Ethics Committee
Chris van den Heever (Chairman)
Danie Meintjes
Ronnie van der Merwe
Investment Sub-committee
Edwin Hertzog (Chairman)
Joe Cohen
Anton Raath
Thys Visser**
All other executive Board members

Notes

* These directors are listed as non-executive directors and not regarded as independent because of their indirect interest in the Company. Mr Joe Cohen represents Trilantic Capital Partners, which held 6.01% of the issued shares in the Company at year end; Dr Kabs Makaba and Dr Mamphela Ramphele represent our strategic black partners, Phodiso Holdings and Circle Capital Partners, which indirectly held 6.03% and 3.58% respectively at year end; and Mr Chris van den Heever and the late Mr Thys Visser1 represent Remgro, which indirectly held 43.4% at year end.

** Subsequent to year end, the late Mr Thys Visser tragically passed away following a car accident on 26 April 2012.

The roles and responsibilities of the Chairman and the Chief Executive Officer are segregated. Every year, at the first Board meeting after the annual general meeting, both the Chairman and the Chief Executive Officer are formally elected by the Board for a term of one year by way of a closed ballot.

Although the Chairman of the Board, Dr Edwin Hertzog, is classified as an executive director, the Board considers him to be "semi-executive" as he holds various other directorships, including his role as Deputy Chairman of Remgro and board member of two other Remgro associated companies, of which one is listed on the JSE. The Board acknowledges the principle in King III recommending to appoint an independent non-executive director as Chairman, but given Dr Hertzog's involvement in a chief executive capacity from the incorporation of the Company until his appointment as Chairman in 1992 and his resultant in-depth industry knowledge and experience, it is undoubtedly considered to be in the Company's and the Group's best interest to have him as Chairman. As a result, Mr Desmond Smith fulfils the role of Lead Independent Director ("LID"), as recommended in King III and required in terms of the JSE Listings Requirements. The main functions of the LID are, inter alia, to provide leadership to the Board when the Chairman has a conflict of interest (which may occur in cases where the Chairman is executive) and perform the evaluations of the Chairman and the independence of the independent non-executive directors.

Mr Danie Meintjes, who has served on the Board since 1996 and as Chief Executive Officer from 1 April 2010, is responsible for the day-to-day management of the Group and the implementation of the strategies and policies adopted by the Board.

In terms of the Memorandum of Incorporation (currently still named the Articles of Association) of the Company, one third of the directors must retire each year on a rotational basis, but may make themselves available for re-election for a further term. There is a clear policy detailing procedures for appointments to the Board, which are formal and transparent. The appointment of directors is a function of the entire Board, based on recommendations made by the Remuneration and Nominations Committee.

2. Board Committees

Specific responsibilities are delegated to the Board's sub-committees, which have defined tasks in terms of approved mandates. Reports on the committees' activities are also submitted to the Board. The main sub-committees are described below.

2.1. Audit And Risk Committee

The responsibilities of the Audit and Risk Committee are codified in a mandate from the Board, which is reviewed at least annually by the Board. The main objectives of the committee are to:

- perform the statutory functions of an audit committee in terms of the Companies Act and other functions delegated to it by the Board;
- assess the policy of the Group with regard to internal control, accounting systems and policies, audit and public reporting of the Company and its subsidiaries, in order to make appropriate recommendations to the Board;
- assist in the evaluation of risk and control procedures, and to ensure that all the risks applicable to the Group are understood and appropriately managed by ensuring an effective control environment within the Group and by approving the overall risk management processes within the Group in order to make appropriate recommendations to the Board; and
- assist the Board to ensure that reporting to shareholders is comprehensive, accurate and timely.

The Audit and Risk Committees of the Group's three operating platform companies report to the Group's Audit and Risk Committee at each meeting.

As detailed in the annual report for the year ended 31 March 2012, the Audit and Risk Committee also performed a review of the Company's Chief Financial Officer and the Group's finance function. Based on the review, the committee has satisfied itself of the appropriateness of the expertise, resources and experience of the Group's Chief Financial Officer and finance function.

