

NMC Health plc Interim Management Statement

30 October 2012 - NMC Health plc (LSE:NMC) ('NMC'), a leading integrated healthcare provider operating across the United Arab Emirates, today issues its Interim Management Statement for the period from 1 July 2012 to 29 October 2012, including a summary of results for the 3 months to 30 September 2012.

Summary of results for 3 months to 30 September 2012

	Revenue (US\$m)		Growth (%)	Healthcare Division Occupancy (%)	
	2012	2011		2012	2011
3 months to 30 September					
Healthcare Division	61.2	52.1	17.5%	59.4%	52.6%
Distribution Division	70.2	62.8	11.8%		
Total Group (net of eliminations)	123.4	108.3	13.9%		

Highlights

- The Group continued to perform well across each of its divisions in Q3, 2012.
- Group EBITDA for the full year is anticipated to be in line with management's expectations
- Healthcare Division revenue rose 17.5% to US\$61.2m in the period, driven by continued strong demand for private healthcare services in the region, as well as an increase in the number of higher revenue procedures.
- Occupancy has improved by 6.8% to 59.4% in the period, compared with Q3, 2011.
- Distribution Division performance has improved year on year, with both revenue and gross margins improving in Q3, 2012.
- The opening of Brightpoint Women's Hospital is delayed and is now expected to take place in the second half of Q1, 2013. The project remains on budget.
- All other capital projects are progressing well and to budget. The Mussafah day patient centre is expected to open in December 2012.
- Cash levels remain robust and the Company is adequately financed to progress all current projects.

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

“NMC Health continues to perform well across both divisions.

Occupancy levels in our hospitals are increasing, as we see continued demand for private healthcare services in the region and we increase our range of services available. Our Distribution Division has seen an improved performance this quarter, and we have attracted a number of new product lines through the year.

We are in line to achieve Group EBITDA for the full year, consistent with our expectations.”

Contacts

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Analyst and shareholder call

A conference call for analysts and investors will take place today, Tuesday 30 October 2012, at 12:00pm GMT. Please contact Simon Watkins, Group Company Secretary, for further details.

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 30 September 2012, NMC continued to perform well across each of its divisions. Group revenue (net of intercompany eliminations) increased by 13.9% to US\$123.4m, compared to the same period in 2011.

Healthcare

Revenue in the Healthcare division grew by 17.5% to US\$61.2m, compared with the three months to 30 September 2011. EBITDA continues to grow well across our healthcare facilities. Healthcare division occupancy rates increased to 59.4% in the three months to 30 September 2012, compared to 52.6% for the comparative period in 2011.

All of our existing Healthcare facilities are trading well and EBITDA in the Healthcare Division is anticipated to be in line with management's expectations for the year as a whole. This performance continues to be driven by a number of factors, including the continuing growing demand for private healthcare services in the UAE, an improving mix of higher revenue clinical procedures and improved performance within the Group's Pharmacy business.

We have undertaken a more detailed analysis of the Health Authority Abu Dhabi ('HAAD') basic plan insurance pricing review, which was announced in August 2012. Based on an analysis of our product mix for the first 7 months of the current financial year, we have established that the amended pricing regime for the HAAD basic plan would not have had a material effect on our revenues for that period. We are therefore confident that this pricing change will not affect the longer term performance of our Healthcare business.

There has been no further progress during the period in relation to the introduction of mandatory insurance in either Dubai or Sharjah, although we still fully expect such schemes to be introduced in the future.

The Emirate of Sharjah recently announced the construction of a new Healthcare City. We will continue to monitor this development but do not currently anticipate that the construction of this new free zone will have a material effect on our Sharjah operations. NMC currently has a day patient centre in Sharjah.

Distribution

Revenue in the Distribution division increased by 11.8% to US\$70.2m, compared with the three months to 30 September 2011, reversing some of the lower revenue levels experienced in the first half of the current financial year. Gross margin levels also recovered from the levels experienced in H1, 2012 across most of the Distribution Division sectors.

The Distribution Division has attracted a good level of new product lines during the year and management expect that EBITDA for the Distribution business will remain in line with its expectations.

Capital Projects

Brightpoint Women's Hospital

The opening of Brightpoint Women's Hospital is delayed until the second half of Q1, 2013. The project is expected to open on budget, with 50 beds available.

Mussafah day patient medical centre

The construction contract for work required to fit-out the Mussafah facility was awarded in October 2012 and building work has commenced. The centre is expected to open in December 2012, within original capital expenditure expectations of US\$15m.

Dubai Investment Park General Hospital

As outlined in our Half-Year Financial Report, the project plan for this facility has changed and will now be developed as a general hospital and pharmacy facility. The project plans for the site are currently being reviewed by the Dubai Health Authority and the Company still expects project completion within budget. The facility will be operational by end H1, 2013.

Khalifa City Hospital

The Company is currently undertaking a tender process for the construction of the new Khalifa City Hospital. Construction work is anticipated to commence before the end of 2012 and the facility will open on a phased basis through to 2016, with the initial development resulting in a 75 bed facility opening by the end of 2014.

Financial position

As at 30 September 2012, the Group had drawn down US\$120m under its credit facility with a syndicate of lenders led by J. P. Morgan Chase bank N.A. A further US\$30m remains available to be drawn down under this facility. Total Group debt was US\$248.8m at 30 September 2012.

The Group had US\$223.2m of cash and bank deposits as at 30 September 2012, broadly in line with management expectations following the acquisition of BR Medical Suites LLC on 1 July 2012. There were no other material events or transactions that impacted the Group's financial position during the period.