



WE TAKE CARE OF WHAT IS IMPORTANT

médica
Sur®

Medical Excellence, Human Warmth

2016 ANNUAL REPORT

AND THE MOST IMPORTANT THING IS OUR PATIENTS

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COMPANY PROFILE

MÉDICA SUR IS A HEALTH CARE INSTITUTION COMPOSED OF DIAGNOSTIC UNITS, MEDICAL CARE, RESEARCH, TEACHING AND COMMUNITY SERVICE. THE INSTITUTION HAS BROUGHT TOGETHER A SELECT GROUP OF MEDICAL, NURSING, ADMINISTRATIVE AND HOSPITAL MANAGEMENT PROFESSIONALS WHO, GUIDED BY A STRICT CODE OF ETHICS AND BACKED BY STATE-OF-THE-ART TECHNOLOGY, STRIVE TO OFFER A SERVICE OF MEDICAL EXCELLENCE WITH HUMAN WARMTH.

This project was conceived in 1981 by a group of Mexican doctors and health care professionals in order to create a private high specialty center where medical ethics along with international standards of efficiency, and academic vocation would be practiced while being economically sustainable.

Thus, the Médica Sur Group began with one Specialty Tower and basic diagnostic services. It first evolved into a hospital, then into a High Specialty Center, and finally into a group of companies that covers the three levels of medical care. With the incorporation of Polanco Medical Laboratory, it now has 111 branches of diagnostic units in Mexico City, State of Mexico, Morelos, Puebla, Queretaro and Tlaxcala.

MISSION

its employees, and a fair medical alternative to the country.

Patients are the most important reason for the creation of the institution and this principle shall prevail in any relationship or service given to the community.

VISION

To be the most prestigious Medical Service Group in Mexico in terms of community service, through teaching and biomedical research at the cutting edge of technology.

To be auto-sustainable and profitable at attainable levels for the population.

MOTTO

Medical excellence, human warmth

VALUES

Ethics: It is indisputably our personal commitment to do things well, without any ulterior motive. We practice medicine and related fields always keeping in mind the best interest of the patient, with honesty, with respect for human life, with respect for the dignity of the individual, and without distinction.

Safety: for all patients, in every procedure, at all times. To avoid any harm to the patient that might arise from the procedure intended to treat him or her without harming anyone working at Médica Sur.

User: The interest in satisfying the needs and meeting the expectations of the patients, their family members, doctors and companies that engage our services represents a priority.
Service: We interact with each other in a caring manner, showing a genuine interest in the person.

Our People: We value our personnel as the organization's most important resource, and seek to secure their satisfaction, development and wellbeing. We encourage the expression of their best qualities through teamwork, motivation, training, communication, recognition and remuneration.

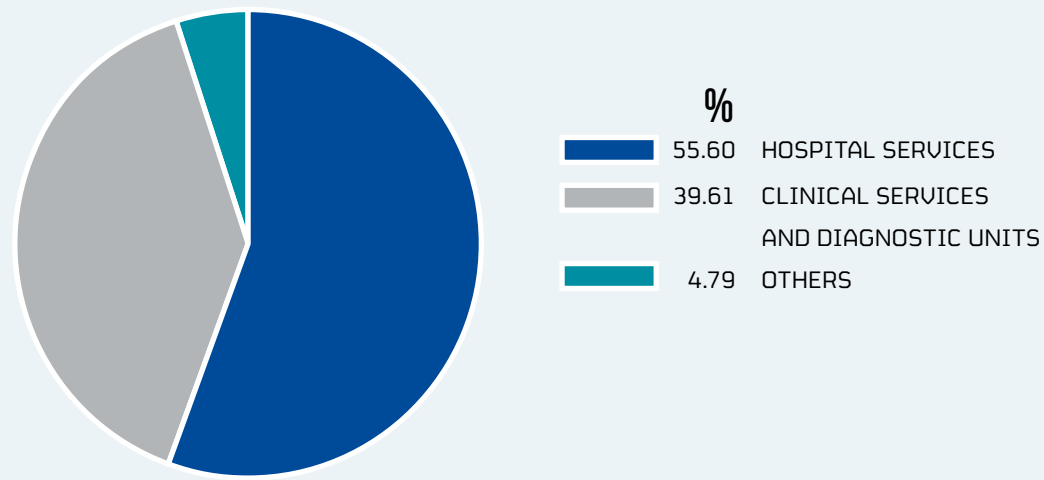
Sustainability: We aim to sustain sound financial management in order to generate a reasonable profit for investors and obtain the resources needed to meet the organization's current and future needs.

KEY STATISTICS

December 31, 2016 and 2015
Million pesos

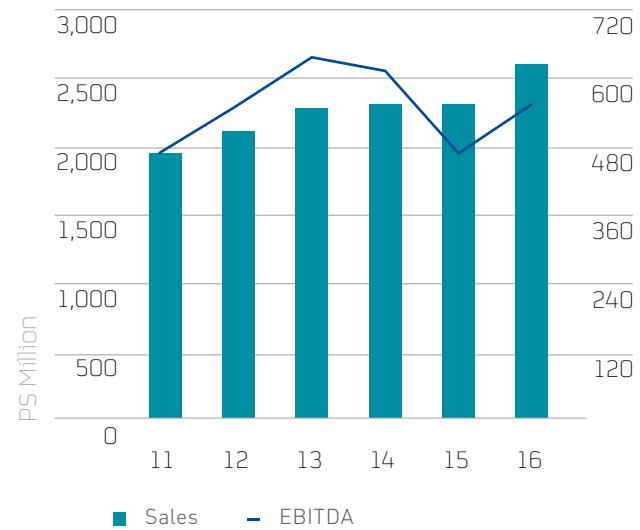
	2016	2015
Income	2,590	2,279
Gross Profit	796	709
Operating Profit	211	331
Resultado Neto	146	241
EBITDA*	536	453
Shares Outstanding	123,281,750	123,281,750
Basic Earnings per Share	1.19	1.95
Total Assets	5,459	3,771
Current Assets	1,002	594
Non-Current Assets	4,457	3,177
Total Liabilities	2,151	528
Short-Term Liabilities	745	391
Long-Term Liabilities	1,406	137
Stockholders' Equity	3,308	3,243
ROE (Return on Equity)	4.4%	7.4%

