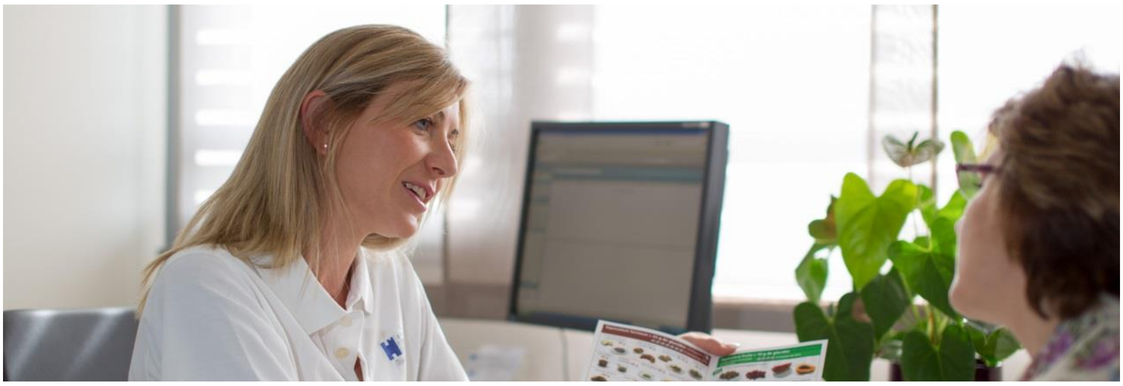
ANNUAL REPORT 2015

HDLT
Holding SA

CONTENT

MANAGEMENT REPORT



Your health, our passion

Corporate Information

HDLT Holding SA owns and operates the largest private hospital group in the Canton of Geneva as well as related operations: Hôpital de la Tour, Clinique de Carouge and Centre Médical de Meyrin.

Hôpital de la Tour, created in 1976, developed and expanded over the years to become Geneva's largest private full-service hospital measured by beds, patient days and revenue, enjoying a unique positioning as the only hospital on Geneva's more densely populated right bank. It is also the sole unique private hospital in canton Geneva that is open 7 days a week and 24 hours a day and has a certified intensive care unit, a 24/7 emergency service and a recognized medical teaching facility in 7 specialties.

Activity of the Group

Activity

La Tour has 170 beds, including 10 intensive care unit beds, and is equipped with 7 state-of-the-art operating rooms and two around-the-clock emergency rooms. It generated consolidated revenues of KCHF 204'475 in 2015. La Tour has an estimated market share in relation to private inpatient admissions in Geneva of 24%. Outpatient services and day cases account for 34.7 % of total consolidated revenues.

La Tour offers its patients a comprehensive range of medical services, including Orthopaedics & sports medicine, cardiology & cardiovascular surgery, pulmonary medicine & thoracic surgery, gastroenterology & digestive surgery, internal medicine & diabetology, women & children's services, oncology, emergency services as well as progressive & intensive care medicine.

La Tour also offers support services including extensive medical imaging, molecular medicine diagnostics and laboratory services.

La Tour is on the Canton of Geneva's hospital list and is mandated to provide inpatient services, including for patients without private and semi-private top-up insurance. However, 87.6% of inpatient revenues are generated by patients with private insurance coverage.

La Tour is recognized as a medical teaching facility in 7 specialties and currently employs 38 physicians on one or two-year training programs.

Thanks to its long experience in sport medicine and constant support to elite athletes, La Tour is one of the leading medico-sportive centers in Switzerland and is accredited as a Swiss Olympic Medical Center.

In 2015, La Tour had 6'450 inpatients admissions, 569 deliveries, 2'822 day cases and 303'035 outpatient visits. La Tour employed 771 full time equivalent employees and works with 350 independent attending physicians with admission rights.

Expansion project – Building B2

In 2014, on the back of high capacity utilization, the Group decided to launch the expansion of the hospital, "Project B2", which encompasses the construction of a new building adjacent and connected to the existing main hospital premises that will result in a net increase of 47 beds. It will also include 4 new operating rooms, a radiotherapy bunker with a linear accelerator, extensive medical imaging services and a new sports medicine and physiotherapy wing in state-of-the-art facilities. La Tour will use the additional capacity to continue to develop its activities. The construction work started in March 2014, and the new wing is projected to be fully operational in 2017.

This new building requires total investments expected to be up to KCHF 102,600 for construction and KCHF 21,600 for equipment. Up to 31 December 2015, the Group already spent KCHF 36'537 for the Project B2.

Refinancing operation
In 2015, the group proceeded to a refinancing operation to benefit from lower interest rates and to diversify its source of financing, resulting in a renegotiation of senior loans terms and the issuance of a bond for CHF 82 million.

Perspectives

La Tour's strong position on the right bank of Geneva, it's full range of medical services and only hospital, in addition to the public hospital, with an accredited intensive care unit continues to provide a solid base for the generation of revenues. Awaiting the expansion of its capacity La Tour's strategy is focused on organic growth through the recruitment of physicians and through gains in productivity.

