Cairo, Egypt | 15 May 2018

Cleopatra Hospitals Group Reports 1Q2018 Results

1Q2018 Financial and Operational Highlights[1]

EGP 347 million Total Consolidated Revenue	EGP 93 million Adj. EBITDA (27% margin)
EGP 57 million Net Income (16% margin)	+235,000 Cases Served

Cairo, 15 May 2018

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 March 2018, recording revenues of EGP 347.2 million, up 32% y-o-y. Growth during the first quarter of the year came as Cleopatra Hospitals Group (CHG) continued to capitalize on the healthcare market's favourable fundamentals, capturing growth through its superior facilities and reputation for quality, with patient volumes rising 11% y-o-y along with improved case mix and pricing. Meanwhile, the Group recorded its highest gross profit margin since its IPO at 34% in 1Q2018, a three percentage-point expansion on the back of CHG's increased platform integration and resultant operational and cost efficiencies. The Group recorded a net income of EGP 57.2 million in 1Q2018, up an impressive 97% y-o-y and yielding a net profit margin of 16%. It is worth noting that 1Q2018 bottom-line included EGP 30.1 million in interest income, where factoring it out would still see the Group's normalized net profit record a strong 75% increase over 1Q2017.

The largest contributor to Group revenues in 1Q2018 was Cleopatra Hospital (45%), followed by Cairo Specialised Hospital "CSH" (20%), Nile Badrawi Hospital "NBH" (18%) and Al Shorouk Hospital "ASH" (18%).

Commenting on Cleopatra Hospitals Group's performance for 1Q2018, Chief Executive Officer Ahmed Ezzeldin said:
"Our strong results in the first quarter of the year reflect the merits of our strategic initiatives and the success of our integration drive that is increasingly delivering value at our top-line, and simultaneously allowing us to maximize efficiency and extract cost-savings while staying true to our commitment to patient safety and service quality. Key developments during the quarter included the enhancement of our cross-asset communication channels to improve patient referral pathways and ensure our various departments, including our intensive care units, catheterization labs, and emergency rooms are operating at optimum capacity. This has yielded significant improvements particularly at our ICUs where utilization has exceeded 90% during the quarter. The Group is also pushing forward with its CAPEX program and infrastructure upgrades, with complete renovations at CSH's operating rooms, ICU and catheterization labs underway, and with patient traffic being efficiently diverted to other Group hospitals while renovations are completed as evidenced by our growing patient volumes."

[1]EBITDA, Earnings before Interest, Tax, Depreciation and Amortization adjusted for provisions, impairments, and management's long-term incentive program (a non-cash charge linked to share price appreciation and EBITDA growth and with a four-year vesting period maturing by 30 June, 2020, after which the sums will be disbursed), and excluding contributions from other income. Cases served includes number of in-patients, unique outpatient visits, and ER visits.

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CHG's multi-pronged strategy sees it developing a unique business model and asset profile that is tailor-fit to serve the rising demand for quality healthcare services, with key aspects being its position as Egypt's largest private hospital group and its growing capacity across key catchment areas to capture rising patient volumes. Meanwhile, the Group's extensive CAPEX program, including investments in medical technology and its Centres of Excellence (CoE) program, afford it the tools necessary to provide tertiary care and achieve superior clinical outcomes in treating diseases that require a high degree of medical specialization and sophistication. Notable successes include the Group's push in the catheterization field, with significant investments in new state-of-the-art catheterization CoEs at Cleopatra Hospital and NBH, along with attracting highly experienced physicians performing new interventional breakthroughs. Revenue from catheterization procedures has grown by c.40% in 1Q2018, and the Group is planning an additional catheterization lab at ASH in 2H2018, bringing the Goup's total number of catheterization labs to five.

Additionally, CHG's efforts in the way of building strategic agreements with insurance providers leave it as a preferred partner for a key industry stakeholder. With the majority of healthcare payments being out-of-pocket, along with the low penetration by insurance providers into the private healthcare space, increasing coverage will be among the primary growth drivers going forward. In that regard, CHG has made significant progress toward improving management of its insurance contracts at the Group level and implementing the one-stop-shop approach through the execution of new agreements with major insurers in the market. The one-stop-shop approach ensures a cost-effective and timely provision of diagnostic and pharmaceutical service offerings to both inpatient and outpatient customers, providing for a more seamless experience. This has already yielded significant improvements at Cleopatra Hospital and presents growth opportunities at the Group's other hospitals going forward. Across Group hospitals, revenues generated from insured patients including corporate clients are showing an increasing trend having generated 64% of total revenue in 1Q2018 versus 60% in the same period last year. Insurance growth, along with the Group's corporate agreements including those with petroleum sector companies, have contributed a combined c.80% to revenue growth for the quarter in absolute terms.

