Cairo, Egypt | 12 March 2017

Cleopatra Hospitals Group Reports FY2016 Results

Cairo, 12 March2017

Cleopatra Hospital Group S.A.E. (CLHO.CA on the Egyptian Exchange), Egypt's largest private hospital group by number of hospital beds and number of operating hospitals, reported today its consolidated results for the quarter ending 31 December 2016, reporting revenues of EGP 237.9 million, up 13% y-o-y compared to 4Q15 pro forma[1] figure of EGP 210.6 million. Net income for the quarter recorded EGP 36.6 million, yielding a net profit margin of 15%. The quarter's strong financial results are a testament to the success of the Group's integration initiatives, which have enabled the company to manage the inflationary pressures stemming from Egypt's macroeconomic environment.

On a full-year basis, the Group reported revenues of EGP 864.4 million in FY2016, up 16% y-o-y compared to a pro forma EGP 747.6 million in the previous year. The largest contributor to group revenues was Cleopatra Hospital at (44%), followed by Cairo Specialised Hospital (21%), Nile Badrawi Hospital (18%) and Al Shorouk Hospital (17%).

Net income for the full year increased to EGP 89.4 million, up 73% y-o-y compared to FY15 pro forma figure, and translating into earnings per share of EGP 0.62. Improved full-year performance was mainly driven by the Group's wide patient reach and reputation for quality and patient safety. Group performance was also supported by management's success in introducing new healthcare services, optimization of existing ones and extracting synergies achieved from economies of scale in procurement and overhead costs control in the face of severe inflationary pressures.

Commenting on Cleopatra Hospitals Group's performance during FY2016, Chief Executive Officer Ahmed Ezzeldin said: "2016 was an eventful year to say the least, both internally for the Group and within our operating environment. We closed the year having successfully concluded our IPO on the Egyptian Exchange; initiated an intense restructuring and asset integration program; navigated unprecedented macroeconomic challenges including the float of the Egyptian Pound and severe inflationary pressures; and ultimately managed to deliver double-digit revenue and net income growth for the year while maintaining our strong focus on quality and patient safety."

During 2016, the Group made significant progress toward building its multi-asset, integrated operating platform as it seeks to cement the foundation from which it will pursue expansion opportunities and lock-in future growth through the provision of high-quality healthcare services. The operational integration of Al Shorouk Hospital – acquired in January 2016 – into the wider Group is near completion, while the change management program "One Cleopatra", initiated in 2016 to aid in asset integration across the four hospitals and instil a common group culture, is in the advanced stages of implementation. Efforts to institutionalize a cross-asset business model during 2016 served as a stepping stone for our healthcare management teams as they integrate into the operating platform the Group is working to build.

A core focus for the year was capturing additional value from the Group's diagnostics and pharmaceutical service offerings, pushing through increased cost efficiencies and delivering a seamless experience to our patients. To that effect, the Group initiated the "One-Stop-Shop" project with key stakeholders to ensure the cost-effective and timely provision of diagnostics and pharmaceutical service offerings to both inpatient and outpatient customers. Heading into 1H 2017, the project will be further expanded to encompass the majority of the Group's corporate and insurance stakeholders. The Group envisions a leading partnership role with insurance providers as the industry migrates toward a value-based reimbursement model and away from the current fee-for-service model.

"The provision of high-quality and affordable healthcare services is the Group's underlying focus," said Ezzeldin. "Growing our scale and optimizing our cost base are key pillars that will allow us to deliver on this strategy. We have already started delivering cost efficiencies across our supply chain through the rollout of a cross-asset procurement program for pharmaceutical and medical

[1]Pro forma results of operations show the effect of the company's ownership of its four current hospitals as if the acquisitions of those hospitals had occurred on 1 January 2015. Cleopatra Hospital, Nile Badrawi Hospital and Cairo Specialised Hospital reported consolidated financials starting4Q2015; the Group acquired Al-Shorouk Hospital in the first quarter of 2016.

consumables and through the development of unified standard operating procedures (SoPs). Additional initiatives will follow in 2017."

Other key developments during 2016 included the kick-off of renovation work at Nile Badrawi and Al Shorouk hospitals, the inauguration of a new diagnostic imaging centre of excellence at Cairo Specialized Hospital in partnership with Philips Healthcare, continued investment in quality enhancement and the implementation of Group-wide training and development programs.