SALES DISTRIBUTION

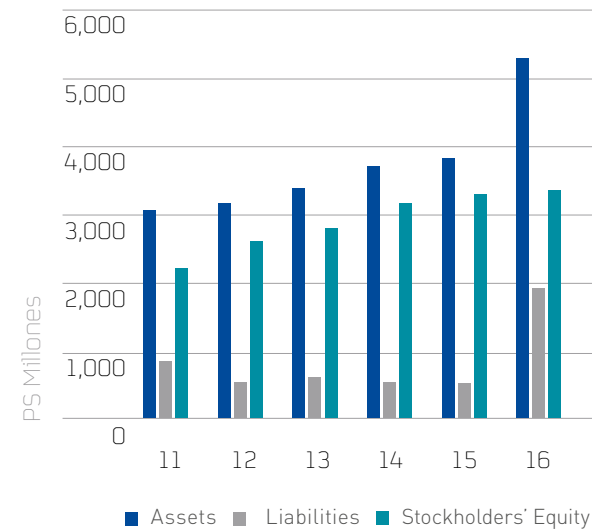


* Operating Income plus Depreciation and Amortization// Earnings before Interest, Taxes, Depreciation and Amortization

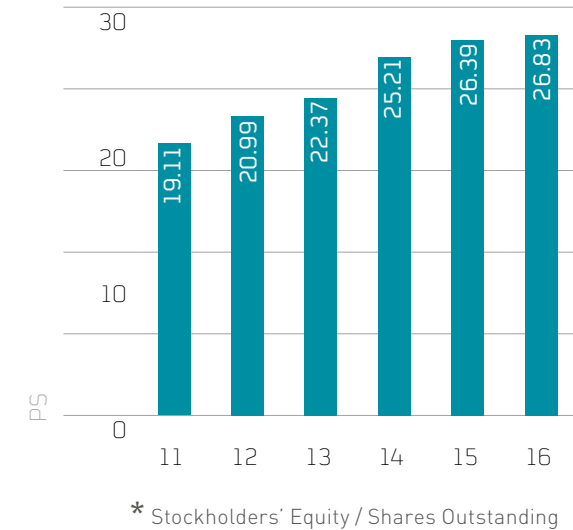
SALES — EBITDA *



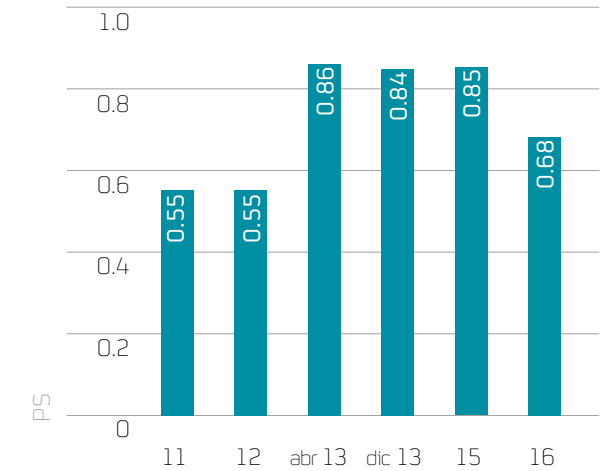
FINANCIAL STRUCTURE



CARRYING VALUE *



DECLARED DIVIDEND PER SHARE



* Stockholders' Equity / Shares Outstanding

* Consolidated Sales and EBITDA

CORPORATE STRUCTURE

HOSPITAL SERVICES

TLALPAN HOSPITAL

Surgical Units:
Short Stay and
Laser Surgery
Gynecology and Obstetrics
Main Operating Room

Critical Care Units:
Intensive Care
Coronary Care
Intermediate Care

Emergency Room
Pediatrics
Neonatology
Blood Bank
Respiratory Therapy
Pathological Anatomy

LOMAS HOSPITAL

Operating Unit
Labor, Delivery, and Recovery Rooms
Hospitalization
Adult ICU
Neonatology
Physiological Nursery
Intensive Care (Intermediate,
Growth and Development)

PHARMACIES

Médica Sur Tower I Pharmacy
Médica Sur Tower II Pharmacy

CLINICAL SERVICES AND DIAGNOSTIC UNITS

Advanced Urology
Rehabilitation Medicine
Radiotherapy
Cancer Center
Neurophysiology
Gamma Knife Radiosurgery
Gastroenterology, Hepatology
and Endoscopy
Laboratory
Magnetic Resonance
Imaging and Ultrasound
Angiology
Comprehensive Diagnostic and
Treatment Center
Angiography
Nuclear Medicine
PET-CT

OTHERS

Vascular Disease Unit
Hemodialysis Unit
Parking
Restaurants
Coffee Shops
Hotel
Banking Services

MESSAGE FROM THE PRESIDENT OF THE BOARD OF DIRECTORS



DEAR SHAREHOLDERS, PARTNERS, CLIENTS AND COLLABORATORS: ON BEHALF OF THE BOARD OF ADMINISTRATION AND THE MÉDICA SUR MANAGEMENT TEAM, I AM PLEASED TO PRESENT THIS REPORT OF THE INSTITUTION'S PERFORMANCE, AS WELL AS THE PRINCIPAL STRATEGIC AND OPERATING ACHIEVEMENTS IN THE YEAR.

