Cairo, Egypt | 8 September 2019

Cleopatra Hospitals Group Reports 2Q2019 Results

2Q2019 Financial & Operational Highlights[1]

EGP 409.1 million Total Consolidated Revenue (+25% y-o-y)	EGP 95.7 million Adj. EBITDA[2] (23% margin) (+24% y-o-y)
EGP 130.7 million Gross Profit +24% y-o-y (32% margin)	+231,610 Cases Served[3] (+14% y-o-y)

1H2019 Financial & Operational Highlights[1]

EGP 825.0 million Total Consolidated Revenue (+22% y-o-y)	EGP 220.0 million Adj. EBITDA[2] (27% margin) (+29% y-o-y)
EGP 284.9 million Gross Profit +28% y-o-y (35% margin)	+467,154 Cases Served[3] (+7% y-o-y)

Cairo, 8 September 2019

Cleopatra Hospital Group S.A.E. (CLHO.CA on the Egyptian Exchange), Egypt's largest private hospital group by number of hospital beds and number of operating hospitals, reported today its consolidated results for second quarter ended 30 June 2019. The Group continued to record strong operational and financial results in 2Q2019, with consolidated revenues rising 25% y-o-y to record EGP 409.1 million. On a year-to-date basis, CHG reported revenues of EGP 825.0 million, up 22% y-o-y. Solid top-line growth was largely driven by a combination of favourable pricing, an improved case mix across the Group's hospitals, and improved volumes compared to the same period last year despite the seasonal dip associated with the Holy month of Ramadan taking place during May of 2019.

Meanwhile, CHG's adjusted EBITDA, which factors out non-cash expenses related to impairments and the LTIP, recorded a strong 24% y-o-y to EGP 95.7 million in 2Q2019, reflecting the Group's strong organic and operational growth. Adjusted EBITDA margin remained relatively stable at 23% despite the low operating leverage at the Group's first polyclinic which is gradually ramping up operations. Adjusted EBITDA for 1H2019 came in at EGP 219.8 million, a 29% y-o-y expansion and associated margin expanding two-percentage points to 27%.

Net profit for the quarter recorded EGP 42.6 million in 2Q2019, down 44% vs the same period last year as the Group booked higher G&A expenses driven by, a higher non-cash Long-Term Incentive Program (LTIP) expense – maturing in June 2020 – following the strong appreciation of CHG's share price over the period, and increased impairments as the Group works to enhance the quality of its claim collection and revenue cycle management. It is worth noting that efforts to build a more structured revenue cycle management framework and enhance the Group's claim collection procedure has already started to bear fruit with impairments down by 70% quarter-on-quarter in 2Q2019. Net profit contracted by 27% y-o-y to EGP 97.7 million for 1H2019, similarly weighed down by higher impairments and LTIP expenses.

Commenting on Cleopatra Hospitals Group's performance for 2Q2019, Chief Executive Officer Ahmed Ezzeldin said:
"In the second quarter of 2019, Cleopatra Hospitals Group continued delivering excellent operational and financial results, with our performance reflecting strong organic growth across the Group's main hospitals and business lines. Throughout the past months, we also took significant leaps forward with our expansion strategy as we not only launched our second polyclinic, and the Group's seventh operational facility, located in a strategic neighbourhood of West Cairo, but also signed multiple agreements which will see

[1] Consolidation figures include the newly added Queens Hospital and East Cairo Polyclinic
[2] EBITDA, Earnings before Interest, Tax, Depreciation and Amortization adjusted for provisions, impairments, LTIP, acquisitions expenses, pre-operating expenses and excluding contributions from other income.
[3] Cases served includes number of in-patients, outpatient visits and ER visits.

us expand our geographic presence across both the Greater Cairo area and outside the city, while simultaneously strengthening our service offering. In just a few months, the facilities operated by CHG doubled going from four at the start of the year to eight as of today."

In June, CHG entered into an exclusive agreement to acquire a majority stake in one of Egypt's largest In Vitro Fertilization (IVF) centres in Cairo. From this facility, the Group will be able to offer a wide array of services including obstetrics, gynaecology, and family health services that will not only strengthen the Group's referral network, but also open the door for a future expansion of the Group's IVF segment. Throughout the quarter, the Group also laid the groundwork for the signing of a business transfer agreement (BTA) which will see CHG take over the day-to-day operations of the 89-bed El Katib Hospital, the Group's eighth facility, from the current operating company once all conditions precedent of the agreement are met. With the addition of the new hospital, the number of beds across all CHG facilities will reach close to 800, a 25% increase compared to the number of beds in 2018.

