

Cleopatra Hospitals Company Posts 1Q2016 Results Recording EGP 210 million in Consolidated Revenue

1Q2016 Financial and Operational Highlights¹

EGP **210** million
Total consolidated revenue

EGP **52** million
EBITDA (25% EBITDA margin)

EGP **23** million
Net Income (11% NI margin)

+200,000
Patients Served

Cairo, 29 June 2016

Cleopatra Hospital Company S.A.E. (CLHO.CA on the Egyptian Exchange), Egypt's largest private hospital group in Egypt by number of hospital beds and number of operating hospitals, reported today its consolidated results for the quarter ending 31 March 2016, posting net income of EGP 23 million on revenues of EGP 210 million.

Commenting on Cleopatra Hospital Co.'s 1Q2016 results, Chairman and Chief Executive Officer Ahmed Ezzeldin said: "I am pleased to report to you our first set of results as a publicly traded company following our successful IPO earlier this month. The quarter just ended is also the first where our consolidated results reflect the full scale of our platform following the recent acquisition of Al Shorouk Hospital in January this year. Now generated from a more diverse pool of assets, group revenue for the quarter recorded EGP 210 million, up 26% compared to 1Q2015 pro forma² figures."

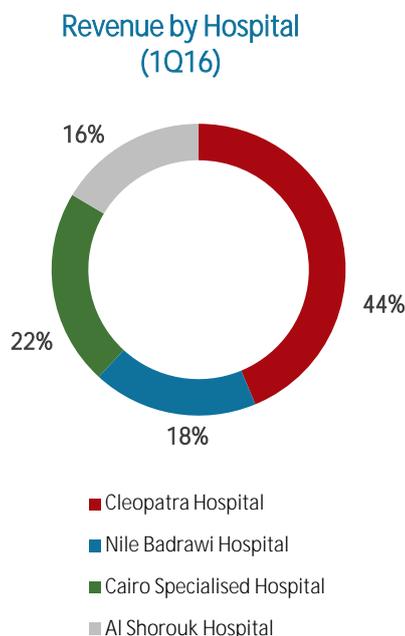
The largest contributor to group revenues was Cleopatra Hospital, coming in at 44%, followed by Cairo Specialised Hospital having contributed 22% of consolidated revenues. On pro forma basis, the 26% revenue growth is owing to a group wide increase in patient volumes as well as an uptick in prices. At the EBITDA level, the company posted EGP 52 million in 1Q2016, with an EBITDA margin of 25%. Meanwhile, the company's net profit before minority came in at EGP 23 million for the quarter registering a net profit margin of 11%.

¹ EBITDA; Earnings before Interest, Tax, Depreciation and Amortization. Patients served include total inpatients, outpatient visits and ER visits.

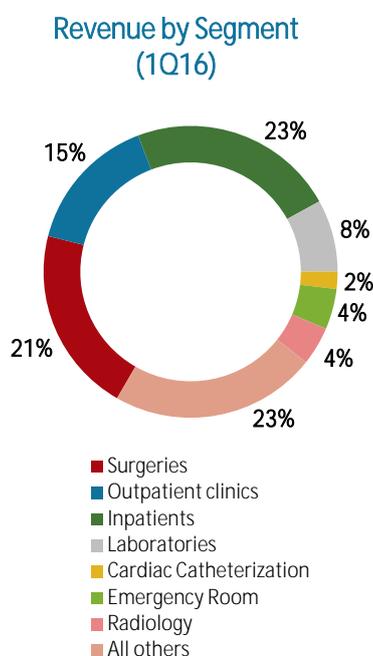
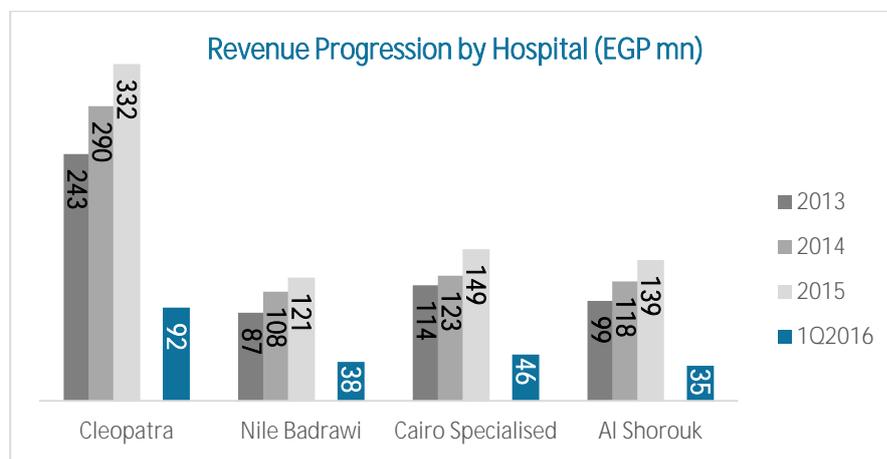
² Pro forma results of operations show the effect of the Company's ownership of its four current hospitals as if the acquisitions of those hospitals had occurred on 1 January 2015.

Financial Review

Consolidated figures for 1Q2016 reflect operations at Cleopatra Hospital, Nile Badrawi Hospital, Cairo Specialised Hospital, and Al-Shorouk Hospital. The Company controlled only one operating hospital in 1Q2015.



Consolidated revenues came in at EGP 210 million in 1Q2016, recording a 26% y-o-y growth compared to 1Q2015 pro forma figures³. Revenue growth can be primarily attributed to an increase in the number of patients served across the group coupled with an uptick in prices. Inpatient services and surgeries were the top revenue contributors to group revenues at a combined 44%. Meanwhile, contract patients represented 61% of group revenues.