In 2016, we continued on the path of expanding, modernizing and improving our infrastructure in order to offer our patients medical excellence and human warmth at fair prices.

In the medical field, by working together, the outstanding group of doctors and Médica Sur continue to offer the highest quality of service to more than 15,000 patients who were hospitalized in 2016. We performed 10,871 highly complex surgeries from radiosurgery to liver transplants, as well as more than 2 million diagnostic tests. In addition, 18,028 patients were attended in the Emergency Room.

The Quality still the trait that sets Médica Sur apart, sample of quality in our services is the drop of the nosocomial infections annual rate (infections acquired in a hospital), and the low mortality rate, which stood at 1.02 and 0.74 patients per every 100 discharges, respectively. Likewise, the readmission rate was 3.9 per every 100 discharges. This reflects the institution's outstanding performance considering both national and international standards.

Prevention is a regular part of our work. In this way, we have lowered the number of infections in our facilities. Our patients' average length of stay stood at 2.95 days and our average occupancy for the year was 72.0%.

As part of our strategy for the growth and enhancement of our infrastructure, Laboratorio Médico Polanco and Laboratorios Clínicos de Puebla were acquired to position us as the only health care provider with both hospitals and diagnostic units. This has given us a competitive advantage over our main competitors, as well as created synergy in biomedical research. Together, we have already published more than 1,200 research papers.

This acquisition has broadened our presence and the diversity of services that we currently offer in terms of clinical diagnosis and improved the range of services available to our patients. With this transaction, we have added 76 health care centers and two sample processing laboratories, one of which is a reference center for processing high specialty tests. It has also enabled us to attend populations in Mexico City, the State of Mexico, Morelos, Puebla, Queretaro and Tlaxcala, with the most advanced laboratories in Mexico. Moreover, we now offer a wide variety of diagnostic and other specialty imaging services in addition to clinical tests.

This operation is the largest ever made in Médica Sur's history. It will increase the Group's consolidated sales by 35%, as well as its EBITDA, thus diversifying our source of income by lowering our dependence on the Tlalpan Campus from 96% to 68%.

Furthermore, a letter of intent has been signed with Grupo Sordo Madaleno for the sale of 47% of the total surface area, but only 21% of the building density, of a plot adjacent to the Tlalpan Medical Complex. A mixed-use building with a shopping area will be built on this land for the benefit of our patients and their family members by offering them a better range of additional services to make their stay as pleasant as possible. The remaining 25,000 m2 will still be used to continue enlarging the medical project.

At Médica Sur, we are proud to have the first private Cancer Center in Mexico, which celebrated its 20th anniversary in 2016. In early 2017, the center was reopened with an updated design and a team of specialists that make every effort to provide better alternatives throughout their patients' treatment.

Additionally, the refurbishment of the 6th, 7th and 8th floors of the hospital tower was concluded in 2016. This will further the comfort of our patients by incorporating the highest standards of quality and hygiene, and creating a friendly environment for our patients and their family members.

In terms of financial performance, the Group's sales reached an accumulated income of 2.59 billion pesos in 2016, which translates into: i) an operating profit of 210.7 million pesos with an operating margin of 8.1%; ii) a net income of 146.2 million pesos with a net margin of 5.6% and iii) and an EBITDA margin of 20.6%, or 535.9 million pesos.

During the year, there was a decrease in relevant metrics as a result of the capitalization of the investment for the "Avanza" project (EPR). This did not represent a cash flow and was replaced by technology with different capabilities. It should be noted that if this decision had not been taken, a significant investment would



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MORE THAN 15,000 PATIENTS WHO WERE
HOSPITALIZED IN 2016.

have been needed and the operating cost over the following years would have been unfeasible, as it would have increased the cost of the services for our patients.

In view of the above, the return on equity for our investors stood at 4.4%.

In 2016, we continued to back teaching, research and community service activities, in keeping with Médica Sur's vision. Hence, we allocated 28.1 million pesos over the year to this effect.

In teaching, we provided support for the training of 35 medical interns and 130 residents in the fields of: Internal Medicine (which this year won 1st place in the National College of Internal Medicine), Imaging, Critical Care Medicine, Clinical Pathology, Anesthesiology, Neonatology, Medical Oncology, Radiology, General Surgery, Geriatrics, Gastroenterology, High Specialty Magnetic Resonance, Breast Imaging, Cerebral Vascular Accident, Knee Arthroscopy and Pathological Anatomy of Cancer.

As part of the research activities in 2016, 67 articles were published in indexed and non-indexed journals and 42 research protocols were reviewed. With Laboratorios Clínicos de Puebla, Médica Sur has now published almost 100 research papers, making it the non-governmental group that most supports research.

In the area of community service, it should be noted that our sister group with philanthropic goals, the Médica Sur Clinical Foundation, provided medical attention to 5,399 persons in the year, with basic diagnostic services, applications of vaccines, dental services, and so on.

