Cairo, Egypt | 28 August 2016

CLEOPATRA HOSPITAL

Cleopatra Hospitals Company Reports 2Q2016 Results

2Q2016 Financial and Operational Highlights[1]

EGP **201.7** million Total consolidated revenue	EGP **42.0** million EBITDA (21% margin)
EGP **20.7** million Net Income from continuing operations (10% margin)	**+270,000** Patients Served

Cairo, 28 August 2016

Cleopatra Hospital Company 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 30 June 2016, posting net income of EGP 8.3 million on revenues of EGP 201.7 million, reflecting strong operational results despite seasonal softness in the healthcare market as well as one-time impairment and provisions charges of EGP 12 million. Adjusting for these charges, net income for 2Q2016 would stand at EGP 20.7 million, up 40% y-o-y compared to the EGP 14.8 million booked in 2Q2015.

Meanwhile, consolidated net income for the first half of 2016 stood at EGP 30.8 million on revenues of EGP 411.5 million as the Group continued to integrate newly acquired Al-Shorouk hospital into its platform and laid the groundwork for future growth. Strong revenue growth was reflected on the Group's bottom-line as it maintained cost discipline.

Commenting on Cleopatra Hospital Co.'s 2Q2016 results, Chairman and Chief Executive Officer Ahmed Ezzeldin said: "With our successful IPO on the Egyptian Exchange and subsequent capital increase now behind us, our focus for the quarter ending 30 June was on our integration program, where we have now laid the groundwork for important new cost and revenue efficiencies as well as the opening of our first centres of excellence. We have extended clinic hours at all our assets to match Cleopatra, implemented a Group-wide vendor and price list, held a comprehensive capex tender — the third-largest pharmaceuticals tender in Egypt's history — and adopted a standardized uniform at all four of our hospitals. These are just the first developments that will begin delivering results in the coming quarters.

"Group revenue for the quarter recorded EGP 201.7 million, up 10% compared to 2Q2015 pro forma[2] figures and is now generated from a more diverse pool of assets. Our revenue growth came despite seasonal softness in the healthcare market in the second quarter, which saw c. 11 extra days of Ramadan fall in the quarter compared to the same period last year and which

[1] Net income adjusted for one-time provision and impairment charges of EGP 12million. EBITDA; Earnings before Interest, Tax, Depreciation and Amortization and adjusted for one-charges related to provisions and impairments and excluding contributions from other income. 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.

overlaps with examination season at Egyptian schools and universities. In parallel, cost discipline and our ongoing integration program allowed us to curb spending on consumables and pharmaceutical supplies by c. 2% compared with 1Q2016 despite operating in a market in which inflation is now running at a seven-year high," Ezzeldin noted.

The largest contributor to group revenues was Cleopatra Hospital at (43%), followed by Cairo Specialised Hospital (21%), Nile Badrawi Hospital (18%) and Al Shorouk Hospital (17%).

The muted bottom line in 2Q2016 reflects the impact of more than EGP 12 million in charges below the EBITDA line related to the clean-up of legacy and non-recurring issues. Management has taken an impairment charge of EGP 6 million related to old receivable balances and has engaged a medical auditor to review all billing statements to insurance companies to reduce rejection rates and improve collections. The first impact of this effort will become evident later in the second half of 2016. In parallel, the Group has booked one-off provisions of EGP 6.4 million in the second quarter related to a human resources redundancy plan that will deliver considerable run-rate cost savings in the short-to-medium term. If these charges were set aside, net income for 2Q2016 would have stood at EGP 20.7 million despite carrying net interest charges of EGP 13.4 million related to an extended loan facility to finance the acquisition of Nile Badrawi and Al-Shorouk Hospitals prior to the IPO.

