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Cleopatra Hospital Company announces successful pricing of offering of ordinary shares on the Egyptian Exchange; institutional offering is 6.73x oversubscribed

Cairo, 26 May 2016

Cleopatra Hospital Company S.A.E. (the “Company” or the “Issuer,” and including its consolidated subsidiaries, the “Group”) announced today the successful conclusion of the book-building process for, and the pricing of, its international offering to institutional investors of 34 million existing ordinary shares at a price of EGP 9.00 per ordinary share (the “Offer Price”).

The institutional offering was 6.73x oversubscribed, having generated EGP 2,058.7 million (c. USD 231.9 million) in demand. At the Offer Price, the market capitalization of the company will be EGP 1.44 billion (c. USD 162.2 million) prior to the execution of the Closed Subscription and assuming no Stabilization (both terms defined below).

The Company is offering 40 million existing ordinary shares representing 25% of the Company’s outstanding share capital listed on the Egyptian Exchange (EGX) and currently owned by the Selling Shareholder (as defined below). The offering includes (i) an offer of 34 million ordinary shares of the Company to institutional investors (the “International Offer”) and (ii) a domestic retail offering in Egypt of 6 million ordinary shares of the Company to retail investors in Egypt (the “Egyptian Retail Offer”) (collectively, the “Combined Offer”). All shares in the Combined Offer will be offered and sold by the Selling Shareholder at the Offer Price.

The Selling Shareholder will receive all of the gross proceeds from the Combined Offer. Following completion of the Combined Offer, the Company will offer to the Selling Shareholder by way of a closed subscription (the “Closed Subscription”) the right to subscribe for up to 40 million new shares at the Offer Price.

Subscriptions for the Egyptian Retail Offer will close on Monday, 30 May 2016. Trading on the EGX is subject to the EGX’s permission once allocations meet the requirements published in the Public Subscription Notice (“PSN”) for the Egyptian Retail Offering, published on 21 May 2016. These requirements include a minimum of 300 shareholders and a free float of at least 5%.

The net effect of the transaction is thus the injection of capital into the Company to support its growth and expansion plans, a senior company official noted.

Commenting on the offering, Company Chairman and Chief Executive Officer Dr. Ahmed Ezzeldin said: “Significant appetite from demanding international institutions is a vote of confidence in our company and our team’s ability to continue to create new value and synergies at the assets we have acquired. It is also an endorsement of our plan to use the proceeds from the Closed Subscription to drive new growth through the development of extensions of Al Shorouk Hospital and Cleopatra Hospital and the potential acquisition of a site in New Cairo to develop into a new hospital.”

The Group owns majority stakes in four multi-specialty hospitals in the Greater Cairo Area (Cleopatra Hospital, Cairo Specialized Hospital, Nile Badrawi Hospital and Al Shorouk Hospital) and is studying opportunistic expansion outside the capital city area in

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the long-term. In 2015¹, the Group performed 34,900 surgeries and treated 47,256 inpatients, recorded 606,206 outpatient clinic visits and 278,404 emergency room patients.

On an unaudited, pro-forma basis², the Group reported operating revenues of EGP 741 million in 2015, while gross profit stood at EGP 234 million, EBITDA at EGP 183 million and net profit for the year was EGP 52 million.³

The Selling Shareholder⁴ is Care Healthcare Limited, which holds 99.99% of the share capital of Cleopatra Hospital Company. Care Healthcare Limited is beneficially owned, through intermediate wholly-owned subsidiaries, by Abraaj NAH Limited (72.5%), the European Bank for Reconstruction and Development (12.5%), DEG (Deutsche Investitions-und Entwicklungsgesellschaft mbH, 7.5%) and Société de Promotion et de Participation pour la Coopération Economique S.A. (Proparco, 7.5%). Abraaj NAH Limited is beneficially owned and controlled by funds managed by The Abraaj Group, a Dubai-based private equity firm.

In connection with the Egyptian Retail Offer, EFG Hermes as Global Coordinator and Bookrunner, or any of its agents, may effect transactions in the Offer Shares with a view to supporting or maintaining the market price of the Shares at a level higher than that which might have otherwise prevailed in the open market (“Stabilisation”). Purchasers of Offer Shares in the International Offer may not participate in the Stabilisation.

All of the gross proceeds from the Combined Offer will be received by the Selling Shareholder, which has undertaken to use the gross proceeds of the Combined Offer (less any amount used for Stabilisation) to subscribe for the Closed Subscription Shares at the Offer Price pursuant to the Closed Subscription. EFG Hermes will withhold from the payment of the proceeds of the Combined Offer an amount equal to 15% of the gross proceeds of the sale of all Offer Shares at the Offer Price, which shall be deposited in a Stabilisation Account.

Trading in the shares on the EGX is expected to commence on Thursday, 2 June 2016 under the symbol CLHO.CA. The commencement of trading is subject to receipt of any remaining customary regulatory approvals from the Egyptian Financial Supervisory Authority (“EFSA”) and the EGX.

EFG Hermes Promoting & Underwriting is Sole Global Coordinator and Bookrunner for the offering. Freshfields Bruckhaus Deringer LLP is international counsel to the Issuer, while Zulficar & Partners are local counsel. Shearman & Sterling (London) LLP is international counsel to the Sole Global Coordinator and Bookrunner, while Matouk Bassiouny is local counsel.

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¹ On an aggregated basis as if the acquisitions of each of its hospitals had occurred on 1 January 2015.