In view of all this, our commitment with the Society and our partners continues to grow stronger. On looking back over the past year, we would like to thank our patients for their trust, our valuable group of doctors, nurses, support personnel and administrative team for their efforts, and those who have entrusted us with their resources for their backing. Furthermore, on behalf of the medical group that directs this Institution, we would like to reiterate our commitment to carry on in the effort to offer the best alternative of ethical and high specialty medicine in Mexico, with quality above all and a fair return for our shareholders.

Sincerely,



Dr Misael Uribe Esquivel
President of the Board of Directors

WORLD-CLASS MEDICAL ATTENTION

MÉDICA SUR HAS RECEIVED NATIONAL AND INTERNATIONAL AWARDS THAT ENSURE THE SAFETY AND QUALITY OF OUR SERVICES.

These awards are given by accredited agencies that certify compliance with established requirements. They are the result of the institution's commitment to taking actions that protect the health of our patients.

Because of the effort and participation of each and every one of Médica Sur's employees, the following awards have been attained.



The Mayo Clinic Care Network (MCCN) is a collaboration between the Mayo Clinic and other health care organizations in order to improve the way of delivering medical care to their communities.



Joint Commission International (JCI) identifies, measures, and shares the best practices in the world with regard to the quality and safety of patients. It provides leadership and innovative solutions to help health care organizations improve their performance and results.



The **European Society for Quality Research** promotes a culture of quality by acknowledging good business practices, technological innovation, and achievements in quality of organizations around the world and it circulates information about the successful performance of these organizations.



Médica Sur has reasserted its commitment to the quality and safety of its patients and family members by obtaining one of the highest scores given by the **General Health Council**.



Accreditation for clinical laboratories was obtained under **Official Mexican Standard NMX-EC-15189-IMNC-2008/ISO 15189:2007**, which ensures competency and quality.



International laboratory certification was obtained from the College of American Pathologists (CAP) by meeting the highest standards of excellence in its processes for improving the patient's safety in clinical laboratories.



Distintion H was awarded by the Ministry of Health and the Ministry of Tourism, which recognizes good practices of hygiene and sanitation in food handling area for patient's food preparing.



Trace International is a company founded by anti-bribery experts to achieve economies of scale and set a common standard for two shared elements of anti-bribery compliance programs: due diligence reviews of commercial intermediaries and anti-bribery training for the global supply chain.

HOSPITAL SERVICES

OUR HOSPITAL SERVICES
CONSIST OF: 223 HOSPITAL ROOMS,
21 OPERATING ROOMS, 15 CUBICLES OF
CRITICAL CARE CUBICLES AND
562 DOCTOR'S OFFICES.

WE ALSO HAVE A TEAM OF 3,823
COLLABORATORS AND A MEDICAL
SOCIETY WITH 1,451 MEMBERS.

15,038 HOSPITALIZED
PATIENTS

10,871 SURGERIES

18,028 EMERGENCIES

HOSPITAL SERVICES



MÉDICA SUR CAMPUS TLALPAN

Located in the south of Mexico City, the Médica Sur Campus Tlalpan is one of the largest and most modern private medical centers in the country. This campus has 190 hospital rooms, 16 operating rooms, 15 critical care cubicles and 540 doctor's offices.

The Tlalpan Campus is a high specialty center with the capacity to attend a wide range of conditions and provide a wide variety of medical services, ranging from elective surgeries and intensive care to some of the most complex procedures like organ transplants.

In 2016, we received 13,160 hospitalized patients, 8,993 surgeries were performed and 18,028 patients were attended in the emergency room.

13,160 PATIENTS RECEIVED IN HOSPITAL
8,993 SURGERIES
18,028 PATIENTS ATTENDED IN THE
EMERGENCY ROOM



MÉDICA SUR LOMAS

This hospital center with 33 rooms and 5 operating rooms is located in the west of Mexico City. It is a medical center specializing in gynecology and obstetrics.

Médica Sur Lomas is the first private hospital to be recognized by the Council for Bio-Ethically Responsible Companies, A.C. (COEBIO) as a company with values, at the cutting edge and operating within the bioethical guidelines set by national and international standards. In 2016, this facility, as well as the Tlalpan Campus, received its General Health Recertification.

In 2016, a total of 1878 patients were attended, 366 surgical procedures were performed, 736 deliveries were attended, and 776 C-sections were done.

1,878 PATIENTS ATTENDED
366 SURGICAL PROCEDURES
736 DELIVERIES
776 CAESAREAN SECTION

CLINICAL SERVICES AND DIAGNOSTIC UNITS

CUTTING EDGE CLINICS AND DIAGNOSTIC UNITS, KEY ELEMENTS OF EXCELLENCE IN HEALTH CARE

2,007,587 LABORATORY TESTS *

97,320 IMAGING TESTS *

* Do not include Laboratorio Médico Polanco

CLINICAL SERVICES AND DIAGNOSTIC UNITS

OUTPATIENT SERVICES


These high specialty health care units provide treatments that, due to their nature, do not require hospitalization. Our outpatient units provide care for the following specialties: Oncology, Radiotherapy, Gamma Knife Radiosurgery, Neurophysiology, Advanced Urology, Gastroenterology, Endoscopy and Rehabilitation Medicine.

DIAGNOSTIC UNITS

The Diagnostic Units play a vital role in helping our medical team to reach the correct diagnosis and follow-up on various pathologies.

Our units tend to both hospitalized patients and outpatients. By the end of 2016, our network of diagnostic units numbered 111 with the incorporation of 76 Laboratorio Médico Polanco branches. These units are located in Greater Mexico City, State of Mexico, Morelos, Puebla, Queretaro, and Tlaxcala.