2.2. Social And Ethics Committee

The Board established the Company's Social and Ethics Committee and appointed its first members on 29 February 2012. The responsibilities of the committee are codified in a mandate from the Board, which will be reviewed at least annually by the Board. The main objectives of the committee are to:

- assist the Board in ensuring that the Group is and remains a good and responsible corporate citizen by monitoring the sustainable development performance of the Group; and

- perform the statutory functions of a social and ethics committee in terms of the Companies Act and other functions delegated to it by the Board.

The committee's report, describing how it has discharged its statutory duties in terms of the Companies Act and its additional duties assigned to it by the Board in respect of the financial year ended 31 March 2012 is included on pages 84 to 85 of the 2012 integrated annual report of Mediclinic. The composition of and attendance at committee meetings are also included in the committee's report.

2.3. Remuneration And Nominations Committee

The Remuneration and Nominations Committee meets periodically to discuss matters such as the Group's remuneration policy and philosophy, Board structure and composition, executive management and staff remuneration, directors' remuneration and management incentive schemes. The committee also aims to ensure that adequate succession planning measures are in place. The committee's responsibilities are codified in a mandate from the Board, which is reviewed at least annually by the Board.

The composition of and attendance at committee meetings are set out in this Annexure. The committee is chaired by Prof. Wynand van der Merwe, an independent non-executive director. The Group's Chief Executive Officer and Mediclinic Southern Africa's Human Resources Executive also attend meetings.

The Group's remuneration policy, approach and compensation structure are set out in the Remuneration Report included in the 2012 integrated annual report of Mediclinic, as referred to in paragraph 8.3.3 of this Circular. As recommended in King III, the Group's remuneration policy was approved by the shareholders of the Company at the last annual general meeting held on 27 July 2011 by way of a non-binding advisory vote, with 98.92% of the shareholders present or represented and entitled to vote voting in favour of the resolution. The policy will be put forward for such non-binding advisory vote at each annual general meeting of the Company.

2.4. Investment Sub-committee

The Investment Sub-committee is responsible for reviewing and making recommendations to the Board regarding proposed investments and capital expenditures of the Group that exceed set authority levels and meets on an ad hoc basis. At year end the committee consisted of all the executive directors as well as Messrs Joe Cohen, Anton Raath and the late Thys Visser. The composition of and attendance at committee meetings are set out in 2.5 below.

2.5. Attendance of meetings

2.5.1. Board meetings

		Apr 2011	May 2011	Jul 2011	Sep 2011	Nov 2011	Feb 2012	Mar 2012
Executive	Edwin Hertzog (Chairman)	√	√	√	√	√	√	√
	Danie Meintjes	√	√	√	√	√	√	√
	Koert Pretorius	√	√	√	√	√	√	√
	Craig Tingle	√	√	√	√	√	√	√
	Ronnie van der Merwe	√	√	√	√	√	√	√
	Ole Wiesinger	√	√	√	√	√	√	√
Non-executive	Joe Cohen	√	√	√	√	√	√	√
	Kabs Makaba	√	√	√	√	√	√	√
	Mamphela Ramphele	x	√	x	√	x	√	x
	Chris van den Heever	x	√	√	√	√	√	√
	Thys Visser	√	√	√	√	√	√	√
Independent non-executive	Robert Leu	√	√	√	√	√	√	√
	Zodwa Manase	√	√	√	x	√	√	√
	Anton Raath	√	√	√	x	√	√	√
	Desmond Smith	√	√	√	√	√	√	√
	Wynand van der Merwe	√	√	√	√	x	√	√

2.5.2 Audit and Risk Committee meetings

Committee members	May 2011	Nov 2011	Mar 2012
Desmond Smith (Chairman) (Independent non-executive)	√	√	√
Robert Leu (Independent non-executive)	√	√	√
Zodwa Manase (Independent non-executive)	√	√	√
Anton Raath (Independent non-executive)	√	√	√

2.5.3 Social and Ethics Committee meetings

Committee members	Mar 2012
Chris van den Heever (Chairman) (Non-executive)	√
Danie Meintjes (Executive)	√
Ronnie van der Merwe (Executive)	√