La Tour is also in the market area of major new housing projects with an above average population growth for the coming years and is well positioned to service this market, including for patients with basic insurance coverage only. As such it complements the Geneva University Hospital as demonstrated in the public-private partnerships it shares with the latter.

Board of Directors of HDLT Holding SA

Name	Function	Domicile (country)	Citizenship
Photios Antonatos	Chairman	Vandoeuvres (CH)	Greece
Michel Bourrit	Member	Genève (CH)	Switzerland
Christophe Douineau	Member	Prevessin Moëns (FR)	France
Evgenia Paizi	Member	Chambésy (CH)	Greece
Christopher Potter	Member	Commugny (CH)	United Kingdom

Members of the Executive Management of the Hôpital de la Tour

Nicolas F. Froelicher, CEO
Joined La Tour Réseau de Soins SA in 1983, holds a MBA from University of Geneva and is Certified Swiss Hospital Manager. Appointed CFO in 1986, he was promoted to CEO in September 2015.
Other activities include past President and Vice President of the Geneva and Swiss Private Hospital Association and member of the working group on Swiss DRGs.

Nathalie Delbarre, COO
Joined La Tour Réseau de Soins SA in 1992 as respiratory and physical therapist and appointed COO in 1999, holds a MBA from University of Geneva and is Certified International Investment Analyst.

Patrick Mignot, CSO
Recently hired to oversee La Tour's strategic projects, previously was CEO of the Lyon pole of hospitals for Groupe Générale de Santé (France), where he has held senior positions since 2002 and worked as well for Fresenius. He holds a MBACESA from HEC Paris and a DUA from EM Lyon and is graduated in economics.

Risk assessment

On a yearly basis the Board of Directors conducts and approves an assessment of the risks facing the Group, with the participation and input of the Management. Identified risks are assessed according to their likelihood, severity and mitigation. Adequate measures to have in place to mitigate and manage risks are determined and responsibility is delegated to the management for implementation of such measures.

Internal audit ensure adequate implementation of such actions and findings are communicated to the Board of Directors so that progress and identified risks can be monitored objectively and independently from Management.

FINANCIAL REPORT 2015

Consolidated annual financial statements


Operating Theater


Pediatrics


Emergency Room


Intensive Care Unit

CONSOLIDATED BALANCE SHEET

Amounts expressed in '000 CHF	Note	31.12.2015	31.12.2014
ASSETS			
Current assets			
Cash and banks		99'384	10'022
Trade receivables, net	[4]	40'162	42'148
Tax receivable		183	45
Other receivables		151	215
Inventories	[5]	4'845	4'796
Prepaid expenses		4'166	1'962
Total Current assets		**148'891**	**59'188**
Non-current assets			
Fixed assets	[6]	350'927	340'302
Intangible assets	[7]	128'483	136'313
Deffered tax assets	[8]	10'898	17'530
Total Non-current assets		**490'308**	**494'145**
TOTAL ASSETS		**639'199**	**553'333**

CONSOLIDATED BALANCE SHEET

Amounts expressed in '000 CHF	Note	31.12.2015	31.12.2014
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables		22'283	18'241
Other payables		51	380
Lease debt, short-term portion	[9]	907	311
Accrued taxes		95	114
Accrued expenses	[10]	12'571	9'894
Bank loans	[11]	3'000	3'000
Total Current liabilities		**38'907**	**31'940**
Non-current liabilities			
Loans from parent company	[12]	190'575	190'514
Convertible loan	[13]	672	0
Bank loans	[11]	189'500	192'500
Bond loan	[14]	82'000	0
Other loans	[15]	20'000	20'000
Lease debt, long-term portion	[9]	2'001	751
Deferred income		286	429
Deferred tax liability	[8]	58'746	60'992
Provision	[16]	0	940
Total Non-current liabilities		**543'780**	**466'126**
Total Liabilities		**582'687**	**498'066**
Shareholders' equity			
Share capital	[18]	2'012	100
Capital reserve		56'690	56'414
Retained Earnings		(2'190)	(1'247)
Total Shareholder's equity		**56'512**	**55'267**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**639'199**	**553'333**

