Acquisition

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14 December 2016

NMC Health plc
(the "**Company**" or "**NMC**")

Proposed acquisition of the Al Zahra Hospital for AED 2,058 million (approximately US$560 million)

Strategic, accretive acquisition adds one of the largest private hospitals in the UAE and helps accelerate NMC's presence in the growing Sharjah healthcare market

- NMC Health plc (LSE:NMC), the leading integrated healthcare provider operating across the United Arab Emirates (the "**UAE**"), is pleased to announce the proposed acquisition (the "**Acquisition**"), subject to certain conditions and approvals, of Al Zahra Hospital in Sharjah (the "**Al Zahra Hospital**") from Gulf Medical Projects Company ("**GMPC**") for AED 2,058 million (approximately US$560 million).

- The Al Zahra Hospital is one of the largest private hospitals in the UAE, operating 137 active inpatient beds, serving approximately 400,000 outpatients and 23,000 inpatient bed days per year.

- The Acquisition complements the NMC group's (the "**Group**") existing network of seven out-patient medical centres in Sharjah, the third most populated emirate in the UAE, to further strengthen the Group's position as the largest private healthcare provider in the UAE and in the Gulf Cooperation Council (the "**GCC**") region.

- The Al Zahra Hospital has demonstrated a strong track record of growth and for the year ended December 2015 achieved revenue, EBITDA and net profit of US$130.4 million, US$43.5 million and US$38.8 million respectively.

- The Directors of NMC (the "**Directors**") have identified approximately US$6.5 million of annual cost synergy benefits from the second year post completion of the Acquisition onwards. In addition to these initial cost synergy benefits, the Directors believe that there are a number of other operational and synergistic benefits that will accrue over the medium term.

- In recent years, GMPC has invested significantly in the Al Zahra Hospital, including the addition of a new 17 storey block and three new operating theatres at a cost of US$33 million. The Directors believe that the recent investment in the 17 storey block will drive revenue growth over the medium and longer term as the additional added capacity drives increased patient numbers. In the future, the Directors believe that the Al Zahra Hospital has the ability to expand its capacity to approximately 200 beds with limited incremental investment required.

- The Acquisition is conditional, inter alia, on shareholder approval. As part of the financing of the Acquisition, the Company is undertaking a Placing of up to 9.99 per cent. of the issued share capital of the Company, as separately announced, and has also put in place new debt facilities.

- The Company has continued to see positive trading since its interim results announcement. The Directors reiterate the Company's standalone 2016 EBITDA guidance of approximately US$240 million.

Prasanth Manghat, Deputy Chief Executive Officer of NMC, commented:

"The acquisition of one of the leading and most reputable hospitals in Sharjah carries tremendous strategic significance for NMC and expands the Group's reach within the region through our top-in-class offering, track-record and brand. This attractive and complementary deal is expected to deliver significant benefits for patients, as well as attractive synergies and be accretive for NMC shareholders in the first full year."

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

"I am pleased to announce this strategic expansion into the attractive Sharjah healthcare market. This represents another major advance towards our objective of developing a leading integrated private healthcare operator in the UAE. These investments are fully in line with our strategy and demonstrate our focus on delivering long-term growth of our strategic and competitive capabilities to expand sustainable shareholder returns."

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Investor and analyst call

A conference call for investors and analysts will be held today, 14 December 2016, at 09:30 (London time). Call and webcast details can be obtained from FTI Consulting.

About NMC

The Group is the leading private sector healthcare operator in the United Arab Emirates, with a nation-wide network of hospitals and operations in the country since 1975. The Group currently operates or manages eight hospitals, two day-care patient centres, nine medical centres and fifteen pharmacies. In addition, the Group owns and operates Clinica Eugin in Barcelona, Spain - one of the leading fertility treatment centres globally. NMC also owns 51 per cent. shareholding in Fakih IVF Group, the Middle East market leader for in-vitro fertilisation ("**IVF**") services. Moreover, NMC also owns and operates Americare Group, the leading home care provider in the UAE as well as ProVita, the pioneering provider of long-term medical care, also in the UAE. The enlarged company received almost 3.2 million patients in 2015. The Group is also a leading UAE supplier of products and consumables across several key market segments, with the major contribution coming from healthcare related products. The Group reported revenues of US$880.9 million for the year ended 31 December 2015.

In April 2012 NMC was listed on the Premium Segment of the London Stock Exchange. NMC is a constituent of the FTSE 250 Index.

14 December 2016

NMC Health plc
(the "Company" or "NMC")

Acquisition of the Al Zahra Hospital for AED 2,058 million (approximately US$560 million)

Introduction

On 14 December 2016, the Board announced that the Company had agreed terms with Gulf Medical Projects Company ("GMPC") for the acquisition, subject to certain conditions and approvals, of GMPC's Al Zahra Hospital in Sharjah (the "Al Zahra Hospital"), comprising the share capital of Al Zahra (Pvt.) Hospital Company Limited and certain land and buildings currently used by the Al Zahra Hospital.