"We continue to make progress on expanding our reach to facilitate access through both organic efforts such as our polyclinic and feeder network model, as well as inorganic acquisition opportunities, including a 92-bed facility in West Cairo and submitted a mandatory tender offer to acquire 100% of the outstanding share capital of the 110-bed El Nozha Hospital in the East Cairo, both of which are pending regulatory sign-off. We also entered into a joint venture with Al Nahda Education S.A.E, to refurbish, equip, and operate a 160-bed brownfield hospital in Beni Suef with a potential expansion to over 200 beds. Finally, the Group is making progress on the Al Shorouk Hospital extension. Incremental additions to our capacity will further strengthen our ability to capture the upside of a growing market and reaffirms our position as the nation's leading quality healthcare services provider," Ezzeldin said.

The Group's integration drive forms its key value proposition and is allowing it to capture the favourable trends of the healthcare services market, including an attractive demographic profile with strong population growth and increased life expectancy; strong structural demand and an underpenetrated private healthcare market; an evolving disease burden; and a shift away from out-of-pocket expenditure and toward increased insurance coverage. Additionally, developments such as the recently enacted Universal Healthcare law will lend additional momentum to our Group's growth trajectory as private healthcare expenditure rises and with it demand for quality care.

—Ends—

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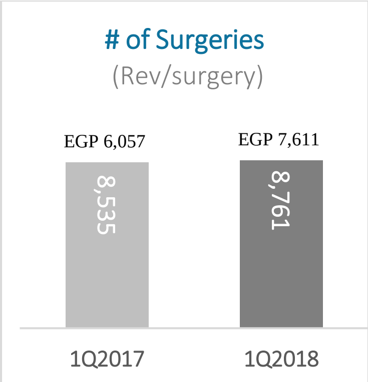

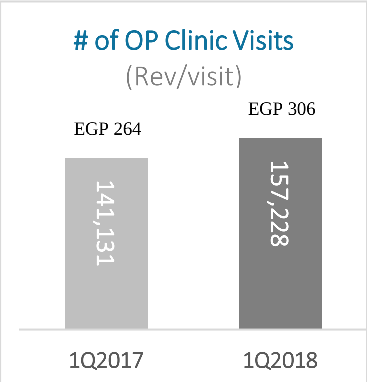

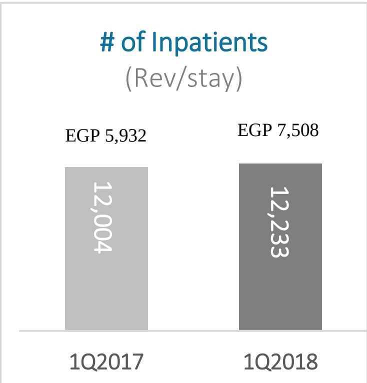

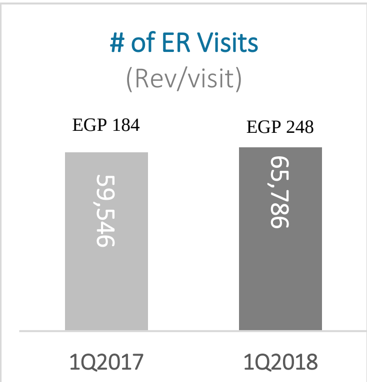

Historical figures have been adjusted in order to standardize KPI reporting across all hospitals

Operational Review

The first quarter of 2018 saw Cleopatra Hospitals Group continue to push forward its Group-wide integration program with key achievements in improving service quality and patient safety, standardizing our information technology (IT) frameworks, upgrading infrastructure and technology, improving service quality and patient safety, and supporting human resources development.

Quality Enhancement

The Group continues to improve the quality of both its medical and non-medical services, keeping patient safety at the fore.

