مجموعة مستشفيات النور

AL NOOR HOSPITALS GROUP Plc

Tuesday 25 August 2015: FOR IMMEDIATE RELEASE

Al Noor Hospitals Group Plc

Results for the Six Months Ended 30 June 2015

Improved revenue driven by higher outpatient volumes

Continued investment in hospital and medical centre network

London and Abu Dhabi: Al Noor Hospitals Group Plc. (ANHA.L; the "Company", "Group" or "Al Noor"), the largest private healthcare service provider in Abu Dhabi, today announces its results for the six months ended 30th June, 2015.

Financial summary (all figures in US$)

	H1 2015	H1 2014	Change
Revenue	$244.0m	$224.8m	+8.5%
Underlying EBITDA(1,2)	$53.9m	$51.7m	+4.3%
Underlying Operating Profit	$45.6m	$46.2m	-1.3%
Net Profit	$44.9m	$45.6m	-1.6%
Underlying Net Profit(1)	$45.4m	$45.6m	-0.5%
Interim dividend (GBP)	4.1p per share	3.7p per share	+10.8%
Net Cash Position(3)	$91.0m	$86.3m	+5.4%

(1) Underlying EBITDA and Underlying Net Profit exclude certain exceptional transaction related costs

(2) Represents operating profit after adding back depreciation and amortization of $8.2 m for H1 2015 and $5.5 m for H1 2014.

(3) Represents short term deposits and cash and cash equivalents.

Overview

- Strong volume growth in outpatient and inpatient business, up by 13% and 7% respectively
- Overall, the Group's network of hospitals and medical centres performed well, although profitability in the period was impacted by continuing disruption from the refurbishment programme at Khalifa Street Hospital and the impact of new competition
- Net profit decreased due to higher depreciation costs arising from our focused plan of investment in growth initiatives
- Strong performance overall from new medical centres and from the Al Madar Medical Centre network, acquired in 2013, with both set to make a greater contribution to profit in the second half of the year

- Continued investment in clinical staff, systems, processes and infrastructure to strengthen service offering and to support an integrated healthcare system
- Additional inpatient beds and operating theater capacity in Al Ain Hospital to be added before the end of the year as well as two new outpatient medical centres in Sharjah, and Al Ain
- Shareholder approval received to commit to leases allowing the expansion of operations at Al Ain Hospital, Khalifa Street Hospital and Airport Road Hospital
- The Group remains debt free with a strong net cash position and continues to review a number of acquisition opportunities
- The outlook for the Group remains broadly unchanged, with a growing contribution from the Al Madar Medical Centre network

Ronald Lavater, CEO, Al Noor Hospitals Group Plc said:

"Overall, Al Noor medical centres and hospitals performed well with good revenue growth over the first six months of the year. We continued to make investments in our infrastructure, strengthen our systems and processes and enhance our clinical staff to support sustainable growth. Al Noor retains leadership in our home market of Abu Dhabi by providing patients with the highest quality medical services, the best clinical staff and the most advanced technology in the private sector.

Trading in the second half of the year has started in line with our expectations and we expect to deliver additional growth in earnings from our recent investments in infrastructure and equipment in our hospitals and higher patient volumes at our newest medical centres. We expect our margins in the second half to continue to be impacted by the opening of new medical centres and the continued repositioning of Khalifa Street Hospital, however we expect these factors to diminish during 2016.

In line with our strong commitment to patient-focused care, we invested in a new role Group Chief Nursing Officer (CNO). Our new Group CNO, working alongside the Group's Chief Medical Officer, is leading nursing teams from across the company building a stronger collaborative environment among all caregivers, integrating best practices and improving staff efficiency resulting in improved quality and patient experience."

Enquiries:

Al Noor Hospitals Group plc

Dr Sami Alom	+971 2 406 6992

Brunswick Group

Jon Coles / Craig Breheny / Simone Selzer	+44 20 7404 5959
Rupert Young / Jeehan Balfaqaih	+971 4 446 6270

Cautionary statement

These Interim Results have been prepared solely to provide additional information to shareholders to assess the Group's performance in relation to its operations and growth potential. These Interim Results should not be relied upon by any other party or for any other reason. Any forward looking statements made in this document are done so by the directors in good faith based on the information available to them up to the time of their approval of this report. However, such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

About Al Noor Hospitals Group Plc.

Al Noor provides primary, secondary and tertiary care in the Emirate of Abu Dhabi and the wider region through its portfolio of hospitals and medical centres. As of 30 June 2015, the company had 216 operational beds and 684 physicians, more than any other private competitor in Abu Dhabi. Al Noor was the first private hospital in Abu Dhabi City to obtain Joint Commission International ("JCI") accreditation, and today all of its hospitals are accredited. The company operates in one of the fastest growing sectors in the Gulf region due to a rapidly ageing demographic, an increasing incidence of lifestyle-related medical conditions such as diabetes and obesity, and service gaps in the current healthcare market. Its growth strategy is focused on meeting the strong demand driven by these three factors.