Médica Sur currently has diagnostic units, such as Imaging, Laboratory, Nuclear Medicine, PET-CT, the Comprehensive Diagnostic and Treatment Center (CIDyT) and Angiography.



WITH THE ACQUISITION OF LABORATORIO MÉDICO POLANCO AND LABORATORIOS CLÍNICOS DE PUEBLA, WE HAVE NOW POSITIONED OURSELVES AS THE ONLY HEALTH CARE PROVIDER WITH BOTH HOSPITALS AND DIAGNOSTIC UNITS, THUS GIVING US COMPETITIVE ADVANTAGE OVER OUR MAIN COMPETITORS.

TECHNOLOGY AND INFRASTRUCTURE

BY THE END OF 2016,
OUR INFRASTRUCTURE
CONSISTED OF:

2 HOSPITALS

111 EXTERNAL
DIAGNOSTIC UNITS

32,800 M² OF HOSPITAL FACILITIES

26,000 M² OF DOCTORS' OFFICES

TECHNOLOGY AND INFRASTRUCTURE



IN 2016, WE CONTINUED ON THE PATH OF EXPANDING, MODERNIZING AND IMPROVING OUR INFRASTRUCTURE IN ORDER TO OFFER OUR PATIENTS MEDICAL EXCELLENCE AND HUMAN WARMTH AT FAIR PRICES.

We have high-tech medical equipment, including: the latest model of the TrueBeam Linear Accelerator, a Gamma Knife Perfexion radiosurgery unit, a Varian Clinac IX System Linear Accelerator, a Somatom Definition CT scanner, an Axiom Artis, and robotic lines for clinical analysis, among others.

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Additionally, the refurbishment of the 6th, 7th and 8th floors of the hospital tower was concluded in 2016. This will further the comfort of our patients by incorporating the highest standards of quality and hygiene, and creating a friendly environment for our patients and their family members.

Our installations also have a variety of complementary services to better the experience and care of our patients and their family members, including: 2 restaurants, 3 coffee shops and 2 bank branches.



AT MÉDICA SUR, WE ARE PROUD TO HAVE THE FIRST PRIVATE CANCER CENTER IN MEXICO, WHICH CELEBRATED ITS 20TH ANNIVERSARY IN 2016.



THE MÉDICA SUR CLINICAL FOUNDATION, A.C. IS A NON-PROFIT ORGANIZATION THAT WAS CREATED TO PROMOTE ACADEMIC, RESEARCH AND COMMUNITY SERVICE ACTIVITIES.

AS PART OF ITS COMMITMENT TO SOCIAL RESPONSIBILITY, MÉDICA SUR ALLOCATED MORE THAN 28.1 MILLION PESOS FOR ACADEMIC AND RESEARCH ACTIVITIES.

In teaching, we provided support for the training of 35 medical interns and 130 residents in the fields of: Internal Medicine (which this year won 1st place in the National College of Internal Medicine), Imaging, Critical Care Medicine, Clinical Pathology, Anesthesiology, Neonatology, Medical Oncology, Radiology, General Surgery, Geriatrics, Gastroenterology, High Specialty Magnetic Resonance, Breast Imaging, Cerebral Vascular Accident, Knee Arthroscopy and Pathological Anatomy of Cancer.

As part of the research activities in 2016, 67 articles were published in indexed and non-indexed journals and 42 research protocols were reviewed. With the Puebla Group, Médica Sur has now published almost 100 research papers, making it the non-governmental group that most supports research.

The Médica Sur Clinical Foundation, A.C. is a non-profit organization that was created to promote academic, research and community service activities.

In the area of community service, it should be noted that our sister group with philanthropic goals, the Médica Sur Clinical Foundation, provided medical attention to 5,399 persons in the year, with medical consultations, basic diagnostic services, applications of vaccines, dental services, and so on.

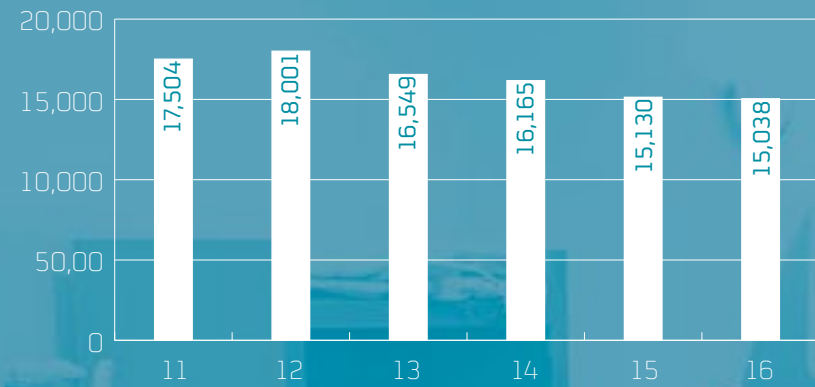
Moreover, we organized a campaign to get hearing aids at a discount. We also donated medications, medical rehabilitation supplies, clothing, and toys to various associations.

In teaching, we covered national and international student scholarships.