2.5.4 Remuneration and Nominations Committee meetings

	Apr 2011	May 2011	Jul 2011	Oct 2011
Wynand van der Merwe (Chairman) (Independent non-executive)	√	√	√	√
Edwin Hertzog (Executive)	√	√	√	√
Anton Raath (Independent non-executive)	√	x	x	√
Thys Visser* (Non-executive)	√	√	√	√

2.5.5 Investment Sub-committee meetings

	Mar 2011	Sep 2011	Feb 2012
Edwin Hertzog (Chairman) (Executive)	√	x	√
Joe Cohen (Non-executive)	√	√	√
Anton Raath (Independent non-executive)	√	√	√
Thys Visser* (Non-executive)	√	√	√
Danie Meintjes (Executive)	√	√	√
Koert Pretorius (Executive)	√	√	√
Craig Tingle (Executive)	√	√	√
Ronnie van der Merwe (Executive)	√	√	√
Ole Wiesinger (Executive)	√	√	√

For the use of Certificated Shareholders only

IMPORTANT: If you are in doubt as to how to deal with this Form of Instruction, you should consult your CSDP, Broker, attorney, accountant, banker or other professional adviser without delay.

This Form of Instruction in respect of a Letter of Allocation should be read in its entirety, together with the Circular to Shareholders dated 17 September 2012. Words and expressions defined in the Circular shall have the same meanings in the Form of Instruction, unless the context otherwise requires.

The Rights that are represented by the Letter of Allocation in respect whereof this Form of Instruction was issued are valuable and may be sold on the JSE. Mediclinic has issued all forms of instruction in Dematerialised form, as Letters of Allocation can only be traded in Dematerialised form. The electronic record for Certificated Shareholders is being maintained by the Transfer Secretaries and this has made it possible for holders of Certificated Shares to enjoy similar Rights and opportunities as holders of Dematerialised Shares in respect of trades on the JSE of the Letter of Allocation, to the extent possible.

Should you wish to take up or sell or renounce all or part of your Rights to the Rights Offer Shares to which you are entitled, you must complete this Form of Instruction and return it to the Transfer Secretaries at the address set out in the "Corporate information and advisers" section of this Circular.

Each alteration must be signed in full and not merely initialled.

Mediclinic International Limited

Incorporated in the Republic of South Africa
(Registration number: 1983/010725/06)
Share Code: MDC
ISIN: ZAE000074142
("Mediclinic" or "the Company" or "the Group")

The Rights Offer in respect of 174 641 984 Rights Offer Shares in the ratio of 26.77263 new Rights Offer Shares for every 100 Shares held at close of trade on Friday, 14 September at a price of R28.63 per Rights Offer Share

Form of Instruction for Shareholders in respect of a Letter of Allocation

Name and address of Shareholder	Serial number
(1)	Enquiries in connection with this Form of Instruction should be made to Mediclinic's Transfer Secretaries quoting the serial number below:

Account number	Number of Shares registered in your name at the close of business on Friday, 14 September 2012	Number of Rights Offer Shares to which you are entitled	Amount payable for maximum number of Rights Offer Shares at R28.63 Rights Offer Share
	(2)	(3)	**R** (4) (3) x R28.63

	Number of Rights Offer Shares subscribed for	Amount due
Acceptance of Rights in terms of paragraph 2 of this Form of Instruction. This portion to be completed by the applicant	(5)	**R** (6) (5) x R28.63

Number of excess Rights Offer Shares for which you are subscribing	Amount payable for excess subscription of Rights Offer Shares at R28.63 per Rights Offer Share
(7)	**R** (8) (7) x R28.63

Amount of cheque/banker's draft
R (9) (6) + (8)

Shareholders applying for excess Rights Offer Shares must complete the EFT details in Form C (1)

Applicant's telephone number (office hours) ( ) ______________________ Signature ______________________ Date ______________________

This Form of Instruction must be completed in its entirety and returned to the Transfer Secretaries:
Computershare Investor Services Proprietary Limited
Ground Floor, 70 Marshall Street
(PO Box 61763, Marshalltown, 2107)
Telephone (011) 370-5000

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 6 of this Circular apply to the "Salient dates and times" section of the Circular.

