Mediclinic International plc
(Incorporated in England and Wales)
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("**Mediclinic**", the "**Company**" or the "**Group**")

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

17 October 2017

2017/18 Interim Trading Update

Mediclinic International plc, the international private healthcare group, provides the following trading update ahead of the publication of its results for the half year ended 30 September 2017 ("**1H18**") on 16 November 2017. The information on which this trading update is based represents the Group's latest financial estimates and has not been reviewed and reported on by Mediclinic's external auditors. All financial figures, unless explicitly stated, are underlying*.

Commenting today, Danie Meintjes, CEO, said:
"The Middle East business has started the financial year well following the positive operational and regulatory changes in Abu Dhabi. I am pleased that the investments made in our clinical services, personnel and facilities are driving the turnaround in Abu Dhabi. The Dubai operations continue to perform strongly, benefiting from growing patient numbers at the Mediclinic City Hospital's new North Wing. We expect the Middle East business to generate strong sequential and comparative revenue growth and underlying EBITDA margin expansion in the second half of the financial year.

"In Switzerland and Southern Africa, patient volumes in the first half of the year were down on the prior year period, impacted by the timing of the Easter holiday period. The management teams in both platforms have implemented the appropriate cost savings programmes and productivity initiatives that will help margins during the second half of the year.

"During the first half of the year we announced a number of selective acquisitions and investments as we look at further growth opportunities across the continuum of healthcare. In Switzerland, we acquired the 115-bed Linde Private Hospital in Biel; in Southern Africa, we have agreed to invest in the Intercare group which is focused on primary and sub-acute care."

Hirslanden - Switzerland
In Switzerland, 1H18 revenue was up 0.1% to CHF0.8 billion (1H17: CHF0.8 billion) with bed days sold and inpatient admissions down 1.9% and 1.3% respectively, impacted by the timing of the Easter period and a subdued market during the summer months. Revenue per bed day remained broadly flat. Hirslanden's outpatient revenues, which represents some 19% of the overall platform revenues, continued to grow during the first half of the year, up 6.0%. The

acquisition of the Linde Private Hospital ("**Linde**") in Biel was completed at the end of June 2017 and the hospital contributed some CHF15m to Hirslanden's revenues during 1H18. Hirslanden expects modest revenue growth for the full year.

The underlying EBITDA margin for 1H18 is around 17.4% (1H17: 18.6%). The margin reflects lower patient volumes and an ongoing insurance mix change, partially offset by cost-management programmes and efficiency savings. The underlying EBITDA margin in the second half of the year will reflect the seasonal benefit of the winter period while the full year margin will be impacted by the TARMED outpatient tariff reductions from 1 January 2018, outmigration of care, two Easter holiday periods, costs relating to the Hirslanden 2020 strategic programme and the Linde acquisition.

Mediclinic Southern Africa

In Southern Africa, 1H18 revenue was up 4.1% to ZAR7.6 billion (1H17: ZAR7.3 billion) with inpatient bed days decreasing by 3.3% and revenue per bed day increasing by 7.7%. These results were delivered against a continued weak macro-economic environment in South Africa. In addition, during the first half of the year, the impact of Easter and other public and school holidays meant there were nine fewer ordinary working days in South Africa than in the prior year period. Revenue growth for the full year is now expected to be around 4%.

Despite the pressure on volumes, the underlying EBITDA margin for 1H18 is expected to be around 21.0% (1H17: 20.7%), resulting from a strong focus on cost-management and efficiencies. Full year margin expectations remain in line with previous guidance, broadly stable on the prior year, at around 21%.

Mediclinic Middle East

In line with guidance, 1H18 revenue in the Middle East business was down 4.7% to AED1.5 billion (1H17: AED1.5 billion). After adjusting for the sale of non-core assets, revenue was down 0.6%. Inpatient and outpatient volumes were down 2% and 15% respectively in 1H18, impacted by the business and operational alignment initiatives that took place in Abu Dhabi during the prior year. The Dubai business continues to perform very well.

Actions taken are having a positive effect on the business and are laying the foundation for sustainable growth. Doctor vacancies have normalised and the focus has shifted to supporting doctors to grow their patient activity. Since the Thiqa (health insurance for UAE Nationals) co-payment requirement in Abu Dhabi was removed in April 2017, we continue to see an improving trend in Thiqa patient activity. 1H18 Thiqa inpatient and outpatient volumes increased by 40% and 15% respectively compared to 1H17. The removal of the Thiqa co-payment has enabled the business to accelerate its strategy of shifting activity away from Basic, towards Enhanced and Thiqa patients thereby improving the quality of revenue. We expect to see the positive momentum in higher margin business continue to grow in the second half, supported by the seasonality benefit in the UAE following the end of the quieter summer period. Guidance remains unchanged for a modest improvement in revenue for the full year.

The underlying EBITDA margin for 1H18 is in line with lower guidance at around 8.5% (1H17: 11.0%). Strong underlying EBITDA growth is expected in the Middle East during the second half of the year. Guidance for the Middle East platform remains unchanged with the expectation of a gradual improvement in underlying EBITDA margin over time.