The company is listed in on the London Stock Exchange (ticker: ANHA.L). For more information, please go to www.alnoorhospital.com.

Ends

Results for the six months to 30 June 2015

Overview

The Group performed well in the six months to 30 June 2015 and largely in line with management expectations. Significant revenue growth in the period came from recent strategic developments and, in particular, the Al Madar Medical Centre network, offsetting the effects of our repositioning of Khalifa Street and of new competition entering the market. We operate in one of the fastest growing sectors in the Gulf region, due to a rapidly ageing demographic, an increasing incidence of lifestyle-related medical conditions such as diabetes and obesity, and service gaps in the current healthcare market. These underlying fundamentals and our strong brand justify our continued investment in our hospitals and outpatient medical centre network, as well as in top quality clinical staff and state-of the art medical equipment.

Financial performance

During the period, Group revenue increased by 8.5% to US$244m compared to H1 2014. Underlying EBITDA increased to US$53.9m, up 4.3%, with EBITDA margin declining to 22.1% from 23.0% in H1 2014. Underlying Net Profit declined by 0.5% to US$45.4m.

The improved revenue was primarily driven by higher outpatient volumes, up 13% on H1 2014, largely arising from the performance of our new medical centres and growth in patient volumes from our acquired facilities. This offset the impact of the refurbishment and repositioning programme at Khalifa Street Hospital, which saw its revenues reduce by 12% in the period.

Our strategy of investing in our inpatient business has started to yield positive results with volumes growing by 6.9%, despite the decline in volume at Khalifa Street Hospital.

We delivered volume growth across all insurance payer categories. Average revenue per inpatient increased by 0.4%, while average outpatient revenue decreased by 3%. The decline in the average revenue per outpatient visit was primarily due to a change in payer mix, with faster growth in Abu Dhabi Basic plan patients and a reduction in ancillary tests.

The reduction in underlying EBITDA margin was primarily the result of the decrease in patient volumes at Khalifa Street Hospital. As mentioned previously, we are executing a robust repositioning plan focusing on building back patient volumes lost to increased competition, upgrading our facility and equipment and reducing our costs to match current activity levels. The hospital is located in a prime location in the heart of Abu Dhabi, and has a long history and positive reputation for serving the community. We expect to see the financial benefits of our reinvestment materialize in late 2016, and build strongly from 2017 onwards.

EBITDA margins were also impacted by a one-off negative adjustment to consumables and medicine stocks due to better visibility with our new materials management systems in addition to advisory expenses. These factors resulted in one-off costs of nearly $2 million in the first half.

Although performing well, the new start-up medical centres are not yet at capacity and continued to suppress margins during the period. We typically see our new medical centres reach margin maturity within 2-3 years from opening.

The decline in Underlying Net profit was due to the factors stated above, and higher depreciation expenses of $2.7 million arising from our investments in the past year in new medical centres, patient room renovations, large-scale imaging equipment as well as the acquisition of our cancer centre, GICC. We expect to deliver higher earnings on these investments as they mature and as GICC becomes more fully integrated in to our healthcare system.

Operating KPI's	**H1 2015**	**H1 2014**	**Change %**
Out Patient Visits[1]	1,142,100	1,009,323	13.2%
Average revenue per out-patient (US$)[2]	163	168	-3.2%
Out-patient revenues (US$, m)[3]	189.8	174.3	+8.9%
In-patient admissions[4]	22,205	20,771	+6.9%
Average revenue per in-patient (US$)	2,441	2,431	+0.4%
In-patient revenues (US$, m)	54.2	50.5	+7. 3%
Total revenue (US$, m)	244.0	224.8	+8.5%

1 Excludes follow-up visits

2 Includes Net revenue from provision of medical and hospital services, laboratory, radiology and pharmacy services and excludes Projects revenue, Commercial dept. revenue, and Other Misc. Income

3 Includes revenues from Projects, Commercial Division, and other miscellaneous income.

4 Includes DRG, Day Case, short stay, new born and LTC

Investing in our hospitals

On 24 August, 2015, the Group received shareholder approval for its plans to lease additional land and premises to expand operations at Al Ain Hospital, Khalifa Street Hospital and Airport Road Hospital. This allows us to deliver on our strategy of leveraging the Group's asset base to take advantage of the strength of the Abu Dhabi healthcare market.