CONSOLIDATED INCOME STATEMENT

Amounts expressed in '000 CHF	Note	2015	2014
REVENUE			
Net revenue		200'698	202'413
Other operating income		3'777	3'530
Total revenue		**204'475**	**205'943**
EXPENSES			
Personnel expenses	[19]	(76'119)	(77'184)
Doctors fees		(30'631)	(29'441)
Medical material and supplies		(33'700)	(33'291)
Rental expenses		(2'571)	(2'572)
Other operating expenses		(13'638)	(13'717)
Total expenses		**(156'659)**	**(156'205)**
EBITDA (earnings before interest, taxes, depreciation, amortization and non-operating items)		**47'816**	**49'738**
		23%	**24%**
Depreciation on fixed assets	[6]	(22'550)	(22'206)
Amortization on intangible assets	[7]	(8'250)	(8'927)
Operating Result		**17'016**	**18'605**
Financial expenses		(9'155)	(12'188)
Financial incomes		3	0
Financial Result		**(9'152)**	**(12'188)**
Ordinary Result		**7'864**	**6'417**
Refinancing costs	[11]	(1'800)	0
Other non-operating expenses		(1'939)	(560)
Total non-operating expenses		**(3'739)**	**(560)**
Net income before tax		**4'125**	**5'857**
Current taxes		(682)	(1'140)
Deferred taxes	[8]	(4'386)	(3'512)
Net profit/(loss) for the year		**(943)**	**1'205**
Earnings per share (EPS) expressed in CHF per share:			
Registered shares - Basic earnings per share		(557)	12'050
Registered shares - Diluted earnings per share	[13]	(549)	12'050

CONSOLIDATED CASH FLOW STATEMENT

Amounts expressed in '000 CHF		2015	2014
Net profit /(loss) after tax		**(943)**	**1'205**
Non-cash items			
Depreciation of fixed assets		22'550	22'206
Amortization on intangible assets		8'250	8'927
Taxation		5'068	4'652
Financial expenses and refinancing costs		10'955	12'188
Working capital adjustments			
Decrease (increase) in accounts receivable		1'986	(4'514)
Decrease (increase) in inventories		(49)	15
Decrease (increase) in other current assets		(2'140)	(940)
Increase (decrease) in accounts payable		1'854	(860)
Increase (decrease) in other current liabilities		1'029	1'109
Increase (decrease) in provisions		(1'083)	(216)
Income taxes reimbursement (payement)		(876)	(481)
Net cash flow from operating activities		**46'601**	**43'291**
Purchase of fixed assets	[*]	(29'141)	(18'730)
Purchase of intangible assets		(420)	(528)
Net cash flow from investing activities		**(29'561)**	**(19'258)**
Share capital and capital reserves		2'188	0
Proceeds from convertible loan		672	0
Proceeds from bond loan		82'000	0
Repayment of parent company loans		0	(1'630)
Repayment from bank loans		(3'000)	(12'000)
Bank financing fees		(1'800)	0
Interest paid		(7'738)	(7'476)
Net cash flow from financing activities	[*]	**72'322**	**(21'106)**
Net increase (decrease) in cash and cash equivalents		**89'362**	**2'927**
Cash and cash equivalents, beginning of period		10'022	7'096
Cash and cash equivalents, end of period		**99'384**	**10'022**

(*) The Group acquired KCHF 2’546 of finance lease in 2015 (2014: KCHF 1’240).

CONSOLIDATED CHANGE IN EQUITY STATEMENT

Amounts expressed in '000 CHF	Note	Share capital	Capital Reserve	Retained earnings	Total Equity
Balance at 31.12.2013		**100**	**56'414**	**(2'452)**	**54'062**
Profit for the period		0	0	1'205	1'205
Balance at 31.12.2014		**100**	**56'414**	**(1'247)**	**55'267**
Loss for the period		0	0	(943)	(943)
Capital increase	[18]	1'912	276	0	2'188
Balance at 31.12.2015		**2'012**	**56'690**	**(2'190)**	**56'512**

NOTES

1. Corporate Information

HDLT Holding SA ("the Company"), a limited company, incorporated on 15 February 2013 in Geneva Switzerland, is based at 24, quai du Seujet, 1201 Geneva. On 26 February 2013, it acquired the group of companies owning and operating the largest private hospital in the Canton of Geneva: Hôpital de la Tour, Clinique de Carouge and Centre Médical de Meyrin.

2. Activity of the Group

The main activity of the Company and its consolidated subsidiaries (collectively "the Group") is to operate hospitals in Geneva, Switzerland.

3. Consolidated Financial Statements

A. Basis of preparation

The consolidated financial statements give a true and fair view of the financial position, results of operations and cash flows of the Group. They have been prepared in accordance with the complete set of Swiss GAAP Accounting and Reporting Recommendations (Swiss GAAP RPC) and are based on the subsidiaries' annual financial statements at 31 December 2015 prepared using uniform classification and accounting policies. The consolidated financial statements are prepared under the going concern assumption, based on the historical cost principle.

There is no cross-section analysis because there is only a single business sector (medical) and a single geographical place (Geneva).

B. Basis of consolidation

Principles of consolidation

The consolidated financial statements comprise the accounts of the Company and its wholly owned subsidiaries, after elimination of all material inter-company transactions and balances.

Subsidiaries are consolidated from the date the parent obtains control until such time as control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets acquired, equity instruments issued or exchanged and liabilities undertaken at the date of acquisition. Costs related to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of income.