"Through the strategic acquisition of the leading IVF centre, which we expect to conclude by the end of 2019, we not only further strengthen our service offering, but also penetrate a new, fast-growing and high margin segment reinforcing our position as leaders in the Egyptian healthcare sector. I am also pleased to report that the BTA with El Katib's current operating company was officially signed at the start of August and we expect to take over operations in the coming period. Management has already devised a comprehensive strategy to ensure the smooth takeover of operations and the quick integration of El Katib hospital within the Group's wider operating framework."

In August, the Group signed a joint venture agreement (JV) with Nahda University and Taaleem for Management Services, operators of Nahda University in Beni Suef, in formalization of our partnered ownership of CHG's first hospital in Beni Suef governorate, our first medical facility outside Greater Cairo.

"Through this new hospital, we will expand our reach to more underserved and secluded regions of the country, serving a catchment around of over 3 million people. The 198-bed hospital will host a dedicated section for the Nahda University medical staff and students, who are expected to be among the primary beneficiaries of an estimated EGP 360 million CAPEX investment we have allocated to the hospital."

Meanwhile at the Group's existing facilities, renovation work during the quarter focused on upgrading inpatient wards at Al Shorouk and NBH, with the Group also kicking off electromechanical upgrades across all CHG facilities under the continued oversight of leading German multidisciplinary engineering consultancy firm, Vital Konzept. Despite the downtime associated with the facilities' upgrade works, the Group's volumes for the quarter increased to 232 thousand patients, a 14% increase from the same period of 2018. On a similar note, cases served on a year-to-date basis, increased 7% y-o-y to 467 thousand despite the Holy Month of Ramadan and several long weekends falling in the second quarter in 2019. The Group recorded a 25% y-o-y rise in surgeries performed, a 19% rise in the number of outpatient visits and an 18% increase in inpatient services for in 2Q2019. Favourable pricing and case mix across the Group's full array of services helped drive an increase in revenue per service, with average revenue per surgery expanding 13% y-o-y, revenue per ER visit up 14% y-o-y, and average revenue per catherization up 2% y-o-y. On year-to-date basis, volumes across the Group's full suite of services reported strong growth with both the number of outpatient visits and surgeries increasing 11% y-o-y, followed by inpatients visits up 7%, and with the number of catherizations increasing 2% y-o-y despite a fall in the number of catheterization during the second quarter weighing on the year-to-date figure.

Management's operational strategy which focuses on fostering operational efficiencies across the Group's hospitals, streamlining internal processes, and investing in strategic, value-generating technology continued to yield positive results during the second quarter of the year. The Group's gross profit expanded 24% y-o-y to record EGP 130.7 million, with GPM coming in flat at 32% for the period. In the first half of the year, gross profit increased 28% to EGP 284.9 million with GPM increasing 2 percentage points to 35% for the period. This is especially impressive considering that results for the period include the newly added facilities, such as the polyclinics, which are currently in the ramp-up phase of operations and are expected to record increased demand in the coming months.

"As we head into the second half of the year our focus will shift towards integrating the newly acquired facilities into our established operational model to ensure they deliver the quality of care patients have come to expect from CHG hospitals. The upgrade works at Queens Hospital, which made significant progress during the second quarter, will carry on under the guidance of the newly hired management team and we aim to see the facility operate at its full potential under the new framework by the start of 2020. Similarly, we are targeting a swift takeover of operations at El Katib hospital for which we have devised detailed integration strategies to implement as soon as the facility formally begins operating under the Group's control. We are also looking to conclude the acquisition of the Group's first IVF Centre in the coming period. In the upcoming months, management will also assess potential locations where to launch our next two polyclinics in line with our plan to inaugurate two facilities per year over the coming five years. Finally, we will continue to focus on pushing forward the Group-wide renovation works and rolling out the new HIS/ERP system across the remaining facilities. All in all, I am confident that we are ideally positioned to build on the operational and financial results achieved in the first six months of the year to deliver an even more impressive second half of strong organic and inorganic growth."