The additional space will allow the Group to build on its position as the largest private integrated healthcare system in the Abu Dhabi Emirate by significantly expanding capacity and service offerings across all three hospitals:

- *Khalifa Street Hospital*: more than doubles the capacity for emergency services, allows for expansion of outpatient clinics, and improves access and patient flow for all clinical services for outpatients thus creating a more patient friendly environment;

- *Al Ain Hospital*: increases bed capacity by over 50% and adds an additional operating theatre to meet increasing demand; and

- *Airport Road Hospital*: Nearly doubles the bed capacity with an additional 100 beds.
  In addition to our investment in our three hospitals, construction of the new 40 bed hospital in Al Ain is on schedule and will be ready for commissioning in the first quarter of 2016.

Growing our medical centre network

During the first six months, we continued to increase access points into our integrated system. For example, the Emirates Nuclear Energy Company clinic in the Western Region, which serves nearly 15,000 employees working at the nuclear power plant, is now open and fully operational. We remain on track to open new medical centres by the end of the year in Sharjah, the second fastest growing Emirate, and in the city of Al Ain

Recruitment of clinical staff

During the period, we continued our successful recruitment of high-quality clinical staff to meet the growth in our medical centre network and hospitals. Recruiting and retaining high-quality medical and clinical staff is a clear competitive advantage for the Group. At the same time, management has been able to operate the expanding facilities with only a slight increase in administrative staff comparing H1 2015 with H1 2014.

As of 30 June

Personnel KPIs	H1 2015	H1 2014	Change
No. of Doctors	684	610	12.1%
No. of Nursing staff	908	803	13.1%
No. of Other Medical Staff	829	729	13.7%
No. of Admin Support Staff	1,769	1,750	1.1%

Management change

Joanne Curin was appointed in late July as the interim Chief Financial Officer to lead the Company's experienced financial team. The international search for a permanent CFO is well underway and a further announcement will be made in due course.

Balance sheet

The Group remains in an extremely strong financial position. At the end of June 2015 it was debt free, with a cash balance of US$77.2m and short term deposits of US$13.8m. The Group's cash reserves continue to grow, giving it a strong platform from which to invest in organic and inorganic growth.

Dividend

The Board has reviewed the results for the first six months and determined on 24 August that an interim dividend of GBP 4.1 pence per share for 2015 (compared to GBP 3.7 pence in 2014) be paid on 5 October 2015 to all ordinary shareholders who were on the register at the close of business on 4 September 2015.

Outlook

We expect to deliver slightly higher growth in revenue and earnings in the second half compared with the first six months of the year, as we increase the number of inpatient beds in Al Ain Hospital, gain the benefits of recent investments in infrastructure and equipment at our hospitals and continue to increase patient visits to the medical centres opened in 2014, as well as capture further growth from acquired medical centres.

Alongside these volume building strategies, the new management team has recently implemented a number of margin improvement initiatives such as improving the productivity of clinical and administrative staff and enhancing procurement practices. Early benefits from these are expected to offset losses from start-up medical centres and the slight decrease in average outpatient revenue per encounter.

Risks and Uncertainties

The principal risks facing the Group for the remaining six months of the financial year are expected to be the same as those reported on pages 38 and 39 of the Annual Report and Accounts 2014 which are recruitment, licensing, and retention of medical staff, mergers and acquisitions, competition, and reputation.

Going Concern

The directors are satisfied that the Group has sufficient resources to continue in operation for a period of not less than 12 months from the date of this report. Accordingly the directors continue to adopt the going concern basis in preparing the condensed financial statements.

The Group's Financial Statements for the half year ended 30th June 2015 are available on the Group's website at www.alnoorhospital.com.

Responsibility statement of the directors in respect of the half year financial report for the six month period ended 30 June 2015

The Interim report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority. The Disclosure and Transparency Rules ("DTR") require that the accounting policies and presentation applied to the quarterly figures must be consistent with those applied in the latest published annual accounts, except where the accounting policies and presentation are to be changed in the subsequent annual accounts, in which case the new accounting policies and presentation should be followed, and the changes and the reasons for the changes should be disclosed in the Interim Report, unless the United Kingdom Financial Conduct Authority agrees otherwise.

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU; and

- the interim management report includes a fair review of the information required by:

a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six month of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining nine months of the year; and

b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Since the Company's annual report was published on 30 April 2015 there have been two changes to the membership of the board Faisal Belhoul and Khaldoun Haj Hasan resigned from the board.