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed below:

Name	Place of incorporation	% equity interest and voting rights
La Tour Sàrl (*)	Meyrin, Switzerland	100%
La Tour Réseau de Soins SA	Meyrin, Switzerland	100%
Permanence de la Clinique de Carouge SA	Carouge, Switzerland	100%

(*) A restructuring of the Group structure (transfer of the 100% shares of La Tour Sàrl from La Tour Réseau de Soins SA to HDLT Holding SA) occurred in October 2015.

C. Summary of significant accounting policies

1. Basis of presentation

The consolidated financial statements are presented in thousand Swiss francs (‘000 CHF), which is the Group’s functional and presentation currency. Other Group companies also have Swiss francs as their functional currency.

2. Estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. If in future, such assumptions and estimates deviate from the actual circumstances, the original assumptions and estimates will be modified as appropriate in the period in which the circumstances change.

The key assumptions and estimates which have a risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

- Impairment of non-financial assets:

  The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value-in-use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit, and chooses a suitable discount rate in order to calculate the present value of those cash flows.

- Deferred tax assets:

  Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

- Contingent liabilities:

  The Group has various outstanding contingent liabilities; management judgment is required in order to determine the probability of materialisation of the underlying risk, and to determine whether or not a provision should be recorded. The determination of the provision, if any, is also subject to management judgment.

3. Balance sheet

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits in postal and bank accounts. They are stated at nominal value.

3.2 Trade and other receivables

Receivables are carried at nominal value less allowance for doubtful receivables. The allowance is based on the aging of trade receivables, specific risks and historical loss experience. Given the significant number of patients, the Group provides its receivables on a statistical basis, based on historical observations, all receivable balances which are overdue for more than 210 days from the date of the end of treatment are fully provided for.

3.3 Inventories

Inventories, which are principally composed of medical material and drugs, are valued at the lower of cost and net realizable value, determined using the weighted average cost. When necessary, provision is made for obsolete, slow-moving and defective stocks.

3.4 Fixed assets

Fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Major additions and improvements that significantly increase values or asset lives are capitalized.

Borrowing costs related to construction-in-progress, premises and equipment, and costs of maintenance and repairs of fixed assets, are charged to the consolidated statement of income as incurred.

Assets under construction are not amortized until the asset is available to be put into service.

Depreciation is computed on a straight-line basis over the estimated useful life of assets, other than land (which is not depreciated), as follows:

Designation	Number of years
Building	40
Major fixed equipment	20
Minor fixed equipment	4 to 10
Medical equipment	4 to 10
Office furniture and equipment	3 to 10
Vehicles	4

Fixed assets are de-recognized upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on de-recognition of the asset is included in the consolidated statement of income in the period the asset is de-recognized.

The assets’ residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year-end.

3.5 Intangible assets

Goodwill
Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business acquisition over the Group’s interest in the net fair value of the acquirer’s identifiable assets, liabilities and contingent liabilities. Goodwill is stated at cost less accumulated amortization calculated on a straight-line basis over 20 years and less any accumulated impairment losses. Goodwill residual value, useful life and method of amortization are reviewed, and adjusted if appropriate, at each financial year-end

Other intangible assets
Other intangible assets of the group are mainly composed of software, they are stated at cost less accumulated amortization calculated on useful economic life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period is of 3 years and the amortization method is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Assets under construction are not amortized until the asset is available to be put into service.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is de-recognized.

3.6 Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the consolidated statement of income. Capitalized leased assets are depreciated over the shorter of the useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating leases payments are recognized as an expense in the consolidated statement of income on a straight-line basis over the lease term.

3.7 Investments and other financial assets / liabilities

Purchases and sales of financial assets are recognized on the trade date, which is the date when the Group commits to purchase or sell the asset.

3.8 Impairment of financial assets

The Group assesses at each financial year end whether a financial asset or group of financial assets is impaired.

3.9 Trade and other payables

Trade and other payables are recognized at nominal value.

3.10 Financial liabilities

Financial liabilities and other borrowings are initially recognized at fair value. The fair value of the transactions with third parties corresponds to the nominal value. For transactions with related parties, the difference between the fair value and the nominal value is recognized through equity. The related inherent interest charge is recorded in the income statement over the length of the borrowing. Transaction costs are recognized immediately in the consolidated statement of income. Financial liabilities and other borrowings are classified as short-term liabilities when payable or renewable within 12 months.

3.11 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.12 Employee benefits

The Group entities contribute to various benefit plans according to Swiss law. Pension plans from autonomous pensions institutions are valued in accordance to Swiss GAAP RPC 16. At the reporting date, it is assessed if the Group has an economic benefit or obligation based on the financial statements of the funds.