"Our Group today is better positioned and better prepared to start the next chapter of growth characterized by a follow through on our commitment to a value accretive capital investment program. We are currently conducting due diligence on a potential accretive fifth hospital acquisition in Cairo which we expect to announce in 1H 2017. We are also reviewing a number of brownfield acquisitions to further expand our footprint. In parallel, our polyclinics initiative is well underway with a management team appointed and sites already identified, with a target of opening two feeder polyclinics in East and West Cairo by Q4 2017. Operationally, our results from the first few months of 2017 give us increased confidence in our ability to further drive profitable growth and complete the implementation of our integration program in the months ahead," said Ezzeldin.

"On a final note, I would like to thank all our doctors, nurses, support staff and management for their commitment and dedication throughout a transformative 2016. Their hard work underpins everything we do and I am confident that we will continue to build on this significant momentum in 2017." Ezzeldin concluded.

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ABOUT CLEOPATRA HOSPITALS GROUP S.A.E.

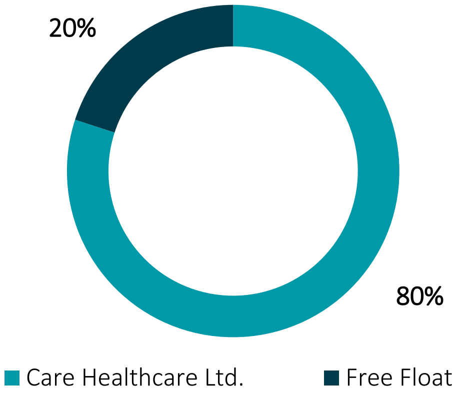
The Group is the largest private hospital group in Egypt by number of hospital beds and number of operating hospitals. The Company holds majority stakes in four leading hospitals in the Greater Cairo Area: Cleopatra Hospital, Cairo Specialized Hospital, Nile Badrawi Hospital and Al Shorouk Hospital, offering a full array of general and emergency healthcare services.

Shareholder Information

EGX: CLHO.CA
Listed: June 2016
Shares Outstanding: 200 million

Shareholder Structure

(as of December 2016)



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Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as “according to estimates”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “intends”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “should”, “to the knowledge of”, “will”, “would” or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management’s (“Management”) current views of future events, are based on Management’s assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations in the prices of raw materials or employee costs required by our operations, its ability to retain the services of certain key employees, its ability to compete successfully, changes in political, social, legal or economic conditions in Egypt, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management’s ability to timely and accurately identify future risks to our business and manage the risks mentioned above.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly to the total figure given.

Consolidated figures for FY2016 and 4Q2016 reflect operations at Cleopatra Hospital, Nile Badrawi Hospital, Cairo Specialised Hospital, and Al-Shorouk Hospital. For FY2015 and 4Q2015, consolidated figures reflect Cleopatra Hospital's standalone financials for the full-year ended 31 December 2015, in addition to figures for the period from 1 October 2015 through 31 December 2015 for Nile Badrawi Hospital and Cairo Specialised Hospital. The Group acquired Al-Shorouk in 1Q2016.

Consolidated Income Statement

All figures in EGP mn	4Q2015	4Q2016	*% change*	FY2015	FY2016	*% change*
Revenues	173.1	237.9	*37%*	411.5	864.4	*110%*
Cost of sales	(122.5)	(174.6)	*42%*	(271.8)	(614.0)	*126%*
Gross profit	**50.5**	**63.3**	***25%***	**139.8**	**250.4**	***79%***
Gross Profit Margin	*29%*	*27%*		*34%*	*29%*	
General & administrative expenses	(11.3)	(23.2)	*105%*	(40.7)	(107.5)	*164%*
Provisions	(1.2)	5.4		(3.4)	(4.1)	*21%*
Other income	1.9	1.4	*-27%*	2.5	6.3	*149%*
EBIT	**39.9**	**46.8**	***17%***	**98.2**	**145.0**	***48%***
EBIT Margin	*23%*	*20%*		*24%*	*17%*	
Interest income	2.6	18.3		6.3	32.3	*416%*
Interest expense	(7.5)	(15.9)	*112%*	(8.5)	(57.4)	
Profit before tax	**35.0**	**49.2**	***40%***	**96.0**	**119.9**	***25%***
	20%	21%		23%	14%	
Income tax	(9.8)	(9.5)	*-3%*	(24.9)	(31.1)	*25%*
Deferred tax	(2.9)	(3.1)	*7%*	(2.2)	0.5	*-125%*
Net profit after tax	**22.3**	**36.6**	***64%***	**68.9**	**89.4**	***30%***
Net Profit Margin	*13%*	*15%*		*17%*	*10%*	
Distributed as follows:						
Shareholders of the company	20.2	31.1	*54%*	66.8	76.3	*14%*
Minority rights	2.1	5.5	*157%*	2.1	13.1	
Profit for the Year	**22.3**	**36.6**	***64%***	**68.9**	**89.4**	***30%***