For and on behalf of the Board of Directors:

Ronald Lavater
Chief Executive Officer

25 August 2015

Independent Review Report to Al Noor Hospitals Group Plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six month ended 30 June 2015 which comprises Condensed consolidated interim statement of financial position, Condensed consolidated interim statement of profit or loss and other comprehensive income, Condensed consolidated interim statement of changes in equity, Condensed consolidated interim statement of cash flows and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA. As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six month ended 30 June 2015 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Lynton Richmond, for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL
25 August 2015

Condensed consolidated interim statement of financial position

As at

	Note	30 June 2015 USD'000 (Unaudited)	31 December 2014 USD'000 (Audited)
Non-current assets			
Property and equipment	*4*	**74,160**	59,057
Intangible assets and goodwill	*5*	**34,389**	33,177
Prepayments	*8*	**2,480**	2,534
Deferred tax assets		**269**	269
Total non-current assets		**111,298**	95,037
Current assets			
Inventories	*6*	**19,424**	20,385
Trade and other receivables	*8*	**124,301**	115,375
Amount due from a related party	7(d)	**121**	851
Short term deposit	*10*	**13,787**	13,624
Cash and cash equivalents	*9*	**77,211**	82,881
Total current assets		**234,844**	233,116
Total assets		**346,142**	328,153
Equity			
Share capital	*11*	**18,076**	18,076
Share premium reserve		**693,549**	693,549
Statutory reserve		**4,114**	4,114
Merger reserve		**(700,009)**	(700,009)
Retained earnings		**240,887**	214,534
Share option reserve		**3,151**	3,174
Equity attributable to the owners of the Company		**259,768**	233,438
Non-controlling interest	*11*	**6,003**	4,800
Total equity		**265,771**	238,238
Non-current liabilities			
Trade and other payables	*13*	**-**	596
Employee benefits	*14*	**16,117**	15,377
Total non-current liabilities		**16,117**	15,973
Current liabilities			
Trade and other payables	*13*	**58,085**	67,792
Amounts due to related parties	*7(c)*	**6,169**	6,150
Total current liabilities		**64,254**	73,942
Total liabilities		**80,371**	89,915
Total equity and liabilities		**346,142**	328,153

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors and signed on their behalf on _____________ by:

_______________ _______________

Chairman *Chief Executive Officer*

The notes on pages 15 to 25 form an integral part of these condensed consolidated interim financial statements.

مجموعة مستشفيات النور
AL NOOR HOSPITALS GROUP Plc

Condensed consolidated interim statement of profit or loss and other comprehensive income

For six month period ended 30 June 2015

	Note	Underlying USD'000 (Unaudited)	Non-underlying USD'000 (Unaudited)	Total USD'000 (Unaudited)	Underlying USD'000 (Unaudited)	Non-underlying USD'000 (Unaudited)	Total USD'000 (Unaudited)
				period ended 30 June 2015			period ended 30 June 2014
Revenue	*15*	**243,971**	**-**	**243,971**	224,781	-	224,781
Cost of sales		**(142,993)**	**-**	**(142,993)**	(126,344)	-	(126,344)
Gross profit		**100,978**	**-**	**100,978**	98,437	-	98,437
Selling, administrative and other operating expenses		**(55,338)**	**(507)**	**(55,845)**	(52,202)	-	(52,202)
Results from operating activities		**45,640**	**(507)**	**45,133**	46,235	-	46,235
Finance cost		**(632)**	**-**	**(632)**	(860)	-	(860)
Finance income		**379**	**-**	**379**	255	-	255
Net finance cost		**(253)**	**-**	**(253)**	(605)	-	(605)
Profit for the period before tax		**45,387**	**(507)**	**44,880**	45,630	-	45,630
Taxation		-	-	-	-	-	-
Profit for the period		**45,387**	**(507)**	**44,880**	45,630	-	45,630
Other comprehensive income		**-**	**-**	**-**	-	-	-
Total comprehensive income for the period		**45,387**	**(507)**	**44,880**	45,630	-	45,630

Continued..

مجموعة مستشفيات النور
AL NOOR HOSPITALS GROUP Plc

Condensed consolidated interim statement of profit or loss and other comprehensive income *(continued)*

For six month period ended 30 June 2015

	Note	**Underlying USD'000 (Unaudited)**	**Non-underlying USD'000 (Unaudited)**	**Total USD'000 (Unaudited)**	Underlying USD'000 (Unaudited)	Non-underlying USD'000 (Unaudited)	Total USD'000 (Unaudited)
				period ended 30 June 2015			period ended 30 June 2014
Profit attributable to:							
Owners of the Company		**42,563**	**(507)**	**42,056**	44,506	-	44,506
Non-controlling interest	*11*	**2,824**	**-**	**2,824**	1,124	-	1,124
Profit for the period		**45,387**	**(507)**	**44,880**	45,630	-	45,630
Total comprehensive income attributable to:							
Owners of the Company		**42,563**	**(507)**	**42,056**	44,506	-	44,506
Non-controlling interest	*11*	**2,824**	**-**	**2,824**	1,124	-	1,124
Profit for the period		**45,387**	**(507)**	**44,880**	45,630	-	45,630
Earnings per share:							
Basic earnings per share (cents)	*17*			**36.0**			38.1
Diluted earnings per share (cents)	*17*			**35.9**			37.9

The notes on pages 15 to 25 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity

For six month period ended 30 June 2015

	Share capital USD'000 *(Note 11)*	Share premium reserve USD'000	Statutory reserve USD'000	Merger reserve USD'000	Retained earnings USD'000	Share option reserve USD'000	Total USD'000	Non-controlling interest USD'000 *(Note 11)*	Total equity USD'000
	Attributable to equity shareholders of the Company								
At 1 January 2015 (Audited)	18,076	693,549	4,114	(700,009)	214,534	3,174	233,438	4,800	238,238
Total comprehensive income:									
Profit for the period	-	-	-	-	42,056	-	42,056	2,824	44,880
Total comprehensive income	-	-	-	-	42,056	-	42,056	2,824	44,880
Transactions with owners of the Company:									
Contribution and distributions:									
Net equity settled share-based payment	-	-	-	-	-	(23)	(23)	-	(23)
Dividends paid *(refer note 12 and 11)*	-	-	-	-	(15,703)	-	(15,703)	(1,621)	(17,324)
At 30 June 2015 (Unaudited)	**18,076**	**693,549**	**4,114**	**(700,009)**	**240,887**	**3,151**	**259,768**	**6,003**	**265,771**
At 1 January 2014 (Audited)	18,076	693,549	4,114	(700,009)	160,089	2,897	178,716	1,991	180,707
Total comprehensive income:									
Profit for the period	-	-	-	-	44,506	-	44,506	1,124	45,630
Total comprehensive income	-	-	-	-	44,506	-	44,506	1,124	45,630
Transactions with owners of the Company:									
Contribution and distributions:									
Equity settled share-based payment	-	-	-	-	-	549	549	-	549
Dividends paid *(refer note 12)*	-	-	-	-	(17,699)	-	(17,699)	-	(17,699)
At 30 June 2014 (Unaudited)	**18,076**	**693,549**	**4,114**	**(700,009)**	**186,896**	**3,446**	**206,072**	**3,115**	**209,187**

The notes on pages 15 to 25 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows

For six month period ended 30 June 2015

	Note	For the six month period ended 30 June 2015 USD'000 (Unaudited)	For the six month period ended 30 June 2014 USD'000 (Unaudited)
Operating activities			
Profit for the period before tax		**44,880**	45,630
Adjustments for:			
Depreciation and amortisation		**8,244**	5,450
Other non-cash items		**637**	154
Finance costs		**632**	653
Interest income		**(320)**	(255)
Employee benefit charge	*14*	**2,352**	1,987
Acquisition costs		**507**	94
Net equity-settled share-based payment transactions		**(23)**	549
Provision for bad debts on other receivables		**113**	254
Net cash from operating activities		**57,022**	54,516
Change in inventories		**409**	(3,850)
Change in trade and other receivables	*8*	**(8,890)**	(18,853)
Change in amounts due from a related party	*7(d)*	**730**	(255)
Change in trade and other payables	*13*	**(10,258)**	12,300
Change in amounts due to related parties	*7(c)*	**19**	972
Prepaid lease rent	*8*	**-**	(2,725)
Cash generated from operations		**39,032**	42,105
Employee benefits paid	*14*	**(1,612)**	(899)
Net cash generated from operating activities		**37,420**	41,206
Investing activities			
Interest received		**171**	211
Short term deposit		**(163)**	(13,624)
Payment for property and equipment		**(21,128)**	(10,600)
Payment for intangible assets	*5*	**(1,897)**	(3,103)
Investment in subsidiary, net of cash acquired	*20*	**(1,618)**	(30,407)
Payment for acquisition costs		**(507)**	(94)
Proceeds from sale of property and equipment		**8**	-
Net cash used in investing activities		**(25,134)**	(57,617)
Financing activities			
Interest paid		**(632)**	(653)
Dividend paid to non-controlling interest	*11*	**(1,621)**	-
Dividend paid	*12*	**(15,703)**	(17,699)
Net cash used in financing activities		**(17,956)**	(18,352)
Net decrease in cash and cash equivalents		**(5,670)**	(34,763)
Cash and cash equivalents at the beginning of the period		**82,881**	107,484
Cash and cash equivalents at the end of the period	*9*	**77,211**	72,721

The notes on pages 15 to 25 form an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1 Status and activity

Al Noor Hospitals Group Plc (the "Company" or "Parent'') is a Company which was incorporated in England and Wales on 20 December 2012. The Company is a public limited liability company operating mainly in the United Arab Emirates ("UAE"). The address of the registered office of the Company is C/O Capita Company Secretarial Services, 1st Floor, 40 Dukes Place, London, EC3A 7NH. The registered number of the Company is 8338604. There is no ultimate controlling party.

The activities of the subsidiaries are the operation of medical hospitals and clinics and the sale of pharmaceuticals, medical supplies and related equipment. These condensed consolidated interim financial statements include the financial performance and position of the Company and its subsidiaries (collectively referred to as "the Group").