3.13 Share-based capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

4. Consolidated statement of income

4.1 Revenue recognition

As of 1 January 2015, the Group adopted early implementation of the new revenue recognition rule (changes in Swiss GAAP FER Framework, FER 3 and FER 6), which is applicable to consolidated financial statements as of 1 January 2016. It specifies how revenue is to be recognized, valued and disclosed. Current accounting and reporting principles of the Group are compliant with the new revenue recognition rule according to Swiss GAAP FER. Therefore the changes have no impact on revenue recognition for the Group and it was not necessary to restate the previous year figures.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenues from medical care are recognized when the related care has been provided to the patient.

Interest income is recognized as interest accrues.

4.2 Taxes

Income taxes comprise current and deferred taxes.

Current income taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. Tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date. Applicable income tax rate applicable to operational entities is 24%.

Deferred income taxes

Deferred taxes are recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are measured at the tax rate (24%) expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted at the reporting date. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences or carry-forward of unused tax losses can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. Trade receivables, net

expressed in '000 CHF	31.12.15	31.12.14
Trade receivables	44'250	45'797
Allowance for doubtful receivables	(4'088)	(3'649)
Total trade receivables, net	**40'162**	**42'148**

5. Inventories

Inventories are mainly composed of drugs and medical supplies.

6. Fixed Assets

expressed in '000 CHF	Lands and buildings	Fittings & Maintenance	Medical equipments	Assets under construction	Other fixed assets	Total
Cost						
31.12.2013	**342'538**	**1'943**	**11'286**	**2'159**	**2'176**	**360'102**
Additions	0	633	2'961	15'035	690	19'319
Transfers	0	328	505	(947)	114	0
Disposals	0	(49)	(53)	0	(7)	(109)
31.12.2014	**342'538**	**2'855**	**14'699**	**16'247**	**2'973**	**379'312**
Additions	0	2'516	4'892	24'532	1'235	33'175
Transfers	0	1'972	412	(2'745)	361	0
Disposals	0	0	(39)	0	(11)	(50)
31.12.2015	**342'538**	**7'343**	**19'964**	**38'034**	**4'558**	**412'437**
Accumulated Depreciation						
31.12.2013	**(14'163)**	**(569)**	**(1'886)**	**0**	**(293)**	**(16'911)**
Disposals	0	49	52	0	6	107
Depreciation	(16'893)	(584)	(3'880)	0	(849)	(22'206)
31.12.2014	**(31'056)**	**(1'104)**	**(5'714)**	**0**	**(1'136)**	**(39'010)**
Disposals	0	0	39	0	11	50
Depreciation	(16'893)	(816)	(4'034)	0	(807)	(22'550)
31.12.2015	**(47'949)**	**(1'920)**	**(9'709)**	**0**	**(1'932)**	**(61'510)**
Net book value						
31.12.2014	311'482	1'751	8'985	16'247	1'837	340'302
31.12.2015	**294'589**	**5'423**	**10'255**	**38'034**	**2'626**	**350'927**

Assets under construction mainly refer to the construction of a new building B2. Interest expenses related to B2 building under construction have been expensed in the statement of income.

7. Intangible assets

expressed in '000 CHF	Goodwill	Assets under construction	Other intangible assets	Total
Cost				
31.12.2013	**148'819**	**711**	**3'062**	**152'592**
Additions, net	0	(80)	0	(80)
Transfers	0	(623)	623	0
31.12.2014	**148'819**	**8**	**3'685**	**152'512**
Additions, net	0	420	0	420
Transfers	0	(340)	340	0
31.12.2015	**148'819**	**88**	**4'025**	**152'932**
Accumulated Depreciation				
31.12.2013	**(6'201)**	**0**	**(1'071)**	**(7'272)**
Amortization	(7'441)	0	(1'486)	(8'927)
31.12.2014	**(13'642)**	**0**	**(2'557)**	**(16'199)**
Amortization	(7'440)	0	(810)	(8'250)
31.12.2015	**(21'082)**	**0**	**(3'367)**	**(24'449)**
Net book value				
31.12.2014	135'177	8	1'128	136'313
31.12.2015	**127'737**	**88**	**658**	**128'483**

8. Deferred tax assets and liabilities

Movements in deferred tax assets and liabilities during the period were as follows:

expressed in '000 CHF	Deferred tax assets	Deferred tax liabilities	Net
31.12.2013	19'039	(58'989)	(39'950)
Use of tax loss carry-forwards	(5'365)	0	(5'365)
Other movements	3'856	(2'003)	1'853
31.12.2014	**17'530**	**(60'992)**	**(43'462)**
Use of tax loss carry-forwards	(6'489)	0	(6'489)
Other movements	(143)	2'246	2'103
31.12.2015	**10'898**	**(58'746)**	**(47'848)**

The Group recognized deferred tax assets in connection with tax losses to be carried forwards of La Tour Réseau de Soins and La Tour Sàrl, as the Group's management is confident that future taxable profits will be available to use those tax losses carried forwards.