Consolidated Statement of Comprehensive Income

All figures in EGP mn	4Q2015	4Q2016	*% change*	FY2015	FY2016	*% change*
Net Profit	22.3	36.6	*64%*	68.9	89.4	*30%*
Other comprehensive income	-	-		-	-	
Total comprehensive income for the year	**22.3**	**36.6**	***64%***	**68.9**	**89.4**	***30%***
Total comprehensive income attributable to:						
Owners of the company	20.2	31.1	*54%*	66.8	76.3	*14%*
Non-controlling interest	2.1	5.5	*157%*	2.1	13.1	
Total comprehensive income for the year	**22.3**	**36.6**	***64%***	**68.9**	**89.4**	***30%***

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Consolidated Balance Sheet

All figures in EGP mn	31 December 2015	31December 2016
Non-current assets		
Fixed assets	267.0	396.7
Intangible assets	97.2	246.4
Total non-current assets	**364.2**	**643.1**
Current assets		
Investments held to maturity	0.04	-
Inventory	15.5	46.1
Accounts receivables	90.0	125.9
Other receivables and debit balances	18.3	25.6
Cash	109.9	439.6
Total current assets	**233.7**	**637.3**
Total assets	**598.0**	**1,280.4**
Equity		
Share capital	80.0	100.0
Reserves	(62.3)	298.0
Retained earnings	108.3	167.8
Equity attributable to the parent company	126.0	565.9
Non-controlling interest	33.3	44.6
Total equity	**159.2**	**610.5**
Non-current liabilities		
Long term debt - non-current portion	162.4	326.0
Other liabilities - due to related parties	47.4	-
Deferred tax liability	43.8	60.0
Total non-current liabilities	**253.6**	**386.0**
Current liabilities		
Provisions	19.9	24.9
Creditors and other credit balances	92.6	175.2
CPLTD	40.6	52.2
Current Income tax	32.1	31.6
Total current liabilities	**185.2**	**283.9**
Total liabilities	**438.8**	**669.9**
Total Liabilities & shareholders' equity	**598.0**	**1,280.4**

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Consolidated Cash Flow Statements

All figures in EGP mn	31 December 2015	31 December 2016
Cash flow from operating activities:		
Profit before tax	96.0	119.9
Adjustments for:		
Depreciation	9.4	26.7
Amortization of intangible assets	-	5.3
Allowance for impairments of receivables no longer required	-	(8.0)
Allowance for impairments of receivables	7.9	25.6
Allowance for impairments of receivables – written off	-	(6.8)
Provisions	3.4	10.9
Provisions no longer required	-	(6.7)
Other utilized provisions	(6.8)	(11.2)
Capital gain	-	(0.0)
Interest and commissions	8.5	57.4
Income tax paid	(21.4)	(35.7)
Credit interest	(6.2)	(25.6)
Operating Profits before changes in working capital	**90.8**	**151.8**
Changes in working capital:		
Change in inventory	(2.0)	(21.9)
Change in trade & notes receivable	(12.4)	(26.4)
Change in other debit balances	29.0	(50.5)
Change in due from related parties	-	-
Change in trade and other credit balances	67.4	38.7
Net cash flow from operating activities	**172.8**	**91.6**
Cash flow from investment activities:		
Proceeds from sale of fixed assets	-	-
Fixed assets and PUC purchased	(10.4)	(44.6)
Intangible assets purchased	-	-
Payments to acquire subsidiaries, net of cash acquired	(306.9)	(235.1)
Interest received	6.2	25.6
Time deposits with maturity more than 3 month	(62.9)	(332.3)
Collected from housing bonds	-	0.0
Net cash flow from investment activities	**(374.0)**	**(586.4)**
Cash flow from financing activities:		
Payment to increase share capital	-	20.0
Proceeds from borrowings	203.0	208.7
Interest paid	(8.5)	(32.7)
Share premium collected	-	340.0
Repayment of borrowings	-	(43.9)
Net cash flow from financing activities	**194.5**	**492.1**
Net change in cash & cash equivalents during the period	(6.6)	(2.6)
Cash & cash equivalents at the beginning of the period	53.6	47.0
Cash & cash equivalents at the end of the period	**47.0**	**44.4**