The condensed consolidated interim financial statements were authorised for issue by the directors on 25 August 2015. The financial statements are unaudited but have been reviewed by KPMG LLP.

The condensed interim financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

2 Basis of preparation

The figures for the 6 months ended 30 June 2015 and 30 June 2014 are unaudited. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Notes to the condensed consolidated interim financial statements

2 Basis of preparation *(continued)*

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard 34 “Interim Financial Reporting” as endorsed by the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements published as at and for the year ended 31 December 2014.

(b) Going Concern

These condensed consolidated interim financial statements have been prepared on the going concern basis. At 30 June 2015, the Group had net assets amounting to USD 265,771 thousand. The Group is profitable and cash generative and the Directors have considered the Group’s cash forecasts for a period of 12 months from the signing of the balance sheet. In addition, the Group has access to an undrawn committed borrowing facility of up to USD 81.7 million. The Directors have a reasonable expectation that the Group has adequate resources to meet its liabilities as they fall due for at least 12 months from the date of approval of these condensed consolidated interim financial statements. Thus, they continue to adopt the going concern basis in preparing the financial information.

(c) Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except where adopted IFRS mandates that fair value accounting is required.

(d) Functional and presentation currency

These condensed consolidated interim financial statements and financial information are presented in United States Dollar (USD), rounded to the nearest thousand. The functional currency of the majority of the Group’s entities is the United Arab Emirates Dirham (AED) and is the currency of the primary economic environment in which the Group operates. The United Arab Emirates Dirham (AED) is currently pegged against the United States Dollar (USD) at a rate of 3.67 per US Dollar.

(e) Use of estimates and judgements

There are no material changes in management judgments, estimates and assumptions during the six month period ended 30 June 2015 from the annual financial statements published for the year ended 31 December 2014.

3 Significant accounting policies

The accounting policies applied by the Group in this condensed consolidated interim financial report are the same as those applied by the Group in its published consolidated financial statements as at and for the year ended 31 December 2014 which were prepared in accordance with IFRS as adopted by the European Union.

A number of amendments to standards were effective for the first time for the Group from 1 January 2015 and have been applied in preparing these condensed consolidated interim financial statements. None of these amendments had an impact on these condensed consolidated interim financial statements.

New standards and interpretations not yet adopted
New standards, amendments to standards and interpretations that are not yet effective for the period ended 30 June 2015 have not been applied in preparing these condensed consolidated interim financial statements. None of these is expected to have a significant effect on the Group, except for the following which could change the classification and measurement of the financial assets. The full extent of the impact has not yet been determined.

- IFRS 9 “Financial instruments” (expected effective date of 1 January 2018)
- IFRS 15 “Revenue from Contracts with Customers” (expected effective date of 1 January 2017)

4 Property and equipment

During the six month period ended 30 June 2015, the Group acquired property and equipment with a cost of USD 22,701 thousand *(six month period ended 30 June 2014: USD 10,600 thousand).* The depreciation for the period ended 30 June 2015 was USD 7,559 thousand *(six month period ended 30 June 2014: USD 5,240 thousand).*

5 Intangible assets and goodwill

	30 June 2015 USD’000 (Unaudited)	31 December 2014 USD’000 (Audited)
Goodwill	**22,046**	22,046
Software cost	**8,899**	7,825
Software under development	**3,444**	3,306
	34,389	33,177

Goodwill
The Group formally reviews the carrying value of goodwill annually, when the Group prepares its budget and strategic planning.

5 Intangible assets and goodwill *(continued)*

Software cost

Software under development of USD 1,509 thousand *(six month ended 30 June 2014, USD 7,423 thousand)* has been completed and transferred to the software cost category. The Group has also acquired software amounting to USD 1,897 thousand *(six month ended 30 June 2014, USD 3,103 thousand).* The amortisation for the period ended 30 June 2015 was USD 685 thousand *(six month period ended 30 June 2014: USD 210 thousand).*

6 Inventories

	30 June 2015 USD'000 (Unaudited)	31 December 2014 USD'000 (Audited)
Pharmacy items	**13,207**	13,066
Consumables	**6,414**	7,360
	19,621	20,426
Less: allowance for inventory obsolescence	**(197)**	(41)
	19,424	20,385

7 Related party balances and transactions

Related parties comprise the parent, the ultimate parent, the Shareholders, key management personnel and those entities over which the parent, the ultimate parent, the directors or the Group can exercise significant influence or which can significantly influence the Group. In the ordinary course of business, the Group receives goods and services from, and provides goods and services to, such entities on rates, terms and conditions agreed upon by management.