9. Lease debt

The Group has entered into finance leases on medical equipment. These leases have renewal terms with purchase options and escalation clauses. Renewals are at the option of the entity that holds the lease. Fixed interest rates and payments terms are defined contractually.

expressed in '000 CHF		Total	Less than 1 year	Between 1 to 5 years	More than 5 years
Medical equipment	fixed	1'062	311	751	0
31.12.2014		**1'062**	**311**	**751**	**0**

expressed in '000 CHF	Interest rate	Total	Less than 1 year	Between 1 to 5 years	More than 5 years
Medical equipment	fixed	2'908	907	2'001	0
31.12.2015		**2'908**	**907**	**2'001**	**0**

10. Accrued expenses

expressed in '000 CHF	31.12.15	31.12.14
Accrued interests	6'266	4'956
Accrued personnel expenses	1'730	1'952
Other accrued expenses	4'576	2'986
Total accrued expenses	**12'572**	**9'894**

11. Bank loans

The Group has the following committed bank loans and facilities outstanding:

expressed in '000 CHF	Interest rate	Total	Less than 1 year	Between 1 to 5 years	More than 5 years
Bank loans	Floating	195'500	3'000	192'500	0
31.12.2014		**195'500**	**3'000**	**192'500**	**0**

expressed in '000 CHF	Interest rate	Total	Less than 1 year	Between 1 to 5 years	More than 5 years
Bank loans	Floating	192'500	3'000	22'000	167'500
31.12.2015		**192'500**	**3'000**	**22'000**	**167'500**

In 2015, the group proceeded to a refinancing operation of the bank loans, resulting in a reduction of the margin on interest rates and in an increase of the duration of the loans. The final maturity of all bank loans is 31 December 2021.

Bank loans and facilities are secured collectively by:
- pledge of mortgage over real estate of La Tour Sàrl certificates for a total of CHF 477 million;
- pledge of shares of La Tour Sàrl and La Tour Réseau de Soins SA;
- assignment of all existing and future intercompany loans and all existing and future shareholder loans;
- guarantee from HDLT Holding SA;
- pledge of La Tour Sàrl receivable bank accounts.

The bank facilities have various covenants that were all met at year-end.

12. Loans from parent company

The parent company, Pronia Holding SA, has granted two loan facilities to the company as follows:

The first facility is for a total amount of CHF 58 million which has been fully drawn as at 31 December 2013. The loan is unsecured, interest free and is repayable on 31 December 2112, unless converted into formal share capital of the company at the option of the borrower. In accordance with Swiss GAAP FER norm 24, the net present value of this loan (unsecured, interest free, convertible into formal share capital at the option of the borrower) is accounted for and presented as loan from the parent company.

The second facility is for a total amount of CHF 200 million, of which CHF 188.87 million (2014: 188.87 million) has been drawn as of 31 December 2015. The loan is unsecured and the interest level is adjusted on an annual basis according to the annual tax circular of the Swiss Federal Tax Administration (in 2015 amounting to 0,75%) and the maximal interest deduction authorized as per the thin capitalization rules of the Swiss Federal Tax Administration. The facility is repayable on 31 December 2035.

13. Convertible loan

In 2015, the company issued a convertible loan, amounting to CHF 0.672 million. After the achievement of specific milestones, loan holders will have the right to exercise the conversion option to obtain a maximum of 28 shares of the company in 2018.

14. Bond loan

On November 30, 2015, the company issued a bond (ISIN: CH0299477387) for a nominal value of CHF 82 million with a maturity date on June 30, 2022 and a redemption at par. Interest rate is fixed at 2.50 % p.a., payable annually on June 30.

15. Other loans

The company issued loan notes for a total nominal value of CHF 20 million. The loan notes bear interest at 4.25% and are repayable on 25 July 2023.

16. Provision

expressed in '000 CHF	2015	2014
Opening balance	940	950
Addition of the period	0	870
Utilization of the period	(940)	(880)
Total provision	**0**	**940**

17. Pension Fund Liability

The eligible Swiss employees of the Group are all affiliated to a pension plan in Switzerland. The Group sponsors an independent pension plan separate from the obligatory Swiss social security plans. Retirement benefits are based on contributions, computed as a percentage of salary, adjusted for the age of the employee and shared 50% / 50% by employee and employer. In addition to retirement benefits, the plan provides death and long-term disability benefits to the employees.

Amounts for the last period 2015 are as follows:

expressed in '000 CHF	Surplus	Economic part of the Group	Change of Economic part impacting current result	Employer's contributions concerning business period	Pension plan expenses in personnel expenses
Fondation de Prévoyance de La Tour SA	0	0	0	3'589	3'589

Fondation de Prévoyance de la Tour SA pension fund reported a cover ratio of 114.0 in 2014. 2015 cover ratio is not available yet.

18. Equity

In accordance with Swiss GAAP RPC norm 24, the difference between the nominal and the net present value of the CHF 58 million shareholder loan (unsecured, interest free, convertible into formal share capital at the option of the borrower) is accounted for according to its substance and presented as capital reserve in equity.