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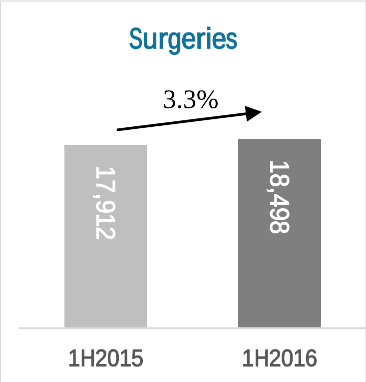

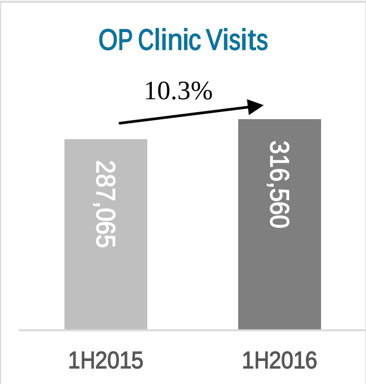

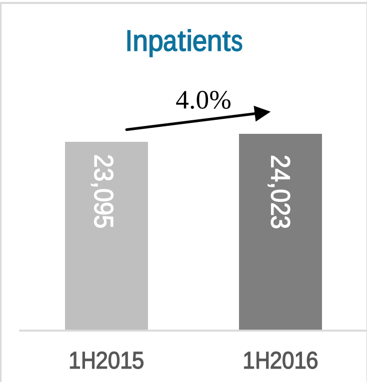

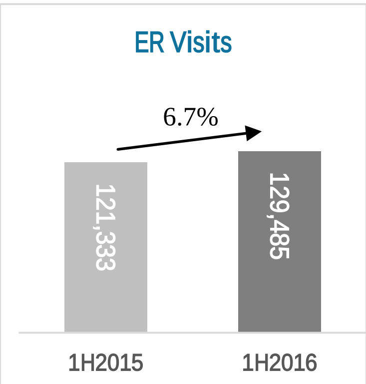

Operational Review

Cleopatra Hospital Company continued to make strong progress in 2Q2016 on both the integration of newly acquired assets including Al-Shorouk Hospital (acquired in January 2016) and the broader Group integration plan. The integration program focuses on revenue efficiencies (such as the extension of operating hours, as with the opening of Outpatient Clinics at Al-Shorouk on Friday for the first time); cost efficiencies (primarily procurement); the development of common standards and brand identity; and the creation of new centres of excellence, among other planks.

Key developments and milestones in the quarter included:

Procurement

The purchase of pharmaceutical and medical consumables accounts for 34% of Cleopatra Hospital Company's cost of sales, making this a key line item for management as it aims to deliver synergies possible through a fully integrated, multi-hospital platform. The Group has now completed ***the third-largest tender for pharmaceuticals ever issued in Egypt***, with the aim of both locking-in cost savings while protecting the Group against the impact of devaluation going forward.

The Group will complete in August a ***capex tender*** supporting the entire Group business plan. Group-wide purchasing and common standards across assets have already resulted in cost savings, including more than a 20% reduction in spending on surgical sutures in 2Q2016 compared to the same period last year. Together, these measures resulted in a c. 2% quarter-on-quarter savings on the cost of consumables and pharmaceutical supplies in the second quarter.

Cleopatra Hospital Company has also completed the roll-out a ***new uniform program*** across all of the Group's assets. The program will deliver cost savings through the acquisition of standard uniforms on set contracts and will also improve patient safety in line with global norms. Management also sees the standard uniform program as part of the launch of a consistent brand identity across all current and future assets under the integration program. Additionally, the Group has introduced disposable medical scrubs across its assets, a move that will also help reduce infection rates and result in additional cost savings on laundry expenses and storage space.

Other Centralization Initiatives

In addition to implementing unified standard operating procedures (SoPs) and processes across its procurement function, the Group has also restructured its organizational chart to better align and standardize HR policies; applied a unified benefits scheme and salary increase programs as per industry surveys; developed unified information technology policies and systems, including ERP systems for both back- and front-end operations. Additionally, the Group adopted unified SoPs and reporting tools for its finance function and has standardised its revenue and cost recognition principles.

Centres of excellence and new specialities

The Group continued to lay the groundwork in 2Q2016 for the launch of new ***centres of excellence*** and will open in August a centre for bariatric medicine at Al-Shorouk Hospital.

The Group ***added several new specialities and sub-specialities*** to its offering in the first and second quarters, including allergy immunology, pain management, hand surgery, geriatrics and paediatric orthopaedic oncology.