35 MEDICAL INTERNS
130 RESIDENTS
42 RESEARCH PROTOCOLS

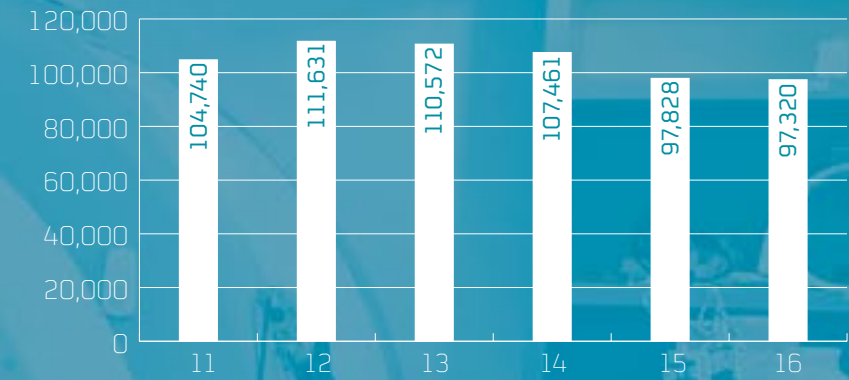
HOSPITAL ACTIVITY INDICATORS

HOSPITALIZED PATIENTS*



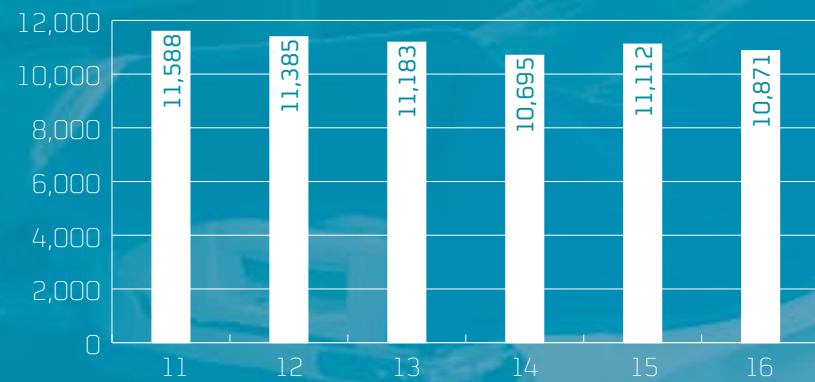
* Consolidated figures for Tlalpan and Lomas

IMAGING (TESTS)*



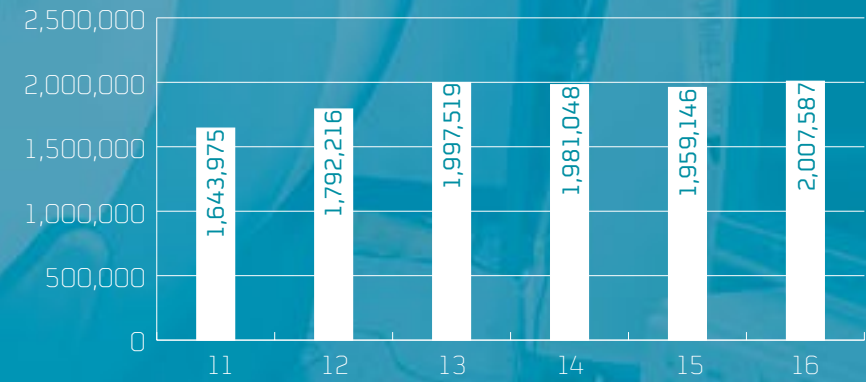
* Do not include Laboratorio Médico Polanco

SURGICAL PROCEDURES (SURGERIES)*



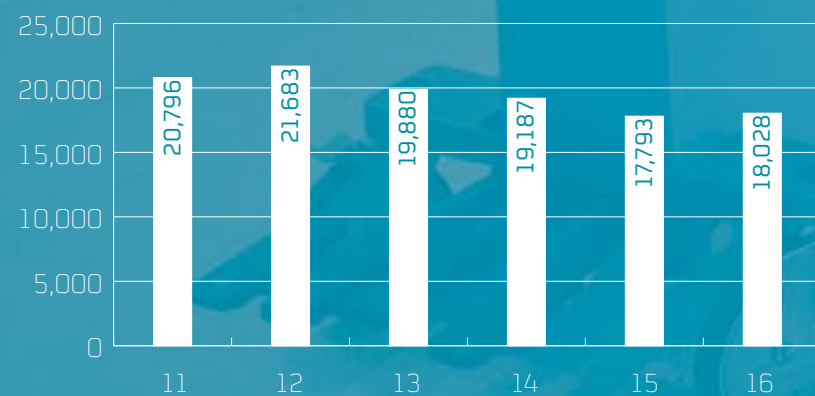
* Consolidated figures for Tlalpan and Lomas

LABORATORY (TESTS)*



* Do not include Laboratorio Médico Polanco

EMERGENCY ROOM (PATIENTS)



BOARD OF DIRECTORS

DIRECTORS

Lic. Enrique Castillo Sánchez Mejorada
Lic. Joaquín Vargas Guajardo
Dr. Juan Ramón de la Fuente
Lic. Santiago Garza Borde
Lic. Santiago Casanueva Pérez
Ing. Santiago Chico Servitje
C.P. C. Manuel Sánchez y Madrid
Dr. Xavier Soberón Mainero
Dra. Xóchitl Castañeda
Dr. Eduardo González Pier
Lic. Daniel Antonio del Río Loaiza
Lic. Alejandro Quiroz Pedrazzi
Dr. Misael Uribe Esquivel
(Chairman of the Board of Administration)
Dr. Fernando Gabilondo Navarro
Dra. Martha Helena Ramos Ostos
Dr. Octavio González Chon
Lic. Juan Carlos Griera Hernando