—Ends—

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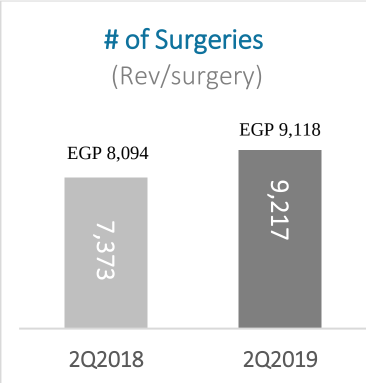
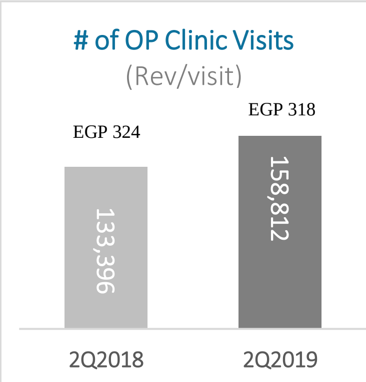
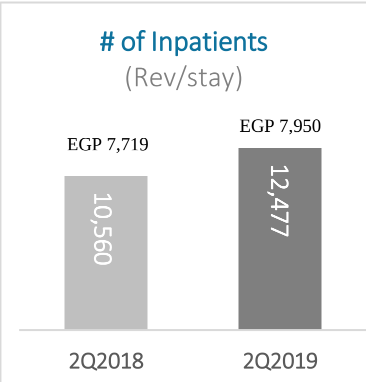
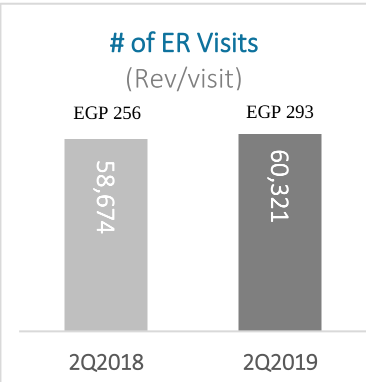








Operational Review

Cleopatra Hospitals Group continued to make good progress on its cross-asset integration program, which focuses on delivering improved service quality and clinical outcomes to ultimately improve the overall patient experience across all Group facilities. During the second quarter of the year, key highlights included continued progress with the Group-wide expansion and renovation project, the launch of the Group's second polyclinic which is already operating under the new Group-wide HIS/ERP system, as well as further work to refine the new revenue cycle management framework which has already driven a significant improvement in the Group's claims collection process.

Information Technology

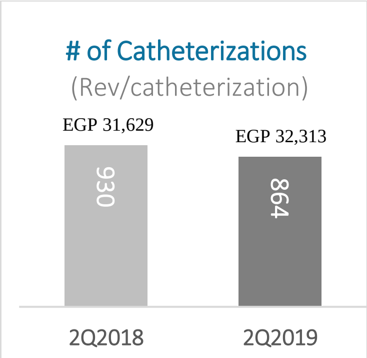
During the second quarter of 2019, the Group continued to make progress on the rollout of its Group-wide HIS/Enterprise Resource Planning (ERP) system. The Clinisys HIS/ERP system was first launched at CSH and at CHG's East Cairo Polyclinic and immediately helped improve the hospital's data management and backup framework while improving its back-office management. During the second quarter of 2019, the system was rolled out at the newly inaugurated West Cairo Polyclinic. Management aims to see Cleopatra Hospital and Queens Hospital migrate over to the new system by year-end 2019, which, once complete, will see all of the Group's East Cairo facilities operating under the unified HIS/ERP system, allowing for increased operational efficiencies and higher quality care. Once the system is rolled out across all CHG facilities, which is expected to take place by year-end 2020, it is also expected to significantly help in guaranteeing the protection of patients' personal data and improving the Group's inventory management and purchasing processes.

Commercial and Business Development

The Group continued to refine its new fully organised revenue cycle management framework during the quarter. The new system is already delivering results with the Group witnessing a significant improvement in its claim collection process, which in turn drove receivables impairments down significantly for the period compared to the first three months of the year. Going forward, CHG will continue to transition towards a more structured revenue cycle management framework aided by its newly launched functions including a case management, a billing, and a medical audit team that will see the Group operate a complete end to end framework from service rendering up to claims collection. The new entities will also be looking to unify the business and clinical sides of the Group's day-to-day operations. The Group has also recently launched a new sales strategy that includes the introduction of a new private sales team which will be targeting consultant sales and work to attract the highest quality and experienced talent in the country. The new department was established with dedicated teams covering each of the Group's specialties with the goal of attracting more volumes and further improving the Group's case mix.

Renovations and Facility Enhancement

During the quarter, renovation work focused on upgrading inpatient wards at Al Shorouk and NBH. In parallel, the Group kicked-off electromechanical upgrades across all CHG facilities under the continued oversight of leading German multidisciplinary engineering consultancy firm, Vital Konzept, who has been overseeing the Group-wide renovation works since they began back in 2018. In parallel, the Group is also working on finishing and fitting the newly acquired four floors in a building adjacent to Al Shorouk Hospital. The newly acquired space will house more of the hospital's outpatient and pharmacy services opening more space in to expand the facility's inpatient service capacity with around 20 beds by year end. In parallel with the renovation in NBH, management is working on adding 20 more beds in the last two floors of the hospital which was not used revenue generating space. The Group is also pressing ahead with the Al Shorouk Hospital extension building in an adjacent piece of land which will see the facility add 40 new beds to its current capacity in the medium to long term future.