² Pro forma results of operations show the effect of the Company’s ownership of its four current hospitals as if the acquisitions of those hospitals had occurred on 1 January 2015.

³ Pro forma net income for the period includes one-off expenses, one-off acquisition-related expenses (including interest expenses equivalent to EGP 59.4 million to account for loans used to finance the acquisition of Nile Badrawi Hospital and Al Shorouk Hospital, assuming these acquisitions were made, and accordingly these loans originated, on January 1, 2015) and non-recurring expenses.

⁴ The Selling Shareholder will subscribe to an exclusive rights issue (the “Closed Subscription”) for the same number of shares as will be sold in the Combined Offer. The intended net effect of the transaction (the Combined Offer and Closed Subscription) is that the Selling Shareholder will own the same number of shares upon completion of the transaction as it did prior to undertaking it.

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ABOUT CLEOPATRA HOSPITAL COMPANY 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 in four leading hospitals in the Greater Cairo Area: Cleopatra Hospital, Cairo Specialized Hospital, Nile Badrawi Hospital and Al Shorouk Hospital, offering a full array of general and emergency healthcare services.

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This announcement has not been independently verified and no representation or warranty, express or implied, is made or given by or on behalf of the Company, the Selling Shareholder and / or EFG Hermes Promoting & Underwriting or any of their respective parent or subsidiary undertakings, or the subsidiary undertakings of any such parent undertakings, or any of such person's respective directors, officers, employees, agents, affiliates or advisers, as to, and no reliance should be placed on, the accuracy, completeness or fairness of the information or opinions contained in this announcement or any other information relating to the Company or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith. No responsibility or liability is assumed by any such persons for any such information or opinions or for any errors or omissions. All information presented or contained in this announcement is subject to verification, correction, completion and change without notice. This announcement is not an offer of securities in the United States, or a solicitation to purchase securities in the United States. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or under the securities law of any state or jurisdiction in the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or jurisdiction of the United States. The issuer of the securities has not registered, and does not intend to register, any portion of the Combined Offer in the United States, and does not intend to conduct a public offering of securities in the United States.

EFG Hermes Promoting & Underwriting is acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Combined Offer and will not regard any other person (whether or not a recipient of this announcement) as their client in relation to the Combined Offer and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their client nor for providing advice in relation to the proposed offering. This announcement



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has been prepared on the basis that any offer of shares in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly, any person making or intending to make any offer in that Relevant Member State of shares which are the subject of the offer contemplated in this document, may only do so in circumstances in which no obligation arises for the Company or the Sole Global Coordinator to publish an offering memorandum pursuant to Article 3 of the Prospectus Directive or supplement an offering memorandum pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Company nor the Sole Global Coordinator have authorised, nor do they authorise, the making of any offer of the Shares in circumstances in which an obligation arises for the Company or the Sole Global Coordinator to publish or supplement a prospectus for such offer. The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

In the United Kingdom, this announcement is for distribution only to and directed only at persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

This announcement does not constitute a recommendation concerning the Combined Offer. The price and value of securities and any income from them can go down as well as up and, in the worst case, you could lose your entire investment. Past performance is not a guide to future performance. Information in this announcement or any of the documents relating to the Combined Offer cannot be relied upon as a guide to future performance. Before purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus, when published. There is no guarantee that the IPO will happen and potential investors should not base their financial or investment decisions on the intentions of the Company or any other person in relation to the IPO at this stage. Potential investors should consult a professional adviser as to the suitability of the IPO for the person concerned.

In connection with the Combined Offer, EFG Hermes Promoting & Underwriting or any of their respective affiliates, acting as investors for their own account(s), may subscribe for or purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own accounts in such Shares and other securities of the Company or related investments in connection with the Combined Offer or otherwise.

In order for any entity to market and/or underwrite any securities in Egypt, it must obtain a license to do so from the Egyptian Financial Supervisory Authority (EFSA).

In connection with the Egyptian Retail Offering, EFG Hermes Promoting & Underwriting, or any of its agents, may, to the extent permitted by applicable law, effect transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. If the trading price per Share falls below the offer price on or after the date of the commencement of trading of Shares on the EGX, and ending 30 days after that date (such period, the “Stabilization Period”), purchasers of Shares in the Egyptian Retail Offering may submit sell orders and EFG Hermes Promoting & Underwriting will submit purchase orders for Shares at the offer price, which will remain open until the end of the Stabilization Period. At the end of the Stabilization Period, open purchase orders submitted by EFG Hermes Promoting & Underwriting will be matched with open sale orders and executed on the EGX. Save as required by law or regulation, neither the stabilizing manager nor any of its agents intends to disclose the stabilization transactions conducted in relation to the Egyptian Retail Offering except as may be required by the EGX and / or the EFSA.

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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, which 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, global and regional trends in the dairy and juice industries, 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.

Accordingly, investors should not rely on the forward-looking statements in this announcement and investors are strongly advised to read the relevant sections of the offering circular for more detailed descriptions of factors that might have an impact on our business, financial condition and the industry in which we operate. None of us, our Management or EFG Hermes gives any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments. After the date of the offering circular, none of us and EFG Hermes assume, and each of us and EFG Hermes expressly disclaim, any obligation, except as required by law and the listing rules, as amended, of the EGX (the “EGX Listing Rules”), to update any forward-looking statements or to conform these forward-looking statements to our actual results.

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.