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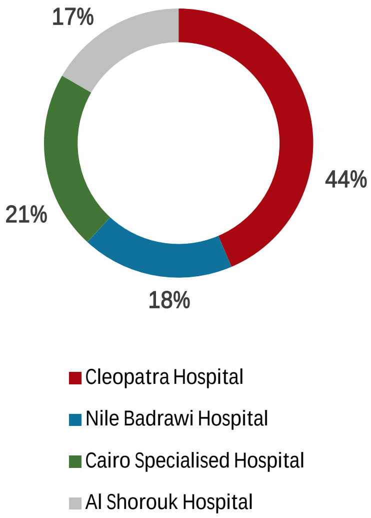
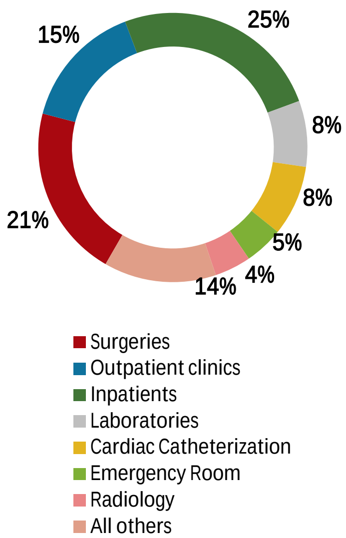
Revenue by Hospital (1H16)



Revenue by Segment (1H16)



In parallel, Cleopatra Hospital Company continued to host ***internationally recognized experts*** including Dr. Satoru Sumitsuji from Japan. Dr. Sumitsuji, professor at Osaka University, is globally recognized for his groundbreaking work in the field of total occlusion interventional cardiology and performed 17 successful procedures during his visit to NBH.

Moreover, renowned spinal surgeon Dr. Mohamed Rashid from Austria is running a centre of excellence for spinal medicine at NBH. The Group plans to add similar centres for hand surgeries, oncology, prostate health and renal transplantation by the end of this year.

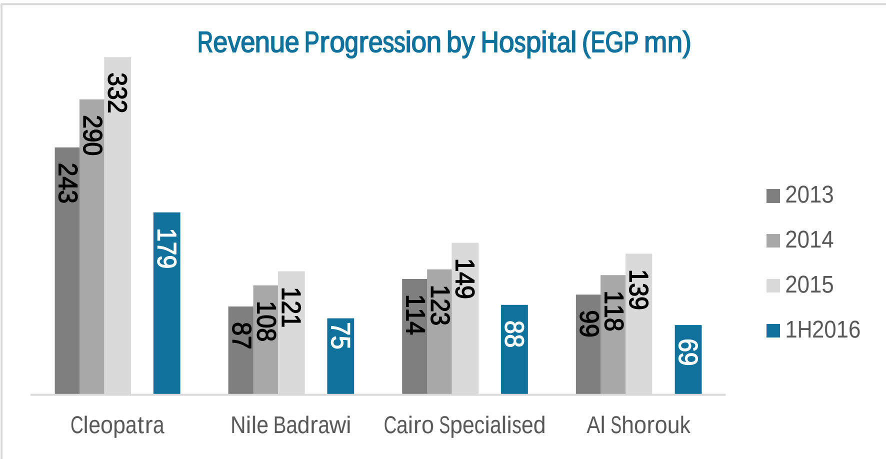
Financial Review

Consolidated figures for 2Q2016 reflect operations at Cleopatra Hospital, Nile Badrawi Hospital, Cairo Specialised Hospital, and Al-Shorouk Hospital. The Company controlled only one operating hospital in 2Q2015.

Consolidated revenues came in at EGP 201.7 million in 2Q2016, up 148% y-o-y compared to 2Q2015 figure of EGP 81.3 million, driven primarily by the increase in number of operational hospitals. Meanwhile, 2Q2016 revenues were 3.9% lower quarter-on-quarter, owing primarily to reduced contributions from the outpatient clinics and laboratories segments, together registering a decline of 12.1% q-o-q in 2Q2016.

This decline was driven by fewer visits for medical check-up for travellers to the Kingdom of Saudi Arabia, also known as GMCA visits. Patient traffic fell as a result of both the licensing of new centres offering the service as well as a general economic downturn in Saudi Arabia that has resulted in lower demand for Egyptian staff in the Kingdom. To counter the decline, the Group has extended its outpatient clinic hours and expanded its service offering through a one-stop-shop approach.

Together, ***inpatients and surgeries were the largest contributors to revenue*** accounting for 25% and 21%, respectively in 2Q2016. On a 1H2016 basis, revenues are up 163% year-on-year to EGP 411.5 million, with inpatients and surgeries contributing a combined 46% of total revenues.