ALTERNATE DIRECTORS

Lic. Adrián Rodríguez Macedo Rivera
Act. Abraham Hernández Pacheco
Dr. Cesar Athie Gutiérrez
Don Enrique Carvajal González
Dr. Alejandro Ruíz Argüelles
Lic. Luis Javier Solana Morales
C.P. Vinicio González Castillo
Dr. Francisco López Jiménez
Dr. Jaime Guadalupe de la Garza Salazar
Dr. Nahum Méndez Sánchez
Dr. José Manuel Correa Roveló
Dr. Ramiro del Valle Robles
Dr. José Casiano Pérez Jáuregui
Dr. Jaime Arriaga Gracia

SECRETARY

Lic. Cuauhtémoc Rafael Santa-Ana Otero

AUDIT COMMITTEE

C.P.C. Manuel Sánchez y Madrid
President
Lic. Santiago Garza Borde
Board Member
Lic. Daniel del Río Loaiza
Board Member
Dr. Eduardo González Pier
Board Member

CORPORATE PRACTICES COMMITTEE

Lic. Daniel del Río Loaiza
President
C.P.C. Manuel Sánchez y Madrid
Board Member
Dr. Octavio González Chon
Board Member
Lic. Alejandro Quiroz Pedrazzi
Board Member
Lic. Juan Carlos Griera Hernando
Board Member

PRINCIPAL EXECUTIVE DIRECTORS

DR. MISAEL URIBE ESQUIVEL CHAIRMAN OF THE BOARD OF DIRECTORS

LIC. JUAN CARLOS GRIERA HERNANDO GENERAL DIRECTOR

DR. OCTAVIO GONZÁLEZ CHON MEDICAL DIRECTOR

C.P. MARISOL VÁZQUEZ-MELLADO MOLLÓN CHIEF FINANCIAL AND ADMINISTRATIVE OFFICER

ACT. OMAR HERRERA GARCÍA HUMAN RESOURCES DIRECTOR

DR. JOSÉ MANUEL CORREA ROVELO OPERATING DIRECTOR

ING. SANTIAGO CHICO SERVITJE LABORATORY DIRECTOR

LIC. CONCEPCIÓN GUADALUPE ARRIAGA RUILOBA MARKETING, COMMUNICATION AND EVENTS DIRECTOR

LIC. JORGE MARCOS MARTÍNEZ SALES DIRECTOR

ING. JORGE AGUSTÍN ARREDONDO REYNA SYSTEMS AND IT DIRECTOR

LIC. JOSÉ IGNACIO MORENO ORTIZ COUNSEL

C.P. RUBÉN DÍAZ CRUZ INTERNAL AUDIT DIRECTOR



FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

(Mexican pesos)

Assets	Notes	2016	2015
Current Assets:			
Cash and cash equivalents	9	\$ 104,310,067	359,127,708
Accounts receivable, net	10	243,017,165	162,145,591
Médica Sur Clinical Foundation, A.C.		119,148	214,754
Other accounts receivable	11	72,731,964	4,238,099
Inventories, net	12	117,711,083	65,002,000
Prepaid Insurance		13,874,180	3,702,137
Assets held for sale	3 (e)	450,668,542	-
Total current assets		1,002,432,149	594,430,289
Properties, furnishings, equipment and leasehold improvements, net	13	2,759,658,229	2,839,239,078
Investment properties, net	14	97,335,224	105,267,278
Commercial credit	16	1,120,216,275	224,016,932
Intangible assets, net	6	447,594,046	-
Other assets, net		31,873,521	8,398,130
		\$ 5,459,109,444	3,771,351,707

Liabilities and Stockholders' Equity	Notes	2016	2015
Current Liabilities:			
Loans	17	\$ 30,000,000	-
Suppliers		343,775,705	128,007,863
Taxes and accrued expenses		332,391,347	232,467,170
Direct employee benefits		7,790,238	14,309,432
Provisions for contingent liabilities	26	31,228,338	15,791,964
Total current liabilities		745,185,628	390,576,429
Long-term debt, net	17	1,284,297,760	-
Employee benefits	18	31,795,545	12,181,377
Deferred profit tax	19	90,326,291	125,115,897
Total liabilities		2,151,605,224	527,873,703
Stockholders' Equity:			
Share capital	21	517,869,032	517,869,032
Contribution for future capital increases		124,628	124,628
Share subscription surplus		121,280,931	121,280,931
Accrued earnings		2,358,953,976	2,300,441,642
Legal reserve		103,573,805	103,573,805
Share buy-back reserves		200,000,000	200,000,000
Other comprehensive income:			
Net actuarial profits (losses) from income tax	18	1,404,581	(532,389)
Total equity attributable to controlling interests		3,303,206,953	3,242,757,649
Non-controlling interests		4,297,267	720,355
Total Stockholders' Equity		3,307,504,220	3,243,478,004
Commitments and contingent liabilities	26		
		\$ 5,459,109,444	3,771,351,707

See the relevant notes to the Consolidated Financial Statements.