A unified patient file has been implemented across all hospitals, along with unified admission and discharge procedures. At ASH, the medical records department has deployed unified medical numbers for patients and is moving to electronic medical records (EMR). Patient safety was increased by implementing improvements to infection control and the stewardship of antibiotics. Our Patient's VOICE program was also launched this quarter, with phase one focused on thorough monitoring of all patient surveys. This program aims to develop a world-class healthcare services culture with the goal of improving patient satisfaction. Phase two will focus on educating patients about their rights. These improvements and others are delivering on targets established by the Group's quality department in support of achieving Joint Commission International (JCI) accreditation at all Group hospitals.

Information Technology

After a successful pilot program in 2017, our new ERP system went live at Cairo Specialized Hospital (CSH). All phase one modules, including medical records, front office, finance, and supply chain, have been validated. Lab devices were integrated with the CliniSys system, and a host of other integrations were deployed, from warehouse management to drug dispensing and claims processing.

Deployment of the ERP system across all hospitals will proceed in 2018 and should be completed across all hospitals by 2019. This will allow the Group to build a single integrated patient management experience across all hospitals. Departments will gain real-time access to information across the platform, from patients' medical histories to KPIs, thus increasing efficiency and extracting higher value from better quality services.

Infrastructure and Technology

Capital investments made in 2017 are bearing fruit and will continue through 2018, as infrastructure enhancements and technology upgrades contribute to developing the Group's cross-asset integrated platform.

Upgrades to kitchen facilities at Al Shorouk Hospital (ASH) have been completed and will deliver cost-savings with hand-over of the new kitchen to our outsourcing partner, Compass, in 2Q2018. A contract has been signed for upgrading laundry facilities at CSH to serve as the Group's new centralized laundry hub, with the project work expected to continue into 3Q2018. Façade renovations at CSH and at Nile Badrawi Hospital (NBH), including external signage to reflect the Group's unified brand, are well on their way to completion.

Notable upgrades during the quarter included installation of a central oxygen system at NBH and the start of renovations to the renal dialysis unit at ASH. Renovations to ER facilities across all hospitals will continue in 2018, while CSH's operating rooms are currently undergoing a complete overhaul.

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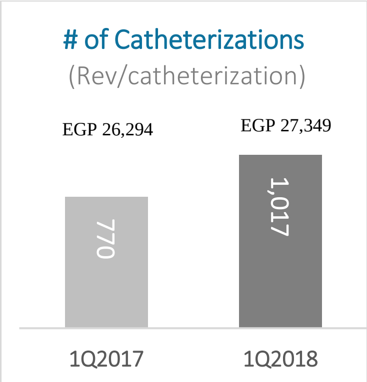
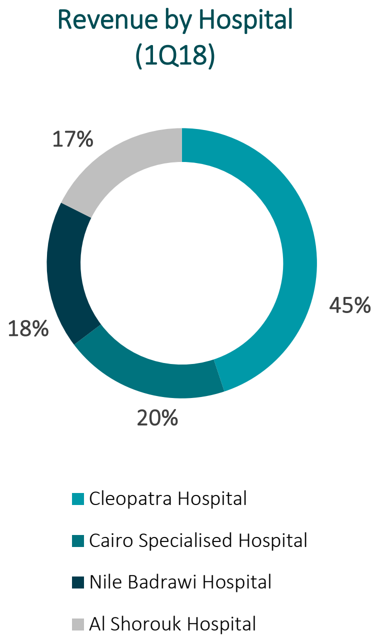


Human Resources

CHG continues staff training initiatives to develop core competencies and skills. The Group's Nursing Development Program, in cooperation with major Egyptian universities, runs across all our hospitals. In 1Q2018, we offered business etiquette sessions for nurses at NBH and ASH to better equip nursing staff with the competencies and skills needed to handle our diversified patients. The goal of the Nursing Development Program is to create a long-term pool of qualified nurses holding a bachelor's degrees in nursing.