Cost of goods sold in 2Q2016 for the period stood at EGP 142.3 million with the largest contributors being purchases of medical supplies (EGP 47.9 million, 34%), consulting physicians (EGP 40.5 million, 28%) and salaries and wages (EGP 34.0 million, 24%), broadly in line with the pattern in the first quarter.

As noted earlier, the Group reduced its cost of consumables and pharmaceutical supplies by 2% q-o-q despite the prevailing inflationary environment. That savings was offset by an uptick in salaries owing to higher overtime rates during the holy month of Ramadan and the following vacations. Consequently, gross profit margin for 2Q2016 was 29%, down 3 percentage points compared to 1Q2016. On a six-month basis gross profit margin stood at 31% in 1H2016.

General and administrative (G&A) expenses include the company's non-medical staff costs, including those of senior management and group-level professional consulting fees. Total G&A spending in 2Q2016 stood at EGP 31.7 million or 15.7% of sales. This figure includes a one-off charge related to impaired receivables totaling EGP 6 million, and management has taken steps (noted earlier) to reduce rejection rates by insurance companies going forward.

Factoring out this one-time charge, G&A expenses as a percent of sales would register 13% versus 11% in 1Q2016. The increase in adjusted G&A expenses was primarily driven by higher salaries as part of management's effort to streamline its organizational structure through the appointment of new hires and by filling functional gaps. Additionally, the Group also incurred costs related to staff benefits and grants on the occasion of the holy month of Ramadan and the feast period that follows. For 1H2016, total G&A outlay stood at EGP 56.4.

EBITDA stood at EGP 42.0 million, for 2Q2016 (1H2016: EGP 94.0 million), with EBITDA margin standing at 21% (1H2016: 23%). It worth noting that on a y-o-y basis, EBITDA margin in 1H2016 inched down only slightly despite higher spending on sales and marketing expenses at the Group level in 2Q2016 (there was no similar spending in the same period last year) and the hiring of new positions at the group level.

EBIT / operating profit of EGP 22.2 million in 2Q2016 (1H2016: EGP 65.6 million), down 49% q-o-q, which reflects the impact of a clean-up of the fixed-asset register for the newly acquired asset Al Shorouk and depreciation on a larger asset base.

Net income for the quarter came in at EGP 8.3 million with a net margin of 4%. For 1H2016, net profit came in at EGP 30.8 million with a net profit margin of 7%, down from 19% in 1H2016. This came on the back of both debt service and of EGP 12.0 million in provisions and impairments taken in 2Q2016. Adjusting for said charges, net income for the quarter would stand at EGP 20.7 million, up 40% y-o-y compared to 2Q2015 figure of EGP 14.8 million.

Management believes that the company's net income margin before minority interest will improve over the coming years as revenues grow

RECENT CORPORATE DEVELOPMENTS

CAPITAL INCREASE

Following the successful completion of the company's IPO on the Egyptian Exchange, the Group has recently concluded a capital increase in August 2016 by way of a closed subscription offered to the selling shareholder, Care Healthcare Ltd. (CHL), were the company extended the right to CHL to subscribe for up to 40 million new shares at the original offer price. Post the capital increase, the company's total shares have increased from 160 million to 200 million shares, with the proceeds of the transaction being allocated to support its growth and expansion plans.

COMMITTED CAPEX

A key component of the ongoing integration program is the ***standardization and upgrade of equipment across the Group***. To that end, management expects EGP 85 million of the EGP 124 million in capex from existing (pre-IPO) resources earmarked for upgrades and new investment in 2016. Commitments to date include the contracting of an enterprise resource planning (ERP) system and new investments in radiology upgrades. The Group has engaged an external consultant to assess technical requirements across all assets and has finalized both a technical and financial analysis. Tenders will be let under the program during the third quarter. As part of this process, the Group will finalize in August the tenders for its previously announced civil, electromechanical and entrance upgrade projects.

Designs for the ***upgrades to Cairo Specialised Hospital and Al-Shorouk Hospital have been finalised*** and are now in the contracting phase. The program will be overseen by a Group-level technical engineering committee formed in April.

