

Thursday, October 30<sup>th</sup> 2014: FOR IMMEDIATE RELEASE

## Al Noor Hospitals Group Plc

### Interim Management Statement for the period 1 July 2014 to 30 October 2014

**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 issued its Interim Management Statement for the period 1 July 2014 to 30 October 2014, including a summary of key financial highlights for the three months to 30 September 2014.

#### Key Financial Highlights for 3 months to 30 September 2014

	Q3 2014 (US\$ m)	Q3 2013 (US\$ m)	Growth
Revenue	101.2	84.0	20.5%

#### Highlights

- Al Noor continued to perform in line with management’s expectation in Q3 2014, demonstrating strong revenue growth and stable EBITDA margins.
- In line with the Group’s growth plans, three new medical centres have been commissioned in 2014. 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. The three centres have started trading and are contributing to volume growth.
- Al Noor continues to remain debt free with a strong net cash position of US\$ 104.7m allowing the Group to continue exploring further acquisition opportunities.
- The number of revenue-generating physicians increased by 18 during the third quarter and by 101 compared with the first third quarter of 2013. The Group

remains confident of achieving its target of hiring 70-80 additional physicians in 2014 as a whole.

**Ron Lavater, CEO, Al Noor Hospitals Group Plc. said:**

“Trading in the third quarter has been consistent with management expectations and we continue to make good progress on our key initiatives including clinic expansion and recruitment and retention of our physicians. The medical centres that we commissioned in H1 are performing as expected and contributing to volume growth. Overall the company remains on course to meet its expectations for the full year.”

“The healthcare sector continues to be one of the fastest growing industries in the UAE due to population growth and 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. Responding to the community’s escalating health needs provides Al Noor with abundant opportunities for growth in services and delivery sites. We are continuing to strengthen the company’s infrastructure, systems and processes to take full advantage of the healthcare sector’s expansion.”

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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 30 September 2014, Al Noor's revenue increased by 20.5 % to US\$ 101.2m, compared with the same period in 2013. Outpatient volumes increased significantly with growth at existing and new clinics. Inpatient volumes continued to be flat overall, with increases in Airport Road Hospital and Al Ain Hospital compensating a reduction at the Khalifa Street Hospital, which is facing increasing competition, and also due to the on-going major refurbishment.

Al Noor has continued to attract highly qualified medical staff during the third quarter. Revenue generating physicians increased from 501 by the end of H1 2014 to 519 by end of Q3 2014, an increase of 18 physicians. The Company is on track with its physician hiring program for the year.

## **Management changes**

As previously announced, on 1<sup>st</sup> October, Dr. Kassem Alom stepped down as Chief Executive and Executive Director, and remained on the board assuming the position of Non-Executive Deputy Chairman to ensure a smooth handover of responsibilities to the new Chief Executive.

On 1<sup>st</sup> October, Mr. Ronald Lavater joined as Chief Executive of Al Noor. Mr. Lavater, a US citizen, joins from Johns Hopkins Medicine International (JHI), a well-respected global healthcare company, where he served as a Senior Executive for the Middle East Region and from 2009 through 2013, as the Chief Executive Officer of the JCI accredited Corniche Hospital in Abu Dhabi, the largest maternity and neo-natal hospital in the UAE. Prior to JHI, Mr. Lavater worked for 12 years with Hospital Corporation of America (HCA), the US's largest NYSE listed hospital company, and held several hospital leadership roles including Chief Executive Officer and Chief Operating Officer.

The Company announces the retirement of Dr. Peter Hill from the position of Chief Medical Officer effective October 2014. The Company thanks him for his service and acknowledges his considerable achievements in further improving patient safety and clinical quality, and in strengthening clinical governance at Al Noor.

Al Noor is delighted to announce the appointment of Dr. Georges Feghali as its next Chief Medical Officer. Dr. Feghali is an Arabic speaking physician with more than seventeen years in senior leadership positions within TriHealth, a Cincinnati-based health system that includes tertiary teaching hospitals (with a medical staff of over 1,400 physicians), surgical centres, physician practices (over 500 physicians), hospice, ambulatory diagnostics, and free standing emergency rooms. Prior to joining Al Noor, Dr. Feghali was the Senior VP of Quality, Chief Medical Officer of TriHealth. Before that, he was the VP, Medical Affairs at Good Samaritan Hospital (Cincinnati, OH), a TriHealth

hospital. Dr. Feghali is certified by the American Board of Internal Medicine and is a Certified Physician Executive. He received his medical degree from University of Padua College of Medicine. Dr. Feghali is expected to join Al Noor in January 2015.

The Company announces the resignation of Dr. Jeffrey Staples from the position of Chief Operations Officer effective December 2014. The Company thanks Dr. Staples for his service over the last two years. A search to fill the position has already been initiated.

### **On-going initiatives**

As part of the growth plans we continue to take up additional space for Khalifa Street Hospital in its existing building. We are also 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 fitting out of the medical centre in Sharjah continues as planned and we continue to expect it to be operational in Q2 2015.

### **Financial position**

As at 30 September 2014, Al Noor was debt free and had US\$ 104.7m of cash and bank deposits. An interim dividend payment for 2014 amounting to US\$ 7.1m (GBP 3.7p per share) was paid on 9 October 2014 to shareholders on the register on at the close of business on 12 September 2014.

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.