Historical figures have been adjusted to account for standardization of KPI reporting across all hospitals.

All KPI figures for 2Q2019 refer to all five of CHG hospitals as well as the Group's East Cairo Polyclinic

New Facilities Updates

Queens Hospital

At Queens Hospital, CHG management pressed on with its facility upgrade strategy, and is aiming to have the facility operating under the new, upgraded framework by the beginning of next year. During the quarter, the Group approved both the schematic designs for the upgrade works and the CAPEX budget for the project. In parallel, a new management team has been selected whose primary focus will be to ensure that the comprehensive facility upgrade strategy is completed in a timely manner. In the coming months the Group will work on enhancing the hospital's OBGYN services to include a comprehensive women's health services offering, on adding ICU, diagnostics, ER, and general surgeries to the facility's service offering, and on constructing additional ORs for the hospital which will include new, state-of-the-art medical equipment.

El Katib

The Group signed a business transfer agreement (BTA) on August 7th to take over day-to-day operations of El Katib Hospital from the current operating company. The official takeover of operations is expected to be concluded imminently once the necessary conditions precedent (CPs) are successfully met. The Group had already completed the acquisition of the real estate asset of El Katib Hospital in December 2018. The Hospital adds close to 100 beds to the Group's capacity and adds yet another specialty, urology, to the Group's vast range of centres of excellence.

Bani Suef

During the second quarter of 2019, the Group also took important steps forward with its Bani Suef project. On August 25th, the Group announced the signing of a joint venture agreement with Nahda University for Education and Management S.A.E and Taaleem for Management Services S.A.E, the operators of Nahda University in Beni Suef, in formalization of their partnered ownership of CHG's first hospital in Beni Suef governorate. The Beni Suef hospital is CHG's first medical facility outside Greater Cairo and is a move to expand the group's reach to more secluded regions of the country. Conceptual and schematic designs of the hospital, mapped out to hold five operating rooms and 189 beds, have been finalized, and contractors are being called on to begin breaking ground on the facility. The hospital is also designed to host a dedicated section for the Nahda University medical staff and students, who are expected to be among the primary beneficiaries of the estimated EGP 360 million CAPEX investment allocated to the hospital.

Polyclinics

The Group has now launched its second polyclinic located in West Cairo. In the first month of operations, the facility has already recorded strong patient demand for its services in line with its East Cairo polyclinic launched earlier in the year. Management is especially pleased with the performance of the facilities' comprehensive outpatient service offering. At the same time, the Group has been actively searching for new locations where to open its next two polyclinics as part of its feeder network strategy which will see CHG inaugurate two polyclinics a year over the coming five years.

IVF Centre

In June, CHG entered into an exclusive agreement to acquire a majority stake in one of Egypt's largest In Vitro Fertilization (IVF) centres in Cairo. The transaction, which the Group expects to conclude by late 2019 once the required due diligence process and relevant documentation are completed, will see CHG venture into a new, fast growing and high margin segment which will further strengthen its service offering. The target acquisition currently offers an extensive list of services including obstetrics, gynaecology, infertility, andrology, erectile dysfunction, dermatology, reproductive health and laser treatments, nutrition and health coaching, fetal medicine, psychology, and family health services.

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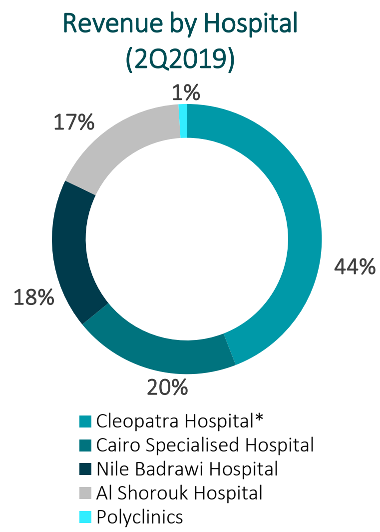
CSR and Social Impact Partnership