In addition to this, the Company has a statutory share capital: in February 2015, the company proceeded to an ordinary capital increase, bringing the share capital from originally CHF 100'000 to CHF 2'012'000 by the issuance of 1'912 registered shares of nominal value CHF 1'000. Following the capital increase, the share capital of the company amounts to CHF 2'012'000, fully paid, divided into 2'012 registered shares of nominal value CHF 1'000.

19. Personnel expenses

expressed in '000 CHF	2015	2014
Salaries and wages	65'249	64'332
Social benefits	10'673	11'364
Other personnel costs	197	1'488
Total personnel expenses	**76'119**	**77'184**

20. Commitments and contingencies

Operating lease commitments

The Group has entered into operating leases for the use of administrative offices or physician offices. These rental contracts have a duration between 1 and 12 years with a tacit renewal option included in the contracts. Guarantees for a total of KCHF 282 (2014: KCHF 291) were issued in favor of various third parties.

Future minimum rentals payable under non-cancellable operating leases are as follow:

expressed in ‘000 CHF	**31.12.15**	**31.12.14**
Due within 12 months	3'422	2'151
Due in 2-5 years	6'148	3'928
Due beyond 5 years	6'797	4'419
Total non-cancellable operating leases	**16'367**	**10'498**

Contingent liabilities

One of the Group companies entered into a renewed agreement with the *Association d’aide aux enfants malades du pavillon Gourgas* ("the Association") on 16 March 2009 (the old agreement was signed on 17 September 1991) whereby it was agreed that should the Company withdraw certain facilities, including hospital beds, and support to the Association then it would be obliged to repay KCHF 9’000 that the Association initially invested in the construction of the hospital.

Given its activity, the Group is potentially exposed to claims from patients. There are currently no claims outstanding against the Group that, in management’s view, could materially affect the consolidated accounts.

Swap

La Tour has entered into an Interest Rate Swap Transaction with a termination date 31 December 2019, whereby La Tour pays a fixed rate of 0.77% in exchange of a floating rate of 6 month CHF Libor BBA.

21. Approval of financial statements and subsequent events

The Board of Directors is responsible for the preparation and presentation of the financial statements. These financial statements were authorised for issue by the Board of Directors on 18 April 2016,

There are no events after balance sheet date that could materially impact financial statements.

Report of the statutory auditor
to the General Meeting of
HDLT Holding SA
Geneva

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of HDLT Holding SA, presented in pages 7 to 24 of the annual report 2015, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes, for the year ended 31 December 2015.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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PricewaterhouseCoopers SA is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Philippe Tzaud
Audit expert
Auditor in charge

Nicolas Biderbost
Audit expert

Geneva, 28 April 2016

Annual financial statements of HDLT Holding SA

BALANCE SHEET

Amounts expressed in '000 CHF	Note	31.12.2015	31.12.2014
ASSETS			
Current assets			
Cash and banks		83'347	77
Accrued interest income, subsidiaries		0	2'469
Total Current assets		**83'347**	**2'546**
Non-current assets			
Investments, net	[2]	311'165	48'475
Loans to subsidiaries	[3]	41'500	217'442
Total Non-current assets		**352'665**	**265'917**
TOTAL ASSETS		**436'012**	**268'463**

BALANCE SHEET

Amounts expressed in '000 CHF	Note	31.12.2015	31.12.2014
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Shareholders' liabilities		1'195	0
Accrued expenses			
due to shareholders		5'620	4'500
due to third parties		633	354
due to subsidiaries		171	106
Total Current liabilities		**7'619**	**4'960**
Non-current liabilities			
Interest-bearing liabilities			
due to shareholders	[4]	188'870	188'870
due to third parties	[5]	20'000	20'000
due to subsidiaries		80'176	0
bond loan	[6]	82'000	0
Other long-term liabilities			
convertible loan	[7]	672	0
due to shareholders	[4]	58'000	58'000
Total Non-current liabilities		**429'718**	**266'870**
Total Liabilities		**437'337**	**271'830**
Shareholders' equity			
Share capital	[8]	2'012	100
Capital reserve		276	0
Accumulated deficit		(3'613)	(3'467)
Total Shareholders' equity		**(1'325)**	**(3'367)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**436'013**	**268'463**

INCOME STATEMENT

Amounts expressed in '000 CHF	Note	2015	2014
INCOME			
Financial income		1'415	3'600
Other income		963	0
Total Income		**2'378**	**3'600**
EXPENSES			
Financial expenses		2'438	5'345
Other operating expenses		39	-
Non-operating expenses		47	544
Total Expenses		**2'524**	**5'889**
Result before tax		**(146)**	**(2'289)**
Income tax		0	0
Net result for the period		**(146)**	**(2'289)**
Accumulated deficit, beginning of the period		(3'467)	(1'178)
Accumulated deficit, end of the period		**(3'613)**	**(3'467)**

NOTES

HDLT Holding SA ("the Company"), a limited company, incorporated on 15 February 2013 in Geneva Switzerland, is based at 24, quai du Seujet, 1201 Geneva. On 26 February 2013, it acquired the group of companies owning and operating the largest private hospital in the Canton of Geneva: Hôpital de la Tour, Clinique de Carouge and Centre Médical de Meyrin.