HUMAN RESOURCES

The Group ***hired 302 full-time positions*** in 2Q2016, bringing its year-to-date total to 473 and total staff to 4,000. In parallel, the group has added 25 new consulting physicians to its roster of medical professionals with hospital privileges at one or more of the Group's assets.

The Group continued to build its senior management team in the quarter, engaging Dr. Moharam El-Badawy as ***managing director of Al-Shorouk Hospital***. Prior to joining the Group in June 2016, Dr. El-Badawy was previously the Professor of Radio Diagnosis at the National Cancer Institute, a position held for over 30 years before heading the department for nine years. He was previously a member of the boad of the Radio Diagnosis Department at Daghastani Hospital in Saudi Arabia and is a current member of European, North American and Egyptian radiology and nuclear medicine societies.

The Group has also hired a project manager to supervise site selection, project planning and execution for future expansions, including the potential opening of new polyclinics. Cleopatra has also engaged a ***new chief nurse*** for Nile Badrawi Hospital and is in the final stages of a search for a candidate to fill the same position at Al-Shorouk. These additions will give the hospital a full team of senior staff, including new talent in financial control and nursing.

This came as Cleopatra rolled-out its new ***group-wide Human Resources Information Management System*** and launched the latest modules of its comprehensive training program, including units covering nursing staff training, team building for hospital-level staff, as well as objective setting.

BUSINESS DEVELOPMENT UPDATE

Management continues to pursue opportunities to expand in Egypt via the acquisition of operating hospitals as well as greenfield and turnaround opportunities. The Group has identified multiple candidate sites for the first two of its planned network of ambulatory clinics. Top prospects are now in the study and planning phase.

ABOUT CLEOPATRA HOSPITAL COMPANY S.A.E.

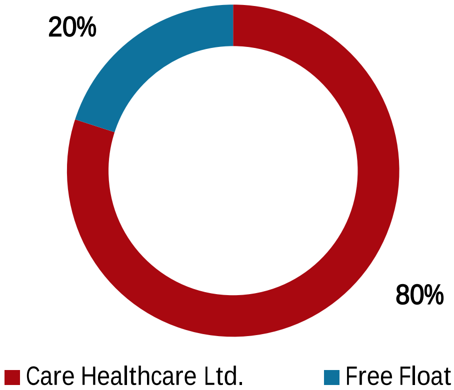
The Group is the largest private hospital group in Egypt by number of hospital beds and number of operating hospitals. The Company holds majority stakes in four leading hospitals in the Greater Cairo Area: Cleopatra Hospital, Cairo Specialized Hospital, Nile Badrawi Hospital and Al Shorouk Hospital,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

Shareholder Information

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

Shareholder Structure

(as of August 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 Income Statement

All figures in EGP mn	2Q2015	2Q2016	% change	1H2015	1H2016	% change
Revenues	81.3	201.7	*148%*	156.6	411.5	*163%*
Cost of sales	(53.4)	(142.3)	*167%*	(102.2)	(284.6)	*179%*
Gross profit	**27.9**	**59.4**	***113%***	**54.4**	**126.8**	***133%***
Gross Profit Margin	*34%*	*29%*		*35%*	*31%*	
General & administrative expenses	(9.4)	(31.7)	*237%*	(17.0)	(56.4)	*232%*
Provisions	(0.7)	(8.2)	*1002%*	(1.5)	(9.2)	
Other income	0.2	2.8	*1176%*	0.5	4.4	
EBIT	**17.9**	**22.2**	***24%***	**36.4**	**65.6**	***80%***
	22%	*11%*		*23%*	*16%*	
Interest income	1.5	3.3	*126%*	2.6	5.8	*122%*
Interest expense	-	(15.2)		-	(29.3)	
Profit before tax	**19.4**	**10.3**	***-47%***	**39.0**	**42.1**	***8%***
	24%	*5%*		*25%*	*10%*	
Income tax	(4.7)	(5.2)	*10%*	(9.5)	(14.4)	*52%*
Deferred tax	0.1	3.2	*5294%*	0.3	3.1	
Net profit after tax	**14.8**	**8.3**	***-44%***	**29.9**	**30.8**	***3%***
Net Profit Margin	*18%*	*4%*		*19%*	*7%*	
Distributed as follows:						
Shareholders of the company	14.8	6.6	*-55%*	29.9	25.7	*-14%*
Minority rights	-	1.7			5.1	
Profit for the Year	**14.8**	**8.3**	***-44%***	**29.9**	**30.8**	***-3%***