Partnership with MOH - Skills Enhancement Program

In 2019, CHG entered into a programme with the Ministry of Health and Population to forge an alliance that would see the Group support the ministry in new initiatives slated to transform the healthcare sector and ensure that quality public medical services are available to all citizens. Designed by CHG, the Skills Enhancement Program, is a project part of the wider Health Insurance Program implemented by the Egyptian Government and launched in June 2019 in Port Said Governorate. As part of the SEP, CHG provides the staff in public hospitals a learning opportunity to enhance their technical and managerial skills, ultimately aiming to improve the service quality provided by hospitals. During the quarter, CHG kicked off the second phase of its newly launched skill enhancement program (SEP) in partnership with the Ministry of Health, as it began delivering medical and administrative training courses to medical and non-medical staff at three hospitals in Port Said (El Nasr Specialized Hospital, El Tadamon Hospital and El Nesa Hospital). Thus far, the Group has trained over 500 staff members on fundamental medical and non-medical functions and will continue delivering training courses over the coming quarter. As part of the program, the Group will not only train hospital staff but will also help manage the three hospitals' day-to-day operations by transferring the knowledge and best practices that have helped set CHG facilities apart from others in the country. In the latter phases of the SEP, the Group will also implement tailored administrative systems and protocols, which have enabled CHG to become a market leader in the healthcare sector, in these hospitals. The partnership comes as part of Egypt's new comprehensive health insurance initiative mandated under the Universal Healthcare Act and set to be rolled out incrementally throughout the country.

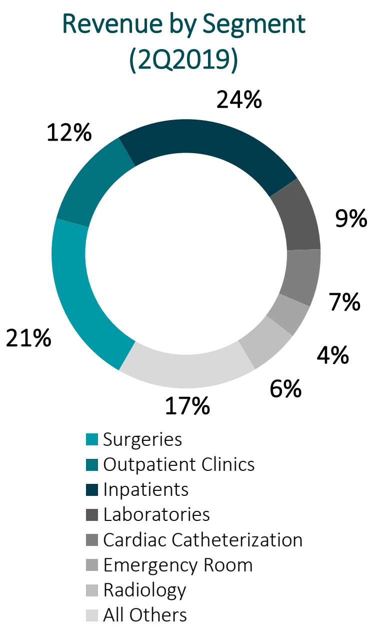


**Cleopatra Hospital results for the quarter include revenue generated by Queens Hospital*
**Polyclinic revenue only includes East Cairo that was launched in Feb 2019 and consolidated as of q2 2019. West Cairo Polyclinic not included as it started operating in July 2019.*

Financial Review

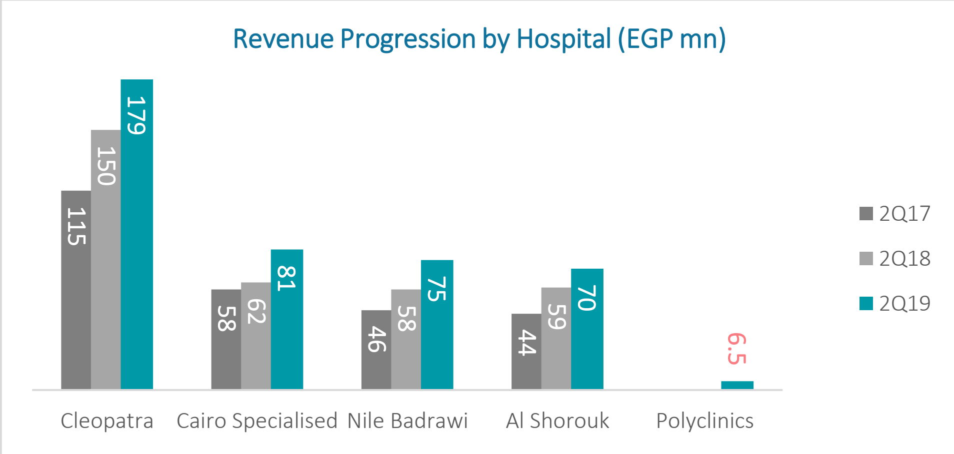
Revenues

Consolidated revenues came in 25% above the same quarter a year ago at EGP 409.1 million in the second quarter of the year. The strong top-line expansion came on the back of year-on-year growth across all of CHG services and procedures. Revenue from inpatient services, which expanded 22% y-o-y, continued to make the largest contribution to consolidated revenues at 24%. This was followed by surgeries which contributed to 21% of total revenues and posted a record year-on-year growth of 41%, demonstrating the Group's ability to constantly enhance its case mix and attract increased patient volumes. Outpatient services, which expanded 17% y-o-y, made up 12% of consolidated revenues. Revenues generated from the Group's laboratory services expanded 32% y-o-y, with the segment making up 9% of total Group revenues for the quarter. Radiology services reported an expansion of 37% in revenues with their contribution to consolidated top-line standing at 6% for the quarter.