The Acquisition complements the Group's existing network of seven out-patient medical centres in Sharjah, the third most populated emirate in the United Arab Emirates (the "UAE"), with one of the leading and most reputable hospitals in the emirate, to further strengthen the Group's position as the leading integrated healthcare provider in the UAE and in the Gulf Cooperation Council (the "GCC") region.

As part of the financing of the Acquisition, the Company is undertaking a Placing (as defined below) of up to 9.99 per cent. of the issued share capital of the Company and is putting in place new debt facilities.

In view of its size, the Acquisition requires the approval of the Company's Shareholders at a General Meeting, details of which will be contained in a Shareholder Circular in due course.

Information on the Al Zahra Hospital

The Al Zahra Hospital was established in 1981 by GMPC, a publicly listed company on the Abu Dhabi Securities Exchange (the "**ADX**"). The Al Zahra Hospital was one of the first private general hospitals in the UAE and provides both inpatient and outpatient services of an international standard, supported by state-of-the-art facilities including cutting edge radiology and laboratory practices.

The Al Zahra Hospital operates as a full service multi-speciality hospital, with 137 active inpatient beds and a current capacity of 154 beds, serving approximately 400,000 outpatients and 23,000 inpatient bed days per year. The Al Zahra Hospital has strong relationships with a number of major insurance providers in Sharjah with approximately 85 per cent. of outpatients referred through the insurance channel.

The Al Zahra Hospital is located on a freehold site of approximately 80,000 square feet including approximately 502,000 square feet of floor space. Certain land and buildings owned by GMPC and currently used by the Al Zahra Hospital will be sold to the Group as part of the Acquisition. The Al Zahra Hospital includes a network of seven operating theatres, recovery room beds, more than 80 individual clinics, a maternity complex consisting of delivery rooms and first stage beds, and emergency room beds including triages. The Al Zahra Hospital also offers a wide range of health care schemes, from maternity to comprehensive medical check-ups, as well as specially designed cost effective packages for companies and institutions and a well-equipped physiotherapy unit.

The Medical Imaging division within the Al Zahra Hospital operates MRI, computerised tomography, ultrasound, mammography and digital x-ray equipment, including a nuclear medicine department with the latest Siemens Gamma camera. The Laboratory division within the Al Zahra Hospital operates high-tech investigation facilities providing Echo Doppler studies, lung function tests, electro-encephalogram, Urodynamic studies and lithotripsy services. The cath lab within the Al Zahra Hospital utilises the Philips Cath Lab system.

The Al Zahra Hospital employs a highly skilled workforce of approximately 1,270 employees including 170 physicians (of which approximately 50 are consultants) and actively seeks to appoint and retain experienced and qualified Western educated and trained doctors and specialists from across the world to meet the evolving demands and profiles of its patients.

For the 12 months to 31 December 2015, the Al Zahra Hospital reported revenues of US$130.4 million, EBITDA of US$43.5 million, and net profit of US$38.8 million, which represents compound annual growth rates (CAGRs) from 2013 to 2015 of 9 per cent., 5 per cent. and 5 per cent., respectively.

In recent years, GMPC has invested significantly in the Al Zahra Hospital including the complete roll-out of a new Oracle ERP and Mena-I-Tech HRMS system and the addition of a new 17 storey block at a cost of AED122 million (US$33 million) [(1)]. The new investment included:

- renovation of the Al Zahra Hospital's four existing operating theatres and the addition of three new operating theatres;
- purchase and installation of a Siemens Force CT Scanner, the first advanced CT scanner to be introduced in the UAE;
- purchase and installation of a Siemens Digital Radiographer System;
- restructuring of the emergency department to add 16 hospital beds; and
- restructuring of the Al Zahra Hospital's imaging department to accommodate two MRI scanners, two digital X-Ray rooms, three Ultrasound rooms and a Radiologists office.

Following the 17 storey investment, the Directors believe that the Al Zahra Hospital has the ability to expand its capacity to approximately 200 beds with limited incremental investment required.

1. AED 122 million reflects investment in the building only

Group strategy and background to the Acquisition

At the time of its initial public offering on the London Stock Exchange in 2012, the Company announced an organic expansion programme which resulted in the opening of four strategic and well-positioned healthcare assets in the UAE market, including the NMC Day Surgery Centre in the Mohammed Bin Zayed City Suburb of Abu Dhabi, the 100 bed Brightpoint Royal Women's Hospital in Abu Dhabi, the 60 bed Dubai Investment Park General Hospital and the 250 bed NMC Royal Hospital in Abu Dhabi.