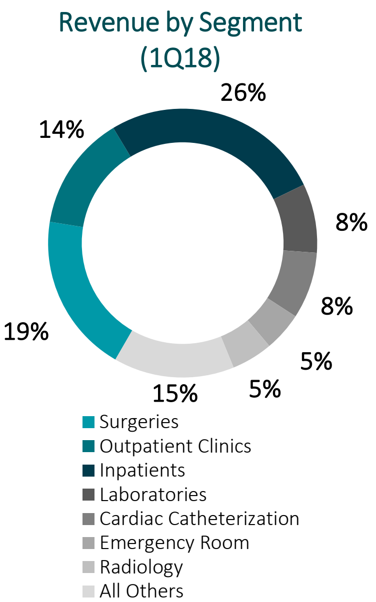
In 1Q2018, a program to improve the interviewing skills of executive and middle management was implemented, with 70 employees enrolled. Developing hiring skills will improve the calibre of recruits, guarantee higher job performance, and increase employee retention.

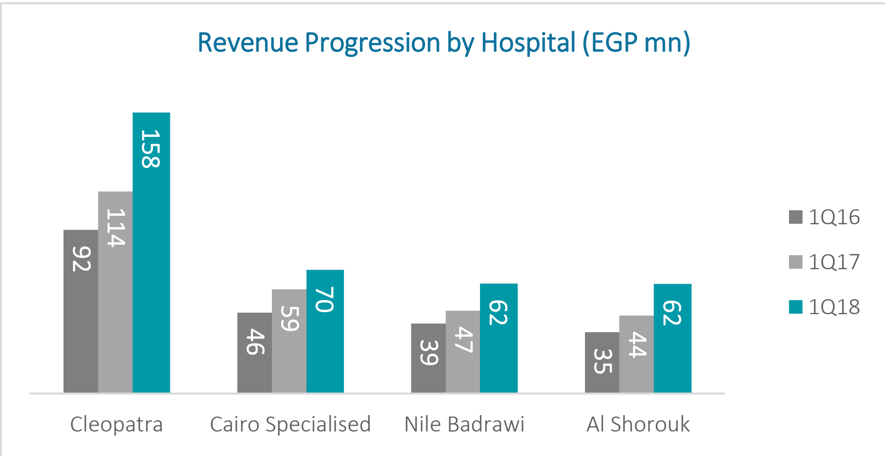
Financial Review



The Group recorded ***consolidated revenues*** of EGP 347.2 million in 1Q2018, up 32% y-o-y with growth being driven by higher patient volumes as well as an improvement in case mix and pricing. Revenue from inpatient visits was the largest contributor to total revenues at 26% and the largest contributor to revenue growth in absolute terms at 24% in 1Q2018. Meanwhile, surgeries constituted the second-largest share of total revenues at 19% and contributed 18% to revenue growth in absolute terms. Other key contributors to total revenues in 1Q2018 included outpatient clinics (14%) and cardiac catheterization (8%) which together contributed a combined 22% to revenue growth in 1Q2018. Meanwhile, revenues from emergency rooms were the fastest-growing during the quarter, up 49% y-o-y, while revenues from the newly ramped-up cardiac catheterization recorded a solid 37% y-o-y increase in 1Q2018. It is worth noting that, across Group hospitals, revenues generated from insured patients including corporate clients are showing an increasing trend having generated 64% of total revenue in 1Q2018 versus 60% in the same period last year.

The largest contributor to Group revenues in 1Q2018 was Cleopatra Hospital (44.9%), followed by Cairo Specialised Hospital (19.8%), Nile Badrawi Hospital (17.7%), and Al Shorouk Hospital (17.6%).





Cost of goods sold recorded EGP 229.8 million in 1Q2018, up 27% y-o-y, thanks to the Group's ability to improve operational efficiency and extract cost savings through its integration program, leading to COGS/Sales ratio at 66% versus 69% in 1Q2017. Medical supplies recorded EGP 72.2 million in 1Q2018 and were the largest constituent of COGS at 31%, decreasing however as a percentage of total revenue from 22% in 1Q2017 to 21% in the current quarter thanks to the Group's cross-asset procurement programs. Meanwhile, fees to consulting physicians grew 35% y-o-y to EGP 67.6 million in 1Q2018, contributing 29% of total COGS up from 28% in 1Q2017 or EGP 50.1 million. Salaries and wages recorded EGP 57.0 million in 1Q2018, up 24% y-o-y, down slightly as a percentage of sales to 16% versus 18% in 1Q2017.

Revenue growth along with initiatives to extract cost savings saw the Group record an impressive 44% y-o-y increase in gross profit to EGP 117.3 million in 1Q2018, yielding a gross profit margin of 34% versus 31% in the same period last year, the highest Group GPM since its IPO.