On a year-to-date basis, consolidated revenues came in at EGP 825.0 million in 1H2019, up 22% from last year's EGP 673.8 million figure. Inpatient services was the largest contributor to consolidated top-line for the period, while revenues from surgeries and laboratory services recorded the fastest year-on-year growth with both segments expanding 31% during the first six months of the year.

During the quarter, Cleopatra Hospital continued to make up the largest share of consolidated revenues at 44%. This quarter's figure continues to include revenues of around EGP 4.6 million generated by the newly acquired Queens Hospital, which began operating under CHG's management at the end of the first quarter of this year. Cairo Specialized Hospital "CSH" made the second largest contribution at 20%, followed by Nile Badrawi Hospital "NBH" (18%) and Al Shorouk Hospital "ASH" (17%). The Group's newly launched East Cairo Polyclinic began contributing to the Group's top-line during the quarter, making up more than 1% of total revenues.



COGS

Cost of goods sold came in at EGP 278.4 million in the second quarter of 2019, up 26% compared to the same period of last year. Medical supplies once again made up the largest share of total COGS at 29% during the second quarter of the year, while salaries and wages continued to be the fastest growing component reporting a year-on-year increase of 24% during the period.

In the first six months of the year, COGS was up 20% y-o-y to EGP 540.2 million. However, the Group's COGS/Sales ratio, supported by management's integration and efficiency enhancement strategy focused on improving operational efficiency and capitalising on existing synergies, saw a two-percentage-point improvement during the period falling to 65% in 1H2019 from 67% in the comparable period a year ago.

Gross Profit

Gross profit, supported by faster consolidated revenue growth compared to costs for the quarter, reported a 24% y-o-y rise to EGP 130.7 million in 2Q2019. The Group's gross profit margin came in at 32% for the quarter, in line with last year's figure. During the quarter, Cleopatra Hospital, which continues to include results from Queen Hospital's operation, reported gross profit growth of 10% y-o-y during the quarter and continued to make the largest contribution to consolidated gross profit at 50%, despite recording a five-percentage-point fall compared to the contribution made during the same period of 2018. Cairo Specialised Hospital reported the fastest year-on-year gross profit growth rate at 54% for 2Q2019, making up the second largest share of consolidated gross profit at 20%. Nile Badrawi Hospital reported a 37% y-o-y rise in gross profits, making up 19% of the Group's gross profits, while Al Shorouk Hospital's gross profit expanded by 26% y-o-y to contribute 14% of consolidated gross profit.

In the first half of the year, consolidated gross profit came in at EGP 284.9 million, 28% above last year's figure. Cairo Specialised Hospital reported the fastest year-on-year growth profit expansion for the six-month period at 51%, while Cleopatra Hospital, which includes results from Queens Hospital, continued to contribute the largest share of consolidated gross profits at 50%, down from the 54% contribution made in the same period of last year.

G&A Expenses

General and administrative (G&A) expenses consist of the company's non-medical staff costs, including those of senior management and Group-level professional consulting fees. G&A expenses also include the Group's Long-Term Incentive Program (LTIP), a non-cash charge linked to share price appreciation and EBITDA growth, the LTIP has a four-year maturity period maturing by 30 June 2020, after which amounts will be disbursed. Outlays for G&A purposes increased 165% y-o-y to EGP 91.5 million in the second quarter of the year. On a year-to-date basis, G&A expenses were up 114% y-o-y to record EGP 190.2 million in 1H2019.

This significant year-on-year increase recorded in 2Q2019 was largely driven by an increase in the accrued non-cash LTIP expense to EGP 31 million, as well as an EGP 9.5 million in impairments. Meanwhile in 1H2019, total impairments booked reached EGP 41.2 million primarily related to claims made in 2016 and 2017. During the first six months of the year, the Group has been actively working to establish a more structured revenue cycle management as part of its integration strategy framework that will include both improvements to the hospitals' client base by moving away from clients with weak credit profiles. The strategy, which also aims to enhance the quality of the Group's claims collection procedure, is already starting to show positive results with impairments down nearly 70% q-o-q during 2Q2019 and well on their way towards normalizing heading into the second half of the year. The Group booked EGP 1.8 million in provisions during 1H2019 down from the EGP 4.2 million recorded in the same period of last year.

EBITDA

CHG's EBITDA, factoring out acquisition expenses, impairments, the LTIP's non-cash charge, pre-operating expenses and contributions from other income, came in at EGP 95.7 million in the second quarter of the year, a 24% y-o-y expansion. However, EBITDA margin for the quarter contracted one percentage point to 23% in 2Q2019. In the first six months of the year, EBITDA expanded 29% to EGP 220.0 million, with EBITDA margin for the period rising two percentage points to 27% compared to the 25% recorded in the first half of 2018.