The investment projects at the two main Abu Dhabi hospitals, Mediclinic Airport Road Hospital and Mediclinic Al Noor Hospital (previously Khalifa Street Hospital), are underway and will enhance the clinical service offering and patient experience at both key facilities. The new build Mediclinic Parkview Hospital in Dubai is progressing well and on track for completion in the fourth quarter of the next financial year. The Western Region Hospital project has also been initiated and the project planning is currently underway.

Spire Healthcare Group
Mediclinic has a 29.9% investment in Spire Healthcare Group plc ("**Spire**"). The investment in Spire is accounted for on an equity basis recognising the reported profit of £8.9m for Spire's financial half year ended 30 June 2017 (6 months ended 30 June 2016: £35.7m). Spire made a provision amounting to £27.6m for the potential cost of a settlement relating to civil litigation in relation to surgeon Ian Paterson, which is before taking account of any potential further recoveries from insurers. Mediclinic's 1H18 equity accounted share of profit from Spire was £1.1m (1H17: £9.8m) after adjusting for the amortisation of intangible assets recognised in the notional purchase price allocation of the equity investment.

Group
At the Group level, in constant currency, 1H18 revenue was flat and underlying EBITDA was down around 5.0%. However, after the translation effect of foreign currency movements, 1H18 revenue was up 9.5% at GBP1.4bn (1H17: GBP1.3bn) and underlying EBITDA was up 5.0% at GBP231m (1H17: GBP220m). Underlying earnings per share is expected to be around 11.5 pence (1H17: 12.8 pence). The average foreign exchange rates for 1H18 were GBP/CHF 1.26, GBP/ZAR 17.08 and GBP/AED 4.75 (1H17: 1.34, 20.00 and 5.05 respectively).

In October 2017, the Group agreed the terms for the refinancing of Hirslanden's secured long-term bank loans. The new facilities will reduce the cost of debt on a like for like basis by 25bps and extend the maturity profile to at least 2023.

** The Group uses underlying income statement reporting as non-IFRS measures in evaluating performance and as a method to provide shareholders with clear and consistent reporting. The Group's non-IFRS measures are intended to remove from reported earnings volatility associated with defined one-off incomes and charges.*

Cautionary Statement
This announcement contains certain forward-looking statements relating to the business of the Company and its subsidiaries (collectively, the "Group"), including with respect to the progress, timing and completion of the Group's development, the Group's ability to treat, attract, and retain patients and customers, its ability to engage consultants and general practitioners and to operate its business and increase referrals, the integration of prior

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

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

About Mediclinic International plc

Mediclinic is an international private healthcare group with 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 acute care, specialist-orientated, multi-disciplinary healthcare services. Mediclinic also holds a 29.9% interest in Spire Healthcare Group plc, a LSE listed and UK-based private healthcare group.

Mediclinic comprises 75 hospitals and 29 clinics. Mediclinic Southern Africa operates 49 hospitals and 2 day clinics throughout South Africa and 3 hospitals in Namibia with more than 8 000 inpatient beds in total; Hirslanden operates 17 private acute care facilities and 4 clinics in Switzerland with more than 1 700 inpatient beds; and Mediclinic Middle East operates 6 hospitals and 23 clinics with more than 700 inpatient beds in the United Arab Emirates.

The platforms' contributions to Group revenue for the financial year ended 31 March 2017 were 48% by Hirslanden, 28% by Mediclinic Southern Africa and 24% by Mediclinic Middle East.

During February 2016, the combination of the Company (previously named Al Noor Hospitals Group plc), with operations mainly in Abu Dhabi in the United Arab Emirates, and Mediclinic International Limited was completed. Mediclinic International Limited was a South African based international private healthcare group founded in 1983 and listed on the JSE, the South

African stock exchange, since 1986, with operations in South Africa, Namibia, Switzerland and the United Arab Emirates (mainly in Dubai). The combination resulted in the renaming of the enlarged group to Mediclinic International plc.

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

For further information, please contact:

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

Media queries
FTI Consulting
Brett Pollard/Debbie Scott – UK
+44 (0)20 3727 1000
Frank Ford – South Africa
+27 (0)21 487 9000

Inside information
The information contained in this announcement is inside information. If you have any queries on this, then please contact Victoria Dalby at Capita Company Secretarial Services Limited, the corporate Company Secretary for Mediclinic and the person responsible for arranging the release of this announcement, at 6th Floor, 65 Gresham Street, London EC2V 7NQ or +44 (0)20 7954 9600.

Registered address: 6th Floor, 65 Gresham Street, London, EC2V 7NQ, United Kingdom
Website: www.mediclinic.com
Corporate broker: Morgan Stanley & Co International plc
JSE sponsor: RAND MERCHANT BANK (A division of FirstRand Bank Limited)
NSX sponsor: Simonis Storm Securities (Pty) Ltd