	2012
Last day to trade in Shares in order to participate in the Rights Offer (*cum* entitlement)	Friday, 7 September
Shares commence trading ex-entitlement at 09:00 on	Monday, 10 September
Listing of and trading in the Letters of Allocation on the JSE commences at 09:00 on	Monday, 10 September
Record Date for the Rights Offer for purposes of determining Shareholders entitled to participate in the Rights Offer at the close of trade on	Friday, 14 September
Rights Offer Circular and Revised Listing Particulars as well as a Form of Instruction, where applicable, posted to Shareholders	Monday, 17 September
Rights Offer opens at 09:00 on	**Monday, 17 September**
Letters of Allocation credited to an electronic account held at the Transfer Secretaries in respect of holders of Certificated Shares and CSDP or Broker accounts credited with entitlements in respect of holders of Dematerialised Shares	Monday, 17 September
Last day for trading Letters of Allocation on the JSE in order to settle trades by the close of the Rights Offer	Friday, 28 September
Listing of Rights Offer Shares and trading therein on the JSE commences at 09:00 on	Monday, 1 October
For Certificated Shareholders wishing to accept all or part of their entitlement, payment to be made and Forms of Instruction to be lodged with the Transfer Secretaries by 12:00 on	Friday, 5 October
Rights Offer closes at 12:00 on	**Friday, 5 October**
Record date for the Letters of Allocation	Friday, 5 October
Rights Offer Shares issued on or about	Monday, 8 October
CSDP or Broker accounts in respect of holders of Dematerialised Shares debited with the payment due and updated with Rights Offer Shares and Share certificates posted to Certificated Shareholders on or about	Monday, 8 October
Results of the Rights Offer announced on SENS	Monday, 8 October
Results of the Rights Offer published in the press	Tuesday, 9 October
Rights Offer Shares in respect of successful excess applications (if applicable) issued on or about	Wednesday, 10 October
Refund payments made and/or Share certificates posted to Certificated Shareholders and/or CSDP accounts credited in respect of excess applications (if applicable) on or about	Wednesday, 10 October

1. Rights Offer

   Mediclinic hereby offers to the Shareholder whose name is stated in Block (1) on page 1, the right to subscribe for the number of Rights Offer Shares set out in Block (3) on page 1 of the instruction form.

   The issue price is R28.63 per Rights Offer Share, payable in Rand.

2. Acceptance

   2.1. If you wish to accept the Rights Offer for the Rights Offer Shares stated in Block (3) on page 1 of the instruction form (or any lesser number), you must complete Blocks (5) and (6) on page 1 of the Form of Instruction. The properly completed Form of Instruction, together with payment (see 2.2 below), must be delivered or sent by post to the Transfer Secretaries, to be received by 12:00 on Friday, 5 October 2012. No postal acceptances received after 12:00 on Friday, 5 October 2012 will be allowed and you are therefore advised to take into consideration postal delivery times.

   2.2. Unless otherwise agreed by the Company, payment for the Rights Offer Shares must be made by a banker's draft drawn on a registered bank or by a bank guaranteed cheque drawn on a South African bank (in either case crossed and marked "not transferable", and in the case of a cheque, also with the words "or bearer" deleted) in favour of "Mediclinic International Limited – Rights Offer" and should be:

   - payable in Rand; and
   - lodged together with this Form of Instruction, properly completed.

   2.3. If you wish to apply for excess Rights Offer Shares, you must complete Blocks (7) and (8) on page 1 of the Form of Instruction.

   2.4. No acknowledgement of receipt will be given.

   2.5. The lodging or posting of this completed Form of Instruction and the payment in compliance with 2.1 and 2.2 above will be regarded as an irrevocable acceptance of the Rights Offer, except under the circumstances set out in paragraph 3.8 of the Circular to Shareholders dated 17 September 2012.

   2.6. All bankers' drafts or cheques received will be deposited immediately for payment. In the event that any cheque or banker's draft is dishonoured, Mediclinic, in its sole discretion, may treat the acceptance of the Rights Offer as void or may tender delivery of the relevant Rights Offer Shares to which it relates against payment of cash of the issue price for such Rights Offer Shares.