EBITDA generated from the Group's five main hospitals, excluding results from the Group's polyclinics, showed an EBITDA margin of 24% in 2Q2019 and 27% in 1H2019, demonstrating the Group's ability to consistently grow organically during the first half of 2019.

Net Profit

Consolidated net profit stood at EGP 42.6 million in the second quarter of the year, down 44% y-o-y due to increased impairments and LTIP expenses. NPM contracted 13 percentage points to 10% for the period. In the first half of the year, net profit was down 27% y-o-y to EGP 97.7 million, with NPM down 8 percentage points to 12% for the period.

CAPEX

Total CAPEX outlays recorded EGP 113 million in 1H2019. In the first half the year, CHG's expenditures primarily focused on renovation and upgrades works across several of the Group's facilities as well as the procurement of new state-of-the-art equipment, as the Group continues to focus on improving its healthcare services and continue to provide superior clinical outcomes.

Recent Corporate Events

Skills Enhancement Program Partnership signing with Minister of Health and the Egyptian Prime Minister

Tadamon Hospital in Port Said operated in cooperation with CHG as part of the Skills Enhancement Program

Children Hospital in Port Said operated in cooperation with CHG as part of the Skills Enhancement Program

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ABOUT CLEOPATRA HOSPITALS GROUP S.A.E.

The Group is the largest private hospital group in Egypt by number of hospital beds and number of operating hospitals. The company holds majority stakes and operates five leading hospitals in the Greater Cairo Area: Cleopatra Hospital, Cairo Specialized Hospital, Nile Badrawi Hospital, Al Shorouk Hospital, and Queens Hospital, offering a full array of general and emergency healthcare services.

Shareholder Information

EGX: CLHO.CA
Listed: June 2016
Shares Outstanding: 1,600 million

For further information, please contact:

Cleopatra Hospitals Group S.A.E.

Hassan Fikry
Corporate Strategy & Investor Relations Director

T: +2 (0)2 2241 7471
hassan.fikry@cleohc.com
investors.cleopatrahospitals.com

Shareholder Structure

(as of August 2019)

Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as “according to estimates”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “intends”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “should”, “to the knowledge of”, “will”, “would”, or, in each case, their negatives, or other similar expressions that are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management’s (“Management”) current views of future events, are based on Management’s assumptions, and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate, or prediction to become inaccurate. These risks include fluctuations in the prices of raw materials or employee costs required by our operations, its ability to retain the services of certain key employees, its ability to compete successfully, changes in political, social, legal, or economic conditions in Egypt, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations, and Management’s ability to timely and accurately identify future risks to our business and manage the risks mentioned above.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly to the total figure given.

Consolidated Statement of Income

All figures in EGP mn	2Q2019	2Q2018	*% change*	1H2019	1H2018	*% change*
Revenues	409.1	326.6	*25%*	825.0	673.8	*22%*
Cost of sales	(278.4)	(221.0)	*26%*	(540.2)	(450.8)	*20%*
Gross profit	**130.7**	**105.7**	***24%***	**284.9**	**223.0**	***28%***
Gross Profit Margin	*32%*	*32%*		*35%*	*33%*	
General & administrative expenses	(91.5)	(34.6)	*165%*	(190.2)	(89.0)	*114%*
Cost of acquisition activities	(0.1)	(1.7)	*-95%*	(0.6)	(4.3)	*-86%*
Provisions	0.9	2.1	*-59%*	(1.8)	(4.2)	*-56%*
Other income	2.1	0.9	*127%*	4.1	3.9	*4%*
Pre-Operating Expenses	(3.4)	-		(3.4)	-	
EBIT	**38.6**	**72.3**	***-47%***	**92.9**	**129.5**	***-28%***
EBIT Margin	*9%*	*22%*		*11%*	*19%*	
Interest income	26.0	32.1	*-19%*	55.4	62.2	*-11%*
Interest expense	(1.7)	(9.8)	*-83%*	(4.8)	(21.7)	*-78%*
Profit before tax	**63.0**	**94.7**	***-33%***	**143.5**	**170.0**	***-16%***
PBT Margin	*15%*	*29%*		*17%*	*25%*	
Income tax	(19.3)	(17.6)	*10%*	(45.6)	(37.1)	*23%*
Deferred tax	(1.0)	(0.9)	*20%*	(0.2)	0.5	*N/A*
Net profit after tax	**42.6**	**76.2**	***-44%***	**97.7**	**133.4**	***-27%***
Net Profit Margin	*10%*	*23%*		*12%*	*20%*	
Distributed as follows:						
Shareholders of the company	43.7	71.3	*-39%*	97.2	124.6	*-22%*
Minority rights	(1.1)	4.9		0.6	8.8	*-93%*
Profit for the period	**42.6**	**76.2**	***-44%***	**97.7**	**133.4**	***-27%***