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 expenses came in at EGP 54.4 million in 1Q2018 or 40% higher than the EGP 38.7 million recorded in the same period last year. G&A/Sales ratio inched up slightly to 16% during the quarter versus 15% in 1Q2017. G&A expenses also include the Group's Long-Term Incentive Program (LTIP) which recorded EGP 10.3 million for 1Q2018. A non-cash charge linked to share price appreciation and EBITDA growth, the LTIP has a four-year vesting period maturing by 30 June 2020, after which amounts will be disbursed. Management views its LTIP as a key pillar for retaining valuable talent and driving long-term sustainable growth. 1Q2018 also witnessed impairments of EGP 8.5 million primarily related to NBH; however, the Group is actively working to improve the hospital's client base by substituting those with weak credit profiles and/or past delinquencies. The Group also booked EGP 6.2 million in provisions during 1Q2018 related to human resources initiatives that aim to reach efficient staffing levels.

The Group's ***EBITDA***, which factors out acquisition expenses, impairments, and the LTIP's non-cash charge, and also excludes contributions from other income, recorded a strong 50% y-o-y increase to EGP 92.8 million in 1Q2018, with a three percentage-point expansion in EBITDA margin to 27%.

Cleopatra Hospitals Group's bottom-line posted EGP 57.2 million in 1Q2018, up almost twofold compared to 1Q2017 and yielding a net profit margin of 16%. It is worth noting that net profit included EGP 30.1 million in interest income, however, normalized net profit recorded an equally impressive 75% y-o-y increase for 1Q2018.

The Group continued with its CAPEX program to upgrade its facilities' infrastructure and medical technology, with total outlays during 1Q2018 recorded at EGP 26.3 million and bringing total investments since the IPO to EGP 197 million.

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ABOUT CLEOPATRA HOSPITALS GROUP S.A.E.

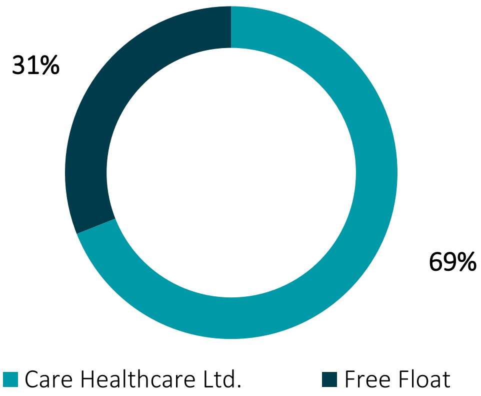
The Group is the largest private hospital group in Egypt by number of hospital beds and number of operating hospitals. The company holds majority stakes in four leading hospitals in the Greater Cairo Area: Cleopatra Hospital, Cairo Specialized Hospital, Nile Badrawi Hospital, and Al Shorouk Hospital,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

Shareholder Information

EGX: CLHO.CA
Listed: June 2016
Shares Outstanding: 1,600 million

Shareholder Structure

(as of May 2018)



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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 that 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 Statement of Income

All figures in EGP mn	1Q2018	1Q2017	% change
Revenues	347.2	262.1	*32%*
Cost of sales	(229.8)	(180.8)	*27%*
Gross profit	**117.3**	**81.3**	***44%***
Gross Profit Margin	*34%*	*31%*	
General & administrative expenses	(54.4)	(38.7)	*40%*
Cost of acquisition activities	(2.6)	0.0	
Provisions	(6.2)	(2.8)	*126%*
Other income	3.0	1.2	*161%*
EBIT	**57.2**	**41.0**	***40%***
EBIT Margin	*16%*	*16%*	
Interest income	30.1	13.5	*122%*
Interest expense	(12.0)	(16.8)	*-29%*
Profit before tax	**75.3**	**37.7**	***100%***
PBT Margin	*22%*	*14%*	
Income tax	(19.5)	(9.4)	*107%*
Deferred tax	1.4	0.8	*77%*
Net profit after tax	**57.2**	**29.1**	***97%***
Net Profit Margin	*16%*	*11%*	
Distributed as follows:			
Shareholders of the company	53.3	25.2	*112%*
Minority rights	3.9	3.9	-
Profit for the period	**57.2**	**29.1**	***97%***