STATEMENT CONSOLIDATED RESULTS AND OTHER COMPREHENSIVE RESULTS

Years ending on December 31, 2016 and 2015
[Mexican pesos]

	Notes	2016	2015
Service revenue		\$ 2,590,272,612	2,278,751,602
Service costs		1,794,333,517	1,569,274,825
Consolidated gross profit		795,939,095	709,476,777
Expenses:			
Sales and administrative expenses		588,202,883	358,818,301
Other (income) expenses, net	24	(2,922,504)	19,615,186
Total expenses		585,280,379	378,433,487
Consolidated operating income		210,658,716	331,043,290
Financial income and costs			
Foreign currency gain, net		839,523	3,627,898
Interest expenses		(26,877,608)	(79,912)
Interest income		15,110,169	10,910,475
(Costs) Financial income, net	25	(10,927,916)	14,458,461
Participation in the results of affiliated companies	15	-	4,077,369
Consolidated operating income before tax		199,730,800	349,579,120
Profit tax	19	53,519,878	108,461,781
Consolidated operating income		\$ 146,210,922	241,117,339
Other comprehensive results			
Net actuarial profits (losses) from income tax	18	1,936,970	(306,550)
Consolidated comprehensive income		\$ 148,147,892	240,810,789
Net comprehensive income attributable to:			
Controlling interests		\$ 142,634,010	241,018,529
Non-controlling interests		3,576,912	98,810
		\$ 146,210,922	241,117,339
Consolidated comprehensive income attributable to:			
Controlling interests		\$ 144,570,980	240,711,979
Non-controlling interests		3,576,912	98,810
		\$ 148,147,892	240,810,789
Basic and diluted earnings per share		\$ 1.19	1.95
Weighted average number of shares	22	123,281,750	123,281,750

See the relevant notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Years ending on December 31, 2016 and 2015
[Mexican pesos]

	Notes	2016	2015
Cash flows from operating activities:			
Total pre-tax profit		\$ 199,730,800	349,579,120
Adjustments for:			
Net cost of the period for employee benefits		15,031,944	7,873,078
Participation in the results of affiliated companies	15	-	(4,077,369)
Impairment of investment in affiliated company shares	15 y 24	-	10,401,840
Depreciation and amortization	13 y 14	325,247,154	121,748,868
Losses in the sale of transportation equipment and other assets		107,917	193,823
Interest income		(15,110,169)	(10,910,475)
Entries from financing activities:			
Interest expenses		26,877,608	79,912
Subtotal		551,885,254	474,888,797
Accounts receivable, net		(4,108,574)	(4,277,881)
Médica Sur Clinical Foundation, A. C.		95,606	(115,305)
Other accounts receivable		(42,821,646)	1,943,706
Inventories, net		(24,208,083)	(9,102,220)
Prepaid insurance		(10,172,043)	(737,095)
Suppliers		(204,087,506)	(29,803,571)
Taxes and accrued expenses		80,594,487	26,664,296
Provisions for contingent liabilities		15,436,374	1,800,000
Net cash flows from operating activities		362,613,869	461,260,727
Paid taxes		(143,192,000)	(133,373,575)
Interest paid		(20,639,728)	(79,912)
Net flows generated from operating activities		198,782,141	327,807,240
Investment activities:			
Increase (decrease) in other non-current assets, net		4,837,391	(2,073,299)
Interest collected		15,110,169	10,910,475
Revenue from the sale of properties, furnishings and equipment		-	767,963
Acquisitions of property, furnishings, equipment and investment properties	13 y 14	(230,325,263)	(228,355,320)
Dividends received from investments in affiliated companies		-	6,527,202
Business acquisitions	6	(1,447,493,000)	-
Net cash flows used in investment activities		(1,657,870,703)	(212,222,979)
Financing activities			
Loans obtained	17	1,285,000,000	-
Dividends paid	21	(80,729,079)	(100,632,547)
Net cash flows generated by (used in) financing activities		1,204,270,921	(100,632,547)
Net decrease (increase) in cash and cash equivalents		(254,817,641)	14,951,714
Cash and cash equivalents:			
At the beginning of the year		359,127,708	344,175,994
At the end of the year	9	\$ 104,310,067	359,127,708

See the relevant notes to the Consolidated Financial Statements.

CONSOLIDATED CHANGES IN STOCKHOLDERS' EQUITY

Years ending on December 31, 2016 and 2015
[Mexican pesos]

	Notes	Share capital	Contributions for future capital increases	Share subscription surplus	Accrued earnings	Legal reserve	Share buy-back reserves	Net actuarial profits (losses) from income tax	Total	Non-controlling participation	Total Stockholders' Equity
Balances of December 31, 2014		\$ 517,869,032	124,628	121,280,931	2,164,212,601	103,573,805	200,000,000	(225,839)	3,106,835,158	621,545	3,107,456,703
Declared Dividends	21	-	-	-	(104,789,488)	-	-	-	(104,789,488)	-	(104,789,488)
Actuarial losses	18	-	-	-	-	-	-	(306,550)	(306,550)	-	(306,550)
Net profit		-	-	-	241,018,529	-	-	-	241,018,529	98,810	241,117,339
Comprehensive income		-	-	-	-	-	-	(306,550)	240,711,979	98,810	240,810,789
Balances of December 31, 2015	21	517,869,032	124,628	121,280,931	2,300,441,642	103,573,805	200,000,000	(532,389)	3,242,757,649	720,355	3,243,478,004
Declared Dividends	21	-	-	-	(84,121,676)	-	-	-	(84,121,676)	-	(84,121,676)
Actuarial losses	18	-	-	-	-	-	-	1,936,970	1,936,970	-	1,936,970
Net profit		-	-	-	142,634,010	-	-	-	142,634,010	3,576,912	146,210,922
Comprehensive income		-	-	-	-	-	-	1,936,970	144,570,980	3,576,912	148,147,892
Balances of December 31, 2016	21	\$ 517,869,032	124,628	121,280,931	2,358,953,976	103,573,805	200,000,000	1,404,581	3,303,206,953	4,297,267	3,307,504,220

See the relevant notes to the Consolidated Financial Statements.



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