Consolidated Statement of Comprehensive Income

All figures in EGP mn	2Q2019	2Q2018	*% change*	1H2019	1H2018	*% change*
Net Profit	42.6	76.2	*-44%*	97.7	133.4	*-27%*
Other comprehensive income	0.0	0.0		0.0	0.0	
Total comprehensive income for the year	**42.6**	**76.2**	***-44%***	**97.7**	**133.4**	***-27%***
Total comprehensive income attributable to:						
Owners of the company	43.7	71.3	*-39%*	97.2	124.6	*-22%*
Non-controlling interest	(1.1)	4.9		0.6	8.8	*-93%*
Total comprehensive income for the year	**42.6**	**76.2**	***-44%***	**97.7**	**133.4**	***-27%***

Consolidated Statement of Financial Position

All figures in EGP mn	31 December 2018	30 June 2019
Non-current assets		
Fixed assets	560.5	635.4
Intangible assets	241.0	255.1
Payment under investment	143.9	143.6
Total non-current assets	**945.4**	**1,034.1**
Current assets		
Inventory	40.8	46.7
Accounts receivables	302.8	353.6
Other receivables and debit balances	48.5	112.7
Due from related parties	7.1	5.4
Cash	953.4	752.0
Total current assets	**1,352.5**	**1,270.4**
Total assets	**2,298.0**	**2,304.4**
Equity		
Share capital	800.0	800.0
Reserves	274.2	284.4
Retained earnings	529.8	585.9
Equity attributable to the parent company	1,604.0	1,670.3
Non-controlling interest	74.7	74.0
Total equity	**1,678.7**	**1,744.4**
Non-current liabilities		
Long term debt – non-current portion	67.9	-
Deferred tax liability	66.9	67.0
Total non-current liabilities	**134.7**	**67.0**
Current liabilities		
Provisions	24.9	22.5
Creditors and other credit balances	317.7	331.0
CPLTD	27.2	10.0
Long term incentive plan	45.2	98.6
Current income tax	69.4	31.0
Total current liabilities	**484.5**	**493.1**
Total liabilities	**619.3**	**560.1**
Total liabilities & shareholders' equity	**2,298.0**	**2,304.4**

Consolidated Statement of Cash Flow

All figures in EGP mn	30 June 2018	30 June 2019
Cash flow from operating activities:		
Profit before tax	170.0	143.5
Adjustments for:		
Depreciation	21.0	29.7
Amortization of intangible assets	-	-
Allowance for impairments of current assets	(6.2)	40.9
Provisions	1.7	(2.4)
Capital gain (loss)	(0.2)	(0.3)
Credit/Debit interest	(40.4)	(52.7)
Changes in current tax liability	(19.0)	(84.0)
Fixed assets write off	-	-
Long term incentive plan	14,6	53.3
Operating profits before changes in working capital	**141.5**	**128.0**
Changes in working capital:		
Change in inventory	(6.5)	(4.6)
Change in trade receivables, debtors and other debit balances	(62.7)	(84.9)
Change in due from related parties	(10.2)	1.7
Change in trade payables and other credit balances	11.8	25.5
Net cash flow from operating activities	**73.8**	**65.8**
Cash flow from investment activities:		
Proceeds from sale of fixed assets	0.2	0.6
Payments for purchase of fixed assets	(24.2)	(29.7)
PUC purchased	(8.5)	(66.6)
Advanced payments for purchase of fixed assets	(6.1)	(70.2)
Payments for acquisition of a subsidiary, net cash acquired	-	(25.0)
Payments under investment	-	-
Credit interest collected	58.4	55.6
Time deposits with maturity more than 3 months	11.0	-
Net cash flow from investment activities	**14.1**	**(135.4)**
Cash flow from financing activities:		
Dividends paid	(21.6)	(31.9)
Proceeds from borrowings	-	-
Repayment of borrowings	(126.3)	(95.1)
Cash proceed from overdraft	57.5	53.9
Cash paid to overdraft	(60.5)	(43.9)
Interest paid	(26.5)	(15.4)
Net cash flow from financing activities	**(177.5)**	**(132.4)**
Net change in cash & cash equivalents during the period	**(89.5)**	**(140.4)**
Cash & cash equivalents at the beginning of the period	996.1	953.4
Cash & Cash equivalent at in acquired subsidiaries at the beg. of the period	-	0.6
Cash & cash equivalents at the end of the period	**906.6**	**752.0**