(a) Key management personnel compensation:

The compensation of key management personnel during the period was as follows:

	For the six month period ended 30 June 2015 USD'000 (Unaudited)	For the six month period ended 30 June 2014 USD'000 (Unaudited)
Salaries and short-term benefits*	**3,239**	2,150
Directors' emoluments	**512**	446
End of service benefits	**126**	60
Net equity-settled share-based payment transactions	**(23)**	549

*Key management personnel include C level executives and hospital directors.

7 Related party balances and transactions *(continued)*

(b) Other related party transactions:

	For the six month period ended 30 June 2015 USD'000 (Unaudited)	For the six month period ended 30 June 2014 USD'000 (Unaudited)
Rent expenses	**7,667**	6,170
Purchases	**4,004**	3,859
Revenue	**211**	255

(c) Amounts due to related parties:

	30 June 2015 USD'000 (Unaudited)	31 December 2014 USD'000 (Audited)
Al Saqar Property Management Establishment	**3,512**	3,753
Gulf & World Traders LLC	**1,833**	1,914
Al Bahiya Trading & Services Est.	**278**	266
Pharma World LLC	**373**	213
Safe Travel Establishment	**173**	4
	6,169	6,150

The above amounts due to related parties are non-interest bearing and repayable on demand.

(d) Amount due from a related party:

	30 June 2015 USD'000 (Unaudited)	31 December 2014 USD'000 (Audited)
Amount due from a shareholder	**121**	851

8 Trade and other receivables

	30 June 2015 USD'000 (Unaudited)	31 December 2014 USD'000 (Audited)
Trade receivables	**106,099**	98,049
Staff advances and other receivables	**8,687**	10,059
Prepayments*	**11,995**	9,801
	126,781	117,909
Within one year	**124,301**	115,375
After one year*	**2,480**	2,534
	126,781	117,909

*This includes prepaid lease rent for the Gulf International Cancer Centre for the period of 24 years amounting to USD 2,589 thousand *(2014:USD 2,725 thousand).*

9 Cash and cash equivalents

	30 June 2015 USD'000 (Unaudited)	31 December 2014 USD'000 (Audited)
Cash in hand	**466**	331
Cash at bank	**29,541**	60,523
Term deposit*	**47,204**	22,027
	77,211	82,881

*The average effective interest rate on term deposits is 1.1% *(31 December 2014: 1.1%)* per annum and the maturity date of these term deposits is less than 3 months.

10 Short term deposit

	30 June 2015 USD'000 (Unaudited)	31 December 2014 USD'000 (Audited)
Fixed deposit	**13,787**	13,624

The maturity date of this deposit is more than 3 months from the start of the term and the average effective interest rate on the deposit is 1.08% *(31 December 2014: 1.14%)*.

11 Equity

	30 June 2015 USD'000 (Unaudited)	31 December 2014 USD'000 (Audited)
Share capital		
Issued and fully paid 116,866,203 shares of GBP 10 pence each *(converted to USD at 1.5467)*	**18,076**	18,076

Non-controlling interest

	30 June 2014 USD'000 (Unaudited)	31 December 2014 USD'000 (Audited)
At the beginning of the period / year	**4,800**	1,991
Share of results for the period / year	**2,824**	2,809
Dividend paid	**(1,621)**	-
At the end of the period / year	**6,003**	4,800

12 Dividends

The Group paid dividends to Shareholders as set out below:

	For the six month period ended 30 June 2015 USD'000 (Unaudited)	For the six month period ended 30 June 2014 USD'000 (Unaudited)
Dividend paid	**15,703**	**17,699**

Interim dividends for 2015:

The Board determined on 24 August 2014 that an interim dividend of GBP 4.1 pence for 2015 be paid. The dividend will be paid on 5 October 2015 to all ordinary shareholders who were on the register of members at the close of business on 4 September 2015. This dividend has not been recognised as a liability at the balance sheet date.

13 Trade and other payables

	30 June 2015 USD'000 (Unaudited)	31 December 2014 USD'000 (Audited)
Trade payables	**36,727**	41,071
Accrued liabilities	**20,920**	24,488
Other payables	**438**	1,211
Amounts payable for investment in subsidiaries	**-**	1,618
	58,085	68,388
Trade and other payables are repayable as follows:		
Within one year	**58,085**	67,792
After one year	**-**	596
	58,085	68,388

14 Employee benefits

During the period ended 30 June 2015, an amount of USD 2,352 thousand has been accrued for the end of service benefits *(for the six months period ended 30 June 2014: USD 1,987 thousand).* Further, the Group has paid an amount of USD 1,612 thousand for the period ended 30 June 2015 (*(for the six months period ended 30 June 2014: USD 899 thousand)* for termination benefits.