Cost of goods sold for the period stood at EGP 142 million with the largest contributors being purchases of medical supplies (EGP 49 million, 34%), consulting physicians (EGP 41 million, 28%) and salaries and wages (EGP 33 million, 23%). Meanwhile, Gross Profit reached EGP 67 million, representing a gross profit margin of 32%.

General & Administrative (G&A) expenses comprise the company's non-medical staff costs, including senior management, a single addition to professional and consulting fees as well as costs related to utilities and the ongoing IT upgrade program. Total G&A costs recorded EGP 24.7 million, EGP 13.4 million of which related to non-medical staff salaries and wages.

EBITDA reached EGP 52 million, with EBITDA margin remaining somewhat unchanged compared to FY2015 at 25%. In 1Q2016, financing charges and interest expenses stood at EGP 14 million, while depreciation and amortization totalled EGP 8.3 million

Net Income (NI) for the quarter came in at EGP 23 million with NI margin of 11%. Meanwhile, NI after minority stood at 19 million, with margin of 9%.

³ 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.

ABOUT CLEOPATRA HOSPITAL COMPANY 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: 160 million

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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 Income Statement

All figures in EGP	1Q2015	1Q2016
Revenues	75,331,114	209,788,173
Cost of sales	(48,787,994)	(142,355,106)
Gross profit	26,543,120	67,433,067
<i>Gross Profit Margin</i>	35.2%	32.1%
General & administrative expenses	(7,573,140)	(24,696,986)
Provisions	(743,376)	(968,440)
Other income	247,480	1,618,899
EBIT	18,474,084	43,386,540
Interest income	1,157,525	2,525,982
Interest expense	-	(14,111,167)
Profit before tax	19,631,609	31,801,355
Income tax	(4,785,253)	(9,223,247)
Deferred tax	255,241	(63,097)
Net profit after tax	15,101,597	22,515,011
<i>Net Profit Margin</i>	20%	10.7%
<u>Distributed as follows:</u>		
Shareholders of the company	15,101,597	19,065,356
Minority rights	-	3,449,655
Profit for the Year	15,101,597	22,515,011

Consolidated Statement of Comprehensive Income

All figures in EGP	1Q2015	1Q2016
Net Profit	15,101,597	22,515,011
Other comprehensive income	-	-
Total comprehensive income for the year	15,101,597	22,515,011
<u>Total comprehensive income attributable to:</u>		
Owners of the company	15,101,597	19,065,356
Non-controlling interest	-	3,449,655
Total comprehensive income for the year	15,101,597	22,515,011

Consolidated Balance Sheet

All figures in EGP	31 December 2015	31 March 2016
Non-current assets		
Fixed assets	267,049,952	376,283,491
Intangible assets	97,195,020	250,392,536
Total non-current assets	364,244,972	626,676,027
Current assets		
Investments held to maturity	38,080	-
Inventory	15,517,957	25,922,109
Accounts receivables	89,986,584	126,973,056
Other receivables and debit balances	18,282,142	30,203,717
Cash	109,906,869	131,584,056
Total current assets	233,731,632	314,682,938
Total assets	597,976,604	941,358,965
Equity		
Share capital	80,000,000	80,000,000
Reserves	(62,303,508)	(62,303,508)
Retained earnings	108,270,052	127,335,408
Equity attributable to the parent company	125,966,544	145,031,900
Non-controlling interest	33,250,055	36,716,634
Total equity	159,216,599	181,748,534
Non-current liabilities		
Long term debt	162,400,000	361,601,310
Other liabilities - due to related parties	47,379,723	52,589,765
Income tax liability	43,802,580	60,599,856
Total non-current liabilities	253,582,303	474,790,931
Current liabilities		
Provisions	19,890,797	32,831,449
Creditors and other credit balances	92,550,296	148,810,950
CPLTD	40,600,000	57,709,066
Current Income tax	32,136,609	45,468,035
Total current liabilities	185,177,702	284,819,500
Total liabilities	438,760,005	759,610,431
Total Liabilities & shareholders' equity	597,976,604	941,358,965

Consolidated Cash Flow Statements

All figures in EGP	31 December 2015	31 March 2016
Cash flow from operating activities:		
Profit before tax	19,631,609	31,801,355
Adjustments for:		
Depreciation	1,637,732	6,994,901
Amortization of intangible assets	-	1,337,500
Provisions	743,376	968,440
Impairments in trade	91,853	6,900,577
Provisions reversed	-	(5,973,433)
Interest & commissions	-	14,111,167
Interest expense	(1,157,525)	(2,525,982)
Operating Profits before changes in working capital	20,947,045	53,614,525
Changes in working capital:		
Change in inventory	(620,969)	(1,691,956)
Change in accounts receivable	3,840,329	(17,626,576)
Change in other receivables debit balances	(3,204,380)	(9,571,243)
Change in trade and other accounts payable	(1,479,824)	28,363,999
Provisions used	-	(97,912)
Net cash flow from operating activities	19,482,201	52,990,837
Cash flow from investment activities:		
Payments for purchase of fixed assets and projects in progress	(696,819)	(4,468,161)
Payments for acquisition of subsidiaries, net cash acquired	-	(235,052,181)
Deposits with maturity longer than 3 months	(50,000,000)	(20,000,000)
Interest received	1,157,525	2,525,982
Collections from bonds	-	38,080
Net cash flow from investment activities	(49,539,294)	(256,956,280)
Cash flow from financing activities:		
Proceeds from bank loans	-	205,941,123
Interest & commissions paid	-	(298,494)
Net cash flow from financing activities	-	205,642,629
Net change in cash & cash equivalents during the period	(30,057,093)	1,677,186
Cash & cash equivalents at the beginning of the period	53,632,053	47,017,746
Cash & cash equivalents at the end of the period	23,574,960	48,694,932