   2.7. Certified copies of the bank statement and identification document must be attached to the Form of Instruction when payment via electronic funds transfer is requested and same has not been submitted to the Transfer Secretaries to date.

   2.8. If this completed Form of Instruction is not lodged and payment of the required amount is not received by 12:00 on Friday, 5 October 2012, in terms of the provisions of 2.1 and 2.2 above, then the Shareholder will be deemed to have declined the Rights Offer.

3. Sale

   3.1. If you wish to sell part or all or some of your Rights, then you should complete Form A on page 4 of this Form of Instruction and send it to Computershare to be received by no later than 12:00 on Friday 28 September 2012. No postal instructions received after 12:00 on Friday, 28 September 2012 will be allowed and you are therefore advised to take into consideration postal delivery times.

   3.2. No acknowledgement of receipt will be given.

   3.3. The Transfer Secretaries have indicated to Mediclinic that they will endeavour to procure the sale of the Rights on the JSE on behalf of such Certificated Shareholders and will remit the proceeds in accordance with the payment instructions reflected in the Form of Instruction, net of brokerage charges and associated expenses. Neither the Transfer Secretaries nor Mediclinic will have any obligation, or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such entitlements.

4. Renunciation

   4.1. If you wish to renounce your part or all of your Rights Offer Shares, then you must complete Form B on page 4 and the renouncee must complete Form D on page 4 and blocks (5) and (6) on page 1 of this Form of Instruction. The renouncee must lodge this Form of Instruction and make payment, in terms of paragraph 2 above, for the Rights Offer Shares in respect of which the Rights Offer is accepted and then send it to the Transfer Secretaries to be received by no later than 12:00 on Friday, 5 October 2012. No postal renunciations received after 12:00 on Friday, 5 October 2012 will be allowed and you are therefore advised to take into consideration postal delivery times.

   4.2. No acknowledgement of receipts will be given.

   4.3. The lodging of this Form of Instruction, with Form B purporting to be signed by the Shareholder whose name appears thereon, will be conclusive evidence of the right of the renouncee:

   4.3.1. to deal with this Form of Instruction; and
   4.3.2. to have the Rights in question allotted and receive certificates in respect thereof.

   4.4. All bankers' drafts or cheques received will be deposited immediately for payment. In the event that any cheque or banker's draft is dishonoured, Mediclinic, in its sole discretion, may treat the renunciation of the Rights Offer as void or may tender delivery of the relevant Rights Offer Shares to which the renunciation relates against payment in cash of the issue price for such Rights Offer Shares.

   4.5. In the event of your renouncing all or some of your Rights, neither the Transfer Secretaries, nor Mediclinic will have any obligation or responsibility for any loss or damage whatsoever in relation to or arising from the timing of such renunciation or otherwise.

Mediclinic will not be obliged to investigate whether Form B or Form D has been properly signed or investigate any fact surrounding the signing or lodging thereof.

General instructions and notes:

5. Powers of attorney

If this Form of Instruction is signed under a power of attorney then that power of attorney must be sent to the Transfer Secretaries of Mediclinic for registration, unless it has already been registered by them.

6. Deceased estates and trusts

Rights Offer Shares will not be allocated in the name of a deceased estate or trust or a person under contractual disability. Therefore, when the right to Rights Offer Shares has accrued to a deceased person, an estate or a trust, the executor or trustee, parent/guardian or curator (as the case may be) must complete form B on page 4 of this Form of Instruction in his representative capacity (which authority must be lodged with the Transfer Secretaries) and Form D on page 4 of this Form of Instruction, must be completed by the person in whose name the Rights Offer Shares are to be allocated without any reference to the estate, the trust or the beneficial owner. Letters of Executorship (if not previously registered) should be submitted to the Transfer Secretaries for record purposes.

7. Joint holders

All joint Mediclinic Shareholders must sign where applicable.