15 Revenue

	For the six month period ended 30 June 2015 USD'000 (Unaudited)	For the six month period ended 30 June 2014 USD'000 (Unaudited)
Inpatient	**54,212**	50,498
Outpatient	**189,759**	174,283
	243,971	224,781

Revenue is stated after potential insurance claim rejections and discounts provided to insurance companies. Management estimates these claim rejections based on historic actual data and trends, its experience in dealing with insurance companies and the current economic environment. The actual rejected claims in the past have not differed materially from those estimated by management.

	For the six month period ended 30 June 2015 USD'000 (Unaudited)	For the six month period ended 30 June 2014 USD'000 (Unaudited)
Revenue from rendering of services	**209,655**	191,943
Revenue from sale of goods	**34,316**	32,838
	243,971	224,781

16 Contingent liabilities

The Group defends various legal claims raised against it in the normal course of business. Where it considers that it is probable that it will settle a claim, management estimate the likely amount of settlement and provide accordingly. Claims that are considered remote or only possible represent contingent liabilities of the Group. If the Group's defence against these contingent liabilities is not successful, the Group may ultimately become liable for settlement. The Group's Medical Malpractice Insurance Policy covers all settlements made by the Group subject to insurance deductibles and the overall coverage provided by the policy. The Board of Directors and Management do not expect actions arising from the claims currently classified as contingent liabilities to have a material effect on the Group's future financial position.

17 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share at 30 June 2015 was based on the profit attributable to the ordinary shareholders of USD 42,056 thousand *(30 June 2014: USD 44,506 thousand) and* a weighted average number of ordinary shares outstanding of 116,866 thousand *(30 June 2014: 116,866).*

(b) Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2015 was based on the profit attributable to the ordinary shareholders of USD 42,056 thousand *(30 June 2014: USD 44,506 thousand) and* a diluted weighted average number of ordinary shares outstanding of 117,232 thousand *(30 June 2014: 117,232 thousand).*

18 Seasonality of operations

The Group's operations are not subject to any material seasonal variation.

19 Operating segments

The Group has the following major reportable segments, which are the Group's strategic business units for which the Group's CODM reviews internal management reports. The Group operates in the Emirate of Abu Dhabi, Dubai and the Sultanate of Oman and the following summary describes the operations in each of the Group's reportable segments:

Reportable segments	**Operations**
Central region	Operation of hospitals, clinics and pharmacies in Abu Dhabi. The hospitals cater to both inpatient and outpatient care.
Western and Eastern region	Operation of hospitals, clinics and pharmacies in Abu Dhabi. The hospitals cater to both inpatient and outpatient care.
International	Operation of clinic and pharmacies in the Sultanate of Oman. The clinic caters to outpatient care.
Northern Emirates	Operation of clinic and physiotherapy in Dubai. The clinic caters to outpatient care.

19 Operating segments *(continued)*

Performance is measured based on segment profit as included in the internal management reports that are reviewed by the Group's CODM. Segment profit is used to measure performance as management believes that such information is most relevant in evaluating the results of each segment.

Information about reportable segments:

	Central region USD'000	**Western and eastern region USD'000**	**International USD'000**	**Northern Emirates USD'000**	**Total USD'000**
30 June 2015 (Unaudited)					
Revenue	**165,794**	**77,446**	**156**	**547**	**243,943**
Net profit / (loss)	**32,803**	**24,266**	**(541)**	**(670)**	**55,858**
30 June 2014 (Unaudited)					
Revenue	159,887	63,963	119	768	224,737
Net profit / (loss)	38,357	18,188	(590)	53	56,008

Reconciliations of reportable segment revenue and net profit:

	For the six month period ended 30 June 2015 USD'000 (Unaudited)	For the six month period ended 30 June 2014 USD'000 (Unaudited)
Revenue		
Total revenue for reportable segments	**243,943**	224,737
Other revenue	**28**	44
Total revenue for the period	**243,971**	224,781

	For the six month period ended 30 June 2015 USD'000 (Unaudited)	For the six month period ended 30 June 2014 USD'000 (Unaudited)
Net profit		
Total net profit for reportable segments	**55,858**	56,008
Other income	**28**	44
Interest income	**379**	320
Corporate shared services	**(9,017)**	(7,075)
Un-allocated corporate expenses:		
Depreciation	**(252)**	(291)
Interest expenses	**(419)**	(671)
Other expenses	**(1,697)**	(2,705)
Net profit for the period	**44,880**	45,630

Notes to the condensed consolidated interim financial statements

20 Investment in subsidiary, net of cash acquired

	For the six month period ended 30 June 2015 USD'000 (Unaudited)	For the six month period ended 30 June 2014 USD'000 (Unaudited)
Cash paid for purchase of GICC	**-**	21,798
Cash paid for deferred consideration on acquisition of Al Madar	**1,618**	9,111
Less: cash and cash equivalents acquired	**-**	(502)
Total Cash Outflow	**1,618**	30,407