Consolidated Statement of Comprehensive Income

All figures in EGP mn	1Q2018	1Q2017	% change
Net Profit	57.2	29.1	*97%*
Other comprehensive income	-	-	
Total comprehensive income for the year	**57.2**	**29.1**	***97%***
Total comprehensive income attributable to:			
Owners of the company	53.3	25.2	*112%*
Non-controlling interest	3.9	3.9	-
Total comprehensive income for the year	**57.2**	**29.1**	***97%***

Consolidated Statement of Financial Position

All figures in EGP mn	31 December 2017	31 March 2018
Non-current assets		
Fixed assets	472.5	482.3
Intangible assets	241.0	241.0
Payment under investment	143.6	251.6
Total non-current assets	**857.1**	974.9
Current assets		
Inventory	30.1	35.9
Accounts receivables	185.4	228.3
Other receivables and debit balances	22.1	28.8
Due from related parties	5.4	10.4
Cash	1,007.1	777.2
Total current assets	1,250.2	1,080.7
Total assets	**2,107.3**	**2,055.6**
Equity		
Share capital	800.0	800.0
Reserves	270.2	274.3
Retained earnings	260.3	288.2
Equity attributable to the parent company	1,330.5	1,362.5
Non-controlling interest	55.7	58.3
Total equity	**1,386.2**	**1,420.8**
Non-current liabilities		
Long term debt – non-current portion	276.3	190.6
Long term incentive plan	24.8	35.1
Deferred tax liability	64.4	63.1
Total non-current liabilities	365.6	**288.8**
Current liabilities		
Provisions	21.6	26.6
Creditors and other credit balances	246.3	251.1
Due to related parties	-	1.0
CPLTD	75.6	35.8
Current income tax	12.0	31.4
Total current liabilities	**355.5**	346
Total liabilities	**721.0**	643.8
Total liabilities & shareholders' equity	**2,107.3**	**2,055.6**

Consolidated Statement of Cash Flow

All figures in EGP mn	31 March 2017	31 March 2018
Cash flow from operating activities:		
Profit before tax	37.7	75.3
Adjustments for:		
Depreciation	7.5	10.4
Amortization of intangible assets	1.3	-
Impairments of receivables no longer required	(3.6)	(1.4)
Impairments of receivables	8.0	9.9
Trade receivables impairment – write off	(1.9)	(1.4)
Provision formed	3.2	8.5
Provision utilized	(3.4)	(1.3)
Provisions no longer required	(0.5)	(2.2)
Capital gain (loss)	(0.1)	(0.1)
Credit interest	(13.5)	(30.1)
Interest and commissions	16.3	11.9
Changes in current tax liability	(2.0)	-
Fixed assets write off	3.3	-
Allowance for impairment of inventory	-	(0.1)
Employee long-term incentive plan	2.1	10.3
Operating profits before changes in working capital	**54.4**	**89.6**
Changes in working capital:		
Change in inventory	(5.9)	(5.7)
Change in trade receivables	(22.5)	(50.0)
Change in debtors and other debit balances	(24.0)	(0.9)
Change in due from related parties	-	(4.9)
Change in trade payables and other credit balances	4.9	16.7
Net cash flow from operating activities	**6.9**	**44.8**
Cash flow from investment activities:		
Proceeds from sale of fixed assets	0.2	0.1
Payments for purchase of fixed assets	(11.3)	(11.7)
PUC purchased	(10.5)	(8.5)
Advanced payments for purchase of fixed assets	-	(6.1)
Payments under investment	-	(108.0)
Interest received	8.7	30.3
Time deposits with maturity more than 3 month	8.1	11.0
Collected from housing bills	-	-
Net cash flow from investment activities	**(4.7)**	**(92.9)**
Cash flow from financing activities:		
Dividends paid	-	(20.0)
Proceeds from borrowings	1.0	-
Repayment of borrowings	-	(126.3)
Cash proceed from overdraft	-	23.3
Cash paid to overdraft	-	(22.5)
Interest paid	(0.3)	(25.4)
Net cash flow from financing activities	**0.7**	**(170.9)**
Net change in cash & cash equivalents during the period	2.9	(218.9)
Cash & cash equivalents at the beginning of the period	44.4	996.1
Cash & cash equivalents at the end of the period	**47.3**	**777.2**