8. Share certificates

8.1. If the Rights Offer is accepted, then the Mediclinic Share certificates will be posted by post, on or about Monday, 8 October 2012, to the address as shown in the register of Shareholders or, if an alternate address is given in the Postal Instructions (Form E) on page 4 of this Form of Instruction, to that address, at the Certificated Shareholder's risk.

8.2. As Mediclinic uses the "certified transfer deeds and other temporary Documents of Title" procedure approved by the JSE, "block" certificates will be issued in respect of Rights Offer Shares.

9. Exchange control regulations

The following summary is intended only as a guide and is, therefore, not comprehensive. If Shareholders are in any doubt as to the appropriate course of action they are advised to consult their professional adviser. In terms of the Exchange Control Regulations of the Republic of South Africa, Non-residents Qualifying Shareholders, excluding former residents, of the Common Monetary Area will be allowed to:

- take up Rights allocated to them in terms of the Rights Offer;
- purchase Letters of Allocation on the JSE; and
- subscribe for the Rights Offer Shares arising in respect of the Letter of Allocation purchased on the JSE provided payment is received through normal banking channels in foreign currency or Rand from a Non-resident account.

All applications by Non-residents for the above purposes must be made through an authorised dealer in foreign exchange. Electronic statements issued in terms of Strate and any Share certificates issued pursuant to such applications will be endorsed "Non-resident". Where a right in terms of the Rights Offer becomes due to a former resident of the Common Monetary Area, which right is based on Shares blocked in terms of the Exchange Control Regulations of South Africa, then only emigrant blocked funds may be used to:

- take up the Rights allocated to them in terms of the offer;
- purchase Letters of Allocation on the JSE; and
- subscribe for the Rights Offer Shares arising in respect of the Letter of Allocation purchased on the JSE.

All applications by emigrants using blocked funds for the above purposes must be made through the authorised dealer in South Africa controlling their blocked assets. New Share certificates issued pursuant to the Rights Offer to an emigrant will be endorsed "non-resident" and forwarded to the address of the relevant authorised dealer controlling such emigrant's blocked assets for control in terms of the Exchange Control Regulations of South Africa. The proceeds due to emigrants from the sale of the Letter of Allocation, if applicable, will be returned to the authorised dealer in foreign exchange for credit to such emigrants' blocked accounts.

Where the emigrant's Shares are in Dematerialised form with a CSDP, any shares issued pursuant to the use of emigrant blocked funds will be credited to their blocked share accounts at the CSDP controlling their blocked portfolios. The electronic statement issued in terms of Strate will be dispatched by the CSDP or Broker to the address of the emigrant in the records of the CSDP or Broker.

The proceeds arising from the sale of Letters of Allocation or arising from the sale of blocked Shares will be credited to the blocked accounts of the emigrants concerned.

Any Qualifying Shareholder resident outside the Common Monetary Area who receives this Circular and form of instruction should obtain advice as to whether any governmental and/or other legal consent is required and/or any other formality must be observed to enable a subscription to be made in terms of such form of instruction.

The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer and this Circular and form of instruction should not be forwarded or transmitted by you to any person in any territory other than where it is lawful to make such an offer. The Rights Offer Shares have not been and will not be registered under the Securities Act of the United States. Accordingly, the Rights Offer Shares may not be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States or to, or for the account or benefit of, United States persons, except pursuant to exemptions from the Securities Act. This Circular and the accompanying documents are not being, and must not be, mailed or otherwise distributed or sent in, into or from the United States. This Circular does not constitute an offer of any securities for sale in the United States or to United States persons. Shareholders holding Mediclinic Shares on behalf of persons who are non-Qualifying Shareholders are responsible for ensuring that taking up the Rights Offer, or trading in their entitlements under that offer, do not breach regulations in the relevant overseas jurisdictions.

10. Overseas Shareholders

The attention of overseas Shareholders is drawn to paragraphs 3.12 and 3.13 of the Circular.