Consolidated Statement of Comprehensive Income

All figures in EGP mn	2Q2015	2Q2016	*% change*	1H2015	1H2016	*% change*
Net Profit	14.8	8.3	*-44%*	29.9	30.8	3%
Other comprehensive income	-	-		-	-	
Total comprehensive income for the year	**14.8**	**8.3**	*-44%*	**29.9**	**30.8**	**3%**
Total comprehensive income attributable to:						
Owners of the company	14.8	6.6	*-55%*	29.9	25.7	-14%
Non-controlling interest	-	1.7		-	5.1	
Total comprehensive income for the year	**14.8**	**8.3**	*-44%*	**29.9**	**30.8**	**3%**

مستشفى كليوباترا
CLEOPATRA HOSPITAL

Consolidated Balance Sheet

All figures in EGP mn	31 December 2015	30 June 2016
Non-current assets		
Fixed assets	267.0	379.7
Intangible assets	97.2	249.1
Total non-current assets	**364.2**	**628.7**
Current assets		
Investments held to maturity	0.0	-
Inventory	15.5	27.5
Accounts receivables	90.0	121.6
Other receivables and debit balances	18.3	22.3
Cash	109.9	123.2
Total current assets	**233.7**	**294.6**
Total assets	**598.0**	**923.3**
Equity		
Share capital	80.0	80.0
Reserves	(62.3)	(11.1)
Retained earnings	108.3	116.6
Equity attributable to the parent company	**126.0**	**185.5**
Non-controlling interest	33.3	38.4
Total equity	**159.2**	**223.9**
Non-current liabilities		
Long term debt	162.4	371.5
Other credit balances - non-current portion	-	12.6
Other liabilities - due to related parties	47.4	-
Income tax liability	43.8	57.4
Total non-current liabilities	**253.6**	**441.5**
Current liabilities		
Provisions	19.9	38.1
Creditors and other credit balances	92.6	152.2
CPLTD	40.6	49.1
Current Income tax	32.1	18.5
Total current liabilities	**185.2**	**257.9**
Total liabilities	**438.8**	**699.4**
Total Liabilities & shareholders' equity	**598.0**	**923.3**

Consolidated Cash Flow Statements

All figures in EGP mn	30 June 2015	30 June 2016
Cash flow from operating activities:		
Profit before tax	39.0	42.1
Adjustments for:		
Depreciation	3.3	14.0
Amortization of intangible assets	-	2.7
Allowance for impairments of receivables no longer required	-	(6.7)
Allowance for impairments of receivables	0.1	13.7
Provisions	1.5	9.2
Capital gain	-	(0.0)
Credit interest	(2.6)	(5.8)
Finance expenses	0.0	29.3
Changes in current tax liability	(21.4)	(32.2)
Operating Profits before changes in working capital	**19.9**	**66.2**
Changes in working capital:		
Change in inventory	(0.4)	(3.3)
Change in trade & notes receivable	(3.2)	(18.3)
Change in other debit balances	18.7	(15.2)
Change in due from related parties	-	-
Change in trade and other credit balances	(26.1)	4.1
Change in loans	-	-
Change in deferred tax liability	-	-
Provisions used	(0.1)	(3.0)
Interest paid	-	-
Net cash flow from operating activities	**8.8**	**30.6**
Cash flow from investment activities:		
Proceeds from sale of investments held to maturity	-	0.0
Proceeds from sale of fixed assets & PUC	-	0.0
Fixed assets and PUC purchased	(2.7)	(14.8)
Intangible assets purchased	-	-
Payments to acquire subsidiaries , net of cash acquired	-	(215.1)
Credit interest collected	2.6	5.8
Time deposits Maturity more than 3 month	-	23.5
Net cash flow from investment activities	**(0.1)**	**(200.6)**
Cash flow from financing activities:		
Proceeds from issued share capital	-	-
Payment to loans payable	-	207.2
Interest paid	(0.0)	(0.5)
Interest received	-	-
Net cash flow from financing activities	**(0.0)**	**206.8**
Net change in cash & cash equivalents during the period	**8.7**	**36.8**
Cash & cash equivalents at the beginning of the period	**53.6**	**47.0**
Cash & cash equivalents at the end of the period	**62.4**	**83.8**