

**Monday, 28 April 2014: FOR IMMEDIATE RELEASE**

**London and Abu Dhabi:** Al Noor Hospitals Group Plc. (ANHA.L; the ‘Company’ or ‘Al Noor’ or ‘Group’), the largest private healthcare service provider in Abu Dhabi, today issues its Interim Management Statement for the period 1 January 2014 to 28 April 2014, including a summary of key financial highlights for the three months to 31 March 2014.

#### **Key Financial Highlights for 3 months to 31 March 2014**

<b>3 months to 31 March</b>	<b>Q1 2014 (US\$ m)</b>	<b>Q1 2013 (US\$ m)</b>	<b>Growth</b>
Revenue	111.6	89.5	24.7%

#### **Highlights**

- Al Noor continued to perform in line with the board’s expectation in Q1 2014, demonstrating strong revenue growth and stable EBITDA margins.
- The number of revenue-generating physicians increased by 32 during the first quarter and by 132 compared with the first quarter of 2013, of which four came from the acquisition of the Gulf International Cancer Center (GICC). The Group remains confident of achieving its target of hiring 70-80 additional physicians in 2014 as a whole.
- The Group successfully concluded the purchase agreement for GICC, valued at US\$ 21.8m.
- In the first quarter, three new medical centres were commissioned. The medical centres at Bateen and Baniyas are in neighborhoods with significant Emirati populations, and the ICAD medical centre is in an industrial workers residential facility.
- Al Noor continues to remain debt free with a strong net cash position allowing the Group to continue exploring further acquisition opportunities.

**Dr. Kassem Alom, CEO, Al Noor Hospitals Group Plc. said:**

“Trading in the first quarter has been in line with management expectations and we continue to make good progress hiring and retaining our physicians. Overall Al Noor remains on track to meet expectations for the full year and continue to view the outlook with confidence.”

“We have successfully concluded the commissioning of medical centres in Bateen, Baniyas, and ICAD, helping us extend our reach into areas where we did not have a presence previously.”

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**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 are unaudited Interim Results and 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.

## **Overview**

During the three month period ended 31 March 2014, Al Noor's revenue increased by 24.7% to US\$ 111.6m, compared with the same period in 2013. Outpatient volumes increased significantly with growth at existing and new clinics supplemented by a good start from the recent acquisitions. Inpatient volumes were flat overall, with increases in Airport Road Hospital and Al Ain Hospital compensating a reduction at the Khalifa Street Hospital, due in part to the on-going major refurbishment.

Al Noor has continued to attract highly qualified medical staff during the first quarter. Revenue generating physicians increased from 470 by the end of 2013 to 502 by end of Q1 2014, an increase of 32 physicians. The Company is on track with its physician hiring program for the year.

## **Acquisitions**

On 10<sup>th</sup> February, Al Noor completed the acquisition of GICC for US\$21.8m, with an additional payment of US\$2.7m made to lease the land for 25 years and a further payment of up to US\$2.2m are subject to performance conditions. GICC is the only private cancer treatment centre in the Emirate of Abu Dhabi. By acquiring GICC we have added a high-growth service to our portfolio and further differentiated ourselves from our competitors. Developing a cancer center is challenging due to rarity of expertise in the region, high Capex required, and long gestation period. GICC is well equipped, with surplus capacity and employs well-known and highly experienced physicians.

The acquisitions completed in 2013 are performing as expected and their integration is underway supported by SAP implementation.

## **On-going Initiatives**

At Khalifa Street Hospital, as part of the growth plans, the Group is taking up additional space in the existing building and enhancing the interiors of the clinics and inpatient rooms to improve the patient experience.

Construction on the new hospital in Al Ain continues as planned and we continue to expect to commission the hospital in 2016.

The new consolidated laboratory has been installed at the Khalifa Street Hospital and integration with other facilities is being worked upon.

The Group had commenced work on a phased implementation of SAP in conjunction with a leading systems integrator. The Finance and Materials Management modules are expected to go live in May 2014. This project is expected to run for the next 24 months with a phased implementation of various modules of SAP.

## **Financial position**

As at 31 March 2014, Al Noor was debt free and had US\$ 63m of cash and bank deposits. A dividend payment for 2013 amounting to \$17.7m, and the GICC acquisition at a cost of US\$21.8m was completed and funded during the first quarter from the cash on hand. Capital expenditure on medical equipment and software for the first quarter of 2014 was US\$6m.

Al Noor has a committed USD\$ 82m working capital and acquisition revolver facility that is unutilized and available for future use. There were no other material events or transactions that impacted the Group's financial position during the period.