The Rights Offer Shares and the Rights Offer documentation will not be registered with any authority in any jurisdiction other than South Africa. The distribution of this Circular, the Rights Offer, the form of instruction and the transfer of the Rights Offer Shares and/or the rights to subscribe for the Rights Offer Shares to certain persons in territories other than South Africa may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such territory. Neither this Circular, nor any form of instruction, is to be regarded as an offer or invitation to any person in any jurisdiction other than South Africa to the extent that any applicable legal requirement in such jurisdiction has not been complied or it is for any reason illegal or unlawful to make such an offer or invitation in such jurisdiction to such person. In those circumstances, this Circular is sent for information purposes only.

The Rights, the Rights Offer Shares and the Letters of Allocation have not been and will not be registered under the US Securities Act of 1933, as amended (the **"Securities Act"**) or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except in accordance with the registration requirements of the Securities Act or an applicable exemption therefrom and in compliance with any applicable securities laws of any state or other jurisdiction of the US. Accordingly, subject to certain exceptions, Mediclinic is not extending the Rights Offer into the United States and neither this Circular nor any Letter of Allocation constitutes or will constitute or forms part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Rights, Rights Offer Shares or Letter of Allocation in the United States.

This Circular and form of instruction should not be forwarded or transmitted by you to any person in any territory, other than where the Rights Offer made to such person in such territory is compliant with the applicable laws of that territory. It is the responsibility of any person outside South Africa (including, without limitation, nominees, agents and trustees for such persons) receiving this circular and wishing to take up Rights under the Rights Offer, to satisfy itself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. Shareholders outside of South Africa should consult their professional advisers to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the rights offer, or trade their entitlement.

Shareholders holding Mediclinic Shares on behalf of persons who are non-Qualifying Shareholders are responsible for ensuring that taking up the Rights Offer, or trading in their entitlements under that offer, do not breach regulations in the relevant overseas jurisdictions, and should not in connection with the Rights Offer distribute in or send the Form of Instruction into any jurisdiction or transfer Rights to any person in, or citizen or resident of any such jurisdiction where to do so would or might contravene local securities laws or regulations. Any person who does forward this Form of Instruction into any such jurisdiction (whether under a legal or contractual obligation or otherwise) should draw the recipient's attention to the provisions of this paragraph 10.

11. Representations and warranties given by Shareholders who hold Certificated Shares

Any person accepting a Letter of Allocation or requesting registration of the Rights Offer Shares comprised therein represents and warrants to Mediclinic and the Underwriter that, except where proof has been provided to Mediclinic's satisfaction that such person's use of the Letter of Allocation will not result in the contravention of any applicable legal or regulatory requirement in any jurisdiction, such person (a) is not accepting the Letter of Allocation, or requesting registration of the relevant Rights Offer Shares, from within any jurisdiction in which it is unlawful to make or accept an offer to acquire Rights Offer Shares or to use the Letter of Allocation in any manner in which such person has used or will use it, (b) is not acting on a non-discretionary basis for a person located within any jurisdiction referred to in (a) above at the time the instruction to accept was given, and (c) is not acquiring Rights Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Rights Offer Shares into any jurisdiction referred to in (a) above. Mediclinic may treat as invalid any acceptance or purported acceptance of the allotment of Rights Offer Shares comprised in a Letter of Allocation if it (a) appears to Mediclinic or its agent to have been executed in or dispatched from a jurisdiction outside South Africa or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement, (b) an address outside South Africa is provided for delivery of definitive Share certificates for Rights Offer Shares in which it would be unlawful to deliver such Share certificates, or (c) it purports to exclude the representations and warranties required by this paragraph.

By order of the Board.

For and on behalf of
Mediclinic International Limited

G C Hattingh
Company Secretary

Renounceable Letter of Allocation

FORM A: INSTRUCTION TO SELL RIGHTS
(To be completed and signed by the Mediclinic Shareholder if the Letter of Allocation in respect of the Right to the Rights Offer Shares are to be sold by the Transfer Secretaries on behalf of the Shareholder)

To Computershare Investor Services Proprietary Limited **(for Mediclinic International Limited)**

Stamp and endorsement of selling Broker (if any)

I/We hereby instruct Computershare Investor Services Proprietary Limited to pay the proceeds, if any, of the sale of the Rights allocated to me/us in terms of this form less R131 (all inclusive) for trades less than R40 000 and 0.25% of the value of the trades for amounts greater than R40 000.