1. Significant accounting policies

The financial statements are prepared in accordance with the new accounting principles required by Swiss law.

Investments in subsidiaries:
Investments in subsidiaries are valued individually at acquisition cost less an adjustment for impairment where appropriate.

All other assets and liabilities:
All other assets and liabilities are recorded at nominal value.

2. Investments

expressed in '000 CHF	Place of incorporation (Switzerland)	Book value 31.12.15	% equity interest and voting rights	Book value 31.12.14	% equity interest and voting rights
Direct investments					
La Tour Réseau de Soins SA	Meyrin	48'475	100%	48'475	100%
La Tour Sàrl (*)	Meyrin	262'690	100%	0	0%
Total		**311'165**		**48'475**	
Indirect investments					
Permanence de la Clinique de Carouge SA	Carouge		100%		100%
La Tour Sàrl (*)	Carouge		0%		100%

(*) A restructuring of the Group structure (transfer of the 100% shares of La Tour Sàrl from La Tour Réseau de Soins SA to HDLT Holding SA) occurred in October 2015.

3. Loans to subsidiaries

expressed in '000 CHF	31.12.15	31.12.14
La Tour Sàrl	2'500	7'000
La Tour Réseau de Soins SA	39'000	210'442
Total loans to subsidiaries	**41'500**	**217'442**

Loans to subsidiaries are subordinated.

4. Loans from shareholders

Pronia Holding SA, has granted two loan facilities to the company as follows:

The first facility is for a total amount of CHF 58 million which has been fully drawn as at 31 December 2013. The loan is unsecured, interest free and is repayable on 31 December 2112, unless converted into formal share capital of the company at the option of the borrower.

The second facility is for a total amount of CHF 200 million, of which CHF 188.87 million (2014: 188.87 million) has been drawn as of 31 December 2015. The loan is unsecured and the interest level is adjusted on an annual basis according to the annual tax circular of the Swiss Federal Tax Administration (in 2015 amounting to 0,75%) and the maximal interest deduction authorized as per the thin capitalization rules of the Swiss Federal Tax Administration. The facility is repayable on 31 December 2035.

5. Bond loan

On November 30, 2016, the company issued a bond (ISIN: CH0299477387) for a nominal value of CHF 82 million with a maturity date on June 30, 2022 and a redemption at par. Interest rate is fixed at 2.50 % p.a., payable annually on June 30.

6. Convertible loan

In 2015, the company issued a convertible loan, amounting to CHF 0.672 million. After the achievement of specific milestones, loan holders will have the right to exercise the conversion option to obtain a maximum of 28 shares of the company in 2018.

7. Other loans

The company issued loan notes for a total nominal value of CHF 20 million. The loan notes bear interest at 4.25% and are repayable on 25 July 2023.

8. Share capital

In February 2015, the company proceeded to an ordinary capital increase, bringing the share capital from originally CHF 100'000 to CHF 2'012'000 by the issuance of 1'912 registered shares of nominal value CHF 1'000. Following the capital increase, the share capital of the company amounts to CHF 2'012'000, fully paid, divided into 2'012 registered shares of nominal value CHF 1'000.

The Company has no own shares in 2014 and 2015.

9. Guarantee

Pledge of shares of La Tour Sàrl and La Tour Réseau de Soins SA;
Assignment of all existing and future intercompany loans and all existing and future shareholder loans;
Guarantee amounting to CHF 192.5 million from HDLT Holding SA to the bank on banking loans to the subsidiaries.

10. Going concern

The Company is over-indebted at year-end. Given the existing subordinated loan of CHF 58 million granted by the parent company, the Board of Directors has not notified the judge, as permitted by the Swiss Code of Obligations.

Report of the statutory auditor
to the General Meeting of
HDLT Holding SA
Geneva

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of HDLT Holding SA, presented in pages 27 to 32 of the annual report 2015, which comprise the balance sheet, income statement and notes, for the year ended 31 December 2015.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2015 comply with Swiss law and the company's articles of incorporation.

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Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

We draw your attention to the fact that the financial statements of HDLT Holding SA disclose excess of liabilities over assets in the sense of article 725 para. 2 CO. As creditors of the company have issued letters of subordination totaling CHF 58'000'000, the Board of Directors has not notified the court.

PricewaterhouseCoopers SA

Philippe Tzaud	Nicolas Biderbost
Audit expert Auditor in charge	Audit expert

Geneva, 28 April 2016

ADDITIONAL INFORMATION

Information for bondholders:

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