

NMC Health plc Interim Management Statement

29 April 2014 - NMC Health plc (LSE:NMC) ('NMC'), the leading integrated private healthcare network operator in the United Arab Emirates, today issues its Interim Management Statement for the period from 1 January 2014 to 28 April 2014, including a summary of results for the three months to 31 March 2014.

Summary of results for three months to 31 March 2014

Detail	Revenue (US\$m)		
	2014	2013	Growth (%)
3 months to 31 March			
Healthcare Division	79.2	71.8	10.3%
Distribution Division	85.1	77.3	10.1%
Total Group Revenue (net of eliminations)	153.8	139.0	10.6%

Highlights

- Total Consolidated Group Revenue reached US\$ 153.8m, a 10.6% increase compared to Q1, 2013
- Occupancy levels in our hospitals increased to 71.3% in Q1 2014 (+730bps year on year).
- Our projects remain on track and we expect to open the DIP and Brightpoint Hospitals in H1, 2014.
- NMC reached distribution agreements with leading brands, including; Luna and Super-Max.
- Group net debt reached US\$ 69.4m, as of Q1 2014 end, which was in line with management expectations

Dr B.R.Shetty, Chief Executive Officer, commented:

“NMC Health continued to deliver a good performance in the first quarter of 2014 supported by a strong UAE economy, NMC’s market positioning and dedicated management and staff efforts. In the Healthcare division, good growth in patients, occupancy and mix of specialist procedures delivered higher revenues. The Distribution division had a good first quarter, supported by enhanced sales and merchandising efforts combined with growing retail spending in the UAE.

We look forward to the opening of three new healthcare facilities this year, including DIP and Brightpoint Hospital in H1, 2014.”

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About NMC

NMC Health plc group is the leading integrated private sector healthcare operator in the United Arab Emirates, with a nation-wide network of hospitals and operations in the country since 1975. The Healthcare division currently operates or manages five hospitals, two day-care patient centres, one medical centre and eight pharmacies. The company received 2.1m patients in 2013. The group also operates a significant UAE wide Distribution business supplying product lines across several key market segments, including: Pharmaceutical, FMCG, Food and Scientific and Medical Equipment. NMC Health plc group reported revenues of US\$ 550.9m in 2013.

In April 2012 NMC Health plc was listed on the Premium Segment of the London Stock Exchange. At the time of its IPO, the group raised funds to enable it to pursue a further growth plan with a number of capital projects for new healthcare facilities in Abu Dhabi and Dubai. NMC Health plc is a constituent of the FTSE 250 Index.

Forward looking statements

Any forward looking statements made in this document represent management's best judgment as to what may occur in the future. However, the group's actual results for the current and future fiscal periods and corporate developments will depend on a number of economic, competitive and other factors, some of which will be outside the control of the group. Such factors could cause the group's actual results for future periods to differ materially from those expressed in any forward looking statements made in this document.

Overview

During the three month period ended 31 March 2014, NMC Health recorded good performance across both its healthcare and distribution operating divisions. Group revenue (net of intercompany eliminations) reached US\$ 153.8m, a 10.6% increase compared to the same period in 2013.

Healthcare

Healthcare division revenue expanded to US\$ 79.2m in the three month period ended on 31 March 2014 (+10.3% year on year).

The good performance in the Healthcare division was driven by growth in patients, occupancy and service offering. While the Group does not report by individual facility, we are able to confirm that all of our existing Healthcare facilities are trading in line with our expectations at both Revenue and EBITDA levels.

Hospital occupancy rates reached 71.3% during the period, an increase of 730bps year on year. The company had 261 operational beds as of 31 March 2014, which is in line with the same period of 2013. NMC Health's total licensed capacity is 310 beds, implying a balance of 49 beds to be gradually phased into operations (40 in Al Ain Hospital and 9 in Dubai Specialty Hospital) during future periods. We expect the implementation of Dubai's decision, in Q4, 2013, to adopt mandatory healthcare insurance to commence in Q4, 2014. The first roll-out phase is expected to include employers with over a 1,000 employees. As a result, the anticipated positive effect on our business, from this decision, is expected from 2015 onwards.

Capital Projects in healthcare

The continued growth in patient and occupancy numbers demonstrates the strong fundamentals supporting our expansion program in the emirates of Abu Dhabi and Dubai.

A total of 410 new licensed beds will be added to NMC Health's capacity in 2014 and 2015, one of the largest healthcare investment programs in the UAE private sector.

All our capital projects remain on track for opening in accordance with the guidance provided in our results announcement for FY2013.

Project	Emirate	Opening period	Bed capacity, Licensed	Operational Beds, Starting
DIP General Hospital	Dubai	H1 2014	60	30
Brighpoint Womens Hospital	Abu Dhabi	H1 2014	100	60
Al Ain Medical Centre	Abu Dhabi	H2 2014	N/A	N/A
Khalifa City Hospital	Abu Dhabi	H1 2015	250	75

Distribution

Distribution division revenue reached US\$ 85.1m during the three months to 31 March 2014 (+10.1% year on year). Profitability remained in line with management's expectations.

In addition to positive macro-economic conditions continuing to prevail in the UAE, the ramp-up in sales of products introduced last year coupled with improved sales and merchandising efforts, supported NMC Health's good performance in the past quarter.

The division has also secured distribution agreements with several brands during the period, including National Food Industries Luna brand and Super-Max. Luna is one of the leading Saudi Arabian brands of canned foods, including condensed and powdered milk. Super-Max is one of the world's most established razor blade manufacturing companies. They have a wide range of disposable razors for men and women ranging from single to four blades, supported by an assortment of toiletries.

Financial position

The Group had US\$ 239.6m of cash and bank deposits, and a total Group debt of US\$ 309.0m as at 31 March 2014, both are in line with management's expectations.

There were no other material events or transactions that impacted the Group's financial position during the period.

Current Trading

Current trading for the period since 31 March 2014 has continued in line with our expectations.