Number of Shares to be sold

Signed

Date 2012

Payment Instructions:
Tick appropriate box

☐ 1. By electronic funds transfer to the following bank account (include stamped original bank statement as proof):

Name of bank | Name of account holder

Account number | Type of account

Branch code | Branch name

☐ 2. To a charitable organisation to be selected by Mediclinic

PLEASE NOTE THAT IF THE ABOVE INFORMATION IS NOT COMPLETED OR IS INCORRECT, PAYMENT OF THE AMOUNT DUE WILL BE HELD BY MEDICLINIC UNTIL CLAIMED BY THE APPLICANT AND NO INTEREST WILL ACCRUE TO THE APPLICANT IN RESPECT THEREOF. PLEASE PROVIDE AN ORIGINAL BANK STATEMENT STAMPED BY THE BANK AS PROOF OF BANKING DETAILS.

FORM B: FORM OF RENUNCIATION
(To be completed and signed by the Mediclinic Shareholder named in Block (1) on page 1 of this Form of Instruction if the right to Rights Offer Shares are renounced)

To Computershare Investor Services Proprietary Limited **(for Mediclinic International Limited)**

Stamp and endorsement of selling Broker (if any)

I/We hereby renounce in favour of the person completing form D to my/our right to subscribe for such number of the Rights Offer Shares allocated to me/us in terms of this form as identified to the right.

Number of Shares renounced

Signed (by person renouncing)

Signed (by offeree)

Date 2012

FORM C: REFUND ON EXCESS APPLICATION OF RIGHTS OFFER SHARES
(To be completed and signed by the Mediclinic Shareholder named in Block (1) on page 1 of this Form of Instruction if an application for excess Rights Offer Shares is made)

To Computershare Investor Services Proprietary Limited **(for Mediclinic International Limited)**

I/We hereby instruct Computershare Investor Services Proprietary Limited to refund any amounts, if any, on the unsuccessful application of excess Rights Offer Shares detailed in Block (7) and Block (8).

Signed

Date 2012

Payment Instructions on receipt of refund:
Tick appropriate box

☐ 1. By electronic funds transfer to the following bank account (include stamped original bank statement as proof):

Name of bank | Name of account holder

Account number | Type of account

Branch code | Branch name

☐ 2. To a charitable organisation to be selected by Mediclinic

PLEASE NOTE THAT IF THE ABOVE INFORMATION IS NOT COMPLETED OR IS INCORRECT, PAYMENT OF THE AMOUNT DUE WILL BE HELD BY MEDICLINIC UNTIL CLAIMED BY THE APPLICANT AND NO INTEREST WILL ACCRUE TO THE APPLICANT IN RESPECT THEREOF. PLEASE PROVIDE AN ORIGINAL BANK STATEMENT STAMPED BY THE BANK AS PROOF OF BANKING DETAILS.

FORM D: REGISTRATION APPLICATION FORM
(To be completed by the renouncee to whom the Rights Offer Shares are to be allotted)

This form will not be negotiable once this form is completed.

To Computershare Investor Services Proprietary Limited **(for Mediclinic International Limited)**

I/We
(a) authorise you to procure the allotment and issue of such number of the Rights Offer Shares allocated in this Form of Instruction as identified in Form B in my/our own name(s) upon the conditions set out in the Circular to Mediclinic Shareholders issued on 17 September 2012 as read with this Form of Instruction; and
(b) authorise you to place my/our names on the register of Mediclinic Shareholders.

USE BLOCK LETTERS
Surname(s) or name of company
First names in full Mr/Mrs/Miss
Postal Address (preferably PO Box)
Contact number

Signed (by offeree) Date 2012

FORM E: POSTAL INSTRUCTIONS
Mediclinic Share certificates should be forwarded at my/our risk, to the following address:
(BLOCK LETTERS)

Postal code

(If no specific instructions are given here, the Mediclinic Share certificate will be forwarded to the address shown on page 1 of this letter)

Shareholders wishing to collect the Rights Offer Share certificate from the Transfer Secretaries must tick this block ☐