The Company announced, in February 2015, a new financing facility and an update to its Healthcare Division strategy which included its intention to expand both organically and via acquisitions to achieve the objectives of its updated Group strategy to selectively establish a strategic presence outside the UAE, grow its medical specialty offering and clinic network, accelerate the establishment of Centres of Excellence in key specialties, increase its footprint in Saudi Arabia and the broader GCC, and increase its participation in the rapidly growing medical tourism industry.

Following the announcement in February 2015, the Company has invested approximately US$650 million towards successfully completing a number of value-accretive acquisitions in line with the updated Healthcare Division strategy. These acquisitions, of which all are fully integrated to date except for the latest Saudi Arabian transaction, coupled with the Group's organic initiatives, have allowed the Group to establish new business verticals within the broader healthcare delivery platform with specialisation-specific capabilities and brands. The verticals include:

- multi-specialty - 629 beds (NMC Healthcare & Dr. Sunny);
- maternity and fertility - 100 beds (Brightpoint Royal Women's Hospital & Clinica Eugin);
- long-term and home care - 406 beds (ProVita & Americare);
- operations and management - 205 beds (Sheikh Khalifa Hospital in UAE); and
- distribution - approximately 90,000 stock keeping units (exclusive wholesaler of mainly globally established and branded healthcare products and equipment).

Strategic rationale for the Acquisition of the Al Zahra Hospital

The Directors believe that the Acquisition of the Al Zahra Hospital is a unique opportunity to accelerate the delivery of its updated Healthcare Division strategy. Specifically, the Directors believe that the rationale for the Acquisition is compelling for the following reasons:

The Al Zahra Hospital is one of the largest private hospitals in the UAE, is a scarce asset that is difficult to replicate and considerably expands the Group's capacity in the region

The Al Zahra Hospital is one of the largest private hospitals in the UAE, operating 137 active inpatient beds, serving approximately 400,000 outpatients and 23,000 inpatient bed days per year.

The Acquisition would provide the Company with the opportunity to substantially increase capacity in the UAE via the acquisition of an established, best-in-class and profitable hospital. The Acquisition would increase the Group's number of multi-specialty licensed beds in the UAE by approximately 24 per cent, from 629 to 783, and the total licensed bed capacity across all regions from 1,135 beds to 1,289 beds.

The Al Zahra Hospital would be in the top three hospitals by 2015 revenue within the Group. The Directors believe that to build a hospital in the Sharjah region of comparable scale and quality to the Al Zahra Hospital would take a number of years and involve a number of risks to delivery.

The combined business reinforces the Group's position as the leading provider of healthcare services in the UAE private sector with increased geographical presence and the establishment of its fully integrated model across all core regions.

The Al Zahra Hospital provides a unique opportunity for the Company to increase its presence in the attractive Sharjah healthcare market

Sharjah is the third most populous emirate in the UAE with a population of approximately 1.4 million people and as such represents a large and attractive market for the Company to continue to expand its presence within, with the Acquisition significantly accelerating the Company's growth strategy of adding capacity in the UAE.

The Directors believe that the UAE continues to be an attractive market with only 1.3 hospital beds per one thousand capita compared to the world average of 2.9 and the European average of 6.4, despite the UAE demonstrating historically high population growth of 4.2 per cent from 2008 to 2015 vs the world average of 1.2 per cent and a flat European population.

Following the introduction of mandatory healthcare insurance in Abu Dhabi in 2006 and Dubai in 2014, Sharjah is expected to adopt mandatory healthcare insurance in the near future. The Directors believe that if this happens, this could be a significant additional revenue driver for the Al Zahra Hospital, as well as for the existing outreach facilities owned by the Company which also operate in the Sharjah Emirate.

Additionally, the Acquisition will allow the Group to extend its strategic Centres of Excellence in key specialties in what remains a developing healthcare market in Sharjah with patients increasingly seeking more complex offerings.

The Directors believe there are significant operational and synergistic benefits arising from the acquisition of the Al Zahra Hospital

The Directors have identified approximately AED23.7 million (US$6.5 million) of annual cost synergy benefits expected to be derived from the Acquisition from the second year post Completion onwards. In addition to these initial cost synergy benefits, the Directors believe there are a number of other operational and synergistic benefits that will accrue over the medium term as outlined below.

The Company acquired the Dr. Sunny Healthcare Group in 2015 which operates six medical centres and three pharmacies in Sharjah. The specialties offered by the Dr. Sunny Healthcare Group include pediatrics, cardiology, neurology, internal medicine, general surgery, psychiatry, urology, GI, gynecology, ENT, dermatology, ophthalmology, radiology, general practice, dental care, Ayurveda, physiotherapy and lab services.

The Dr. Sunny medical centres and pharmacies, along with the NMC Medical Centre in Sharjah could jointly serve as a NMC Sharjah specific hub-and-spoke network and increase cross-referrals of patients to the Al Zahra Hospital for a range of inpatient and outpatient procedures. If implemented, the Acquisition would allow the Company to offer integrated healthcare solutions to its patients in Sharjah. The Directors believe this would provide a number of operational and synergistic benefits to the Company, including, for example:

- greater revenue potential through cross-referral of patients across the enlarged Group network, in particular from referring the approximately 800,000 patients visiting NMC's medical centres each year in Sharjah to the Al Zahra Hospital;
- expand upon the existing capabilities and know-how for both the Group and the Al Zahra Hospital, for example, through leveraging the Group's leading cardiology business and the Al Zahra Hospital's leading radiology and laboratory facilities;
- utilise the Group's marketing experience to help drive incremental revenue through community based doctors operating within Sharjah's highly fragmented private medical centres to drive additional patient volumes to the Al Zahra Hospital;
- expand the Al Zahra Hospital's insurance coverage and relationships to increase patient footfall and optimise asset capacity utilisation;
- optimise the market positioning of the Al Zahra Hospital by expanding its addressable market to include mid-level insurance plans;
- reduce head office costs through rationalising existing corporate functions across the Al Zahra Hospital and the Group;
- cross-staffing opportunities and sharing of particular specialist roles within the Company medical centres and the Al Zahra Hospital, allowing for improved shared capabilities, know-how and higher complexity service offerings driving increased value added services with higher revenue per patient and competitive advantages relative to local operators;
- cost savings through procurement efficiencies for medical equipment and supplies in light of the creation of economies of scale in the region and the Group's existing pharmacy and logistics business; and
- opportunity to share and centralise laboratory services across the Group's Sharjah emirate network.

The Al Zahra Hospital has demonstrated a strong operational and financial track record

From 2013 to 2015, the Al Zahra Hospital has demonstrated a strong track record of revenue growth from US$109.0 million to US$130.4 million, a CAGR of 9 per cent.

Over the same period, the Al Zahra Hospital has grown its EBITDA from US$39.3 million to US$43.5 million, a CAGR of 5 per cent., in spite of ramp-up costs. In this same time period, the number of outpatient visits has grown from 339,984 in 2013 to 391,612 in 2015, a CAGR of 7 per cent. per annum.

For the 12 months to 31 December 2015, the EBITDA margin achieved by the Al Zahra Hospital was 33.4 per cent.

Table: Summary of Historical Financial Information for the Al Zahra Hospital

STATEMENT OF COMPREHENSIVE INCOME (2)
For the years ended 31 December

	2015	**2014**	**2013**
	US$	**US$**	**US$**
Revenues	130,353,318	122,490,481	108,954,891
Direct costs	(70,058,083)	(64,647,331)	(55,405,085)
Gross profit	60,295,235	57,843,150	53,549,806

General and administrative expenses	(17,708,754)	(15,932,594)	(15,078,272)
Other income	963,185	886,845	790,760
Profit from operations before depreciation	43,549,666	42,797,401	39,262,294
Depreciation	(4,769,701)	(4,566,587)	(3,642,751)
Profit from operations	38,779,965	38,230,814	35,619,543
Finance cost	(8,474)	(49,253)	(110,005)
Finance income	16,335	-	1,891
Profit for the Year	38,787,826	38,181,561	35,511,429
Other comprehensive income	-	-	-
Total comprehensive income for the year	38,787,826	38,181,561	35,511,429

2. The financial information of Al Zahra Hospital for the years ended 31 December 2013, 2014 and 2015, have been extracted directly from the Financial Information included in Section B of Part IV of the Circular to be published in respect of the Acquisition

Integration

The Company has established a track-record of undertaking strategic acquisitions and successfully integrating the businesses and their management into the Group. The Directors believe that the Company will be able to successfully integrate the Al Zahra Hospital with minimal disruption to both businesses on account of this experience in similar bolt-on acquisitions, and further helped by the single-asset nature of the Al Zahra Hospital.

The Company has additionally established an integration plan to be put in place on the first day following completion to ensure the timely and accurate roll-out of key Group corporate policies, governance and guidelines to the Al Zahra Hospital.

Financial impact of the Acquisition (3)

On a pro-forma basis for the 12 months to 31 December 2015, the Acquisition increases the Enlarged Group's proportion of EBITDA from healthcare operations and increases the EBITDA margin of the Enlarged Group in light of the Al Zahra Hospital's 2015 EBITDA of US$43.5 million, which is solely derived from healthcare operations, and in light of its 2015 EBITDA margin of 33.4 per cent.

The Directors believe the Acquisition will be accretive to the Group's post-tax earnings, with respect to Shareholders, in the first full year following Completion.

The Directors have identified approximately AED23.7 million (US$6.5 million) of annual cost synergy benefits expected to be derived from the Acquisition, with approximately 65 per cent. of the synergy benefits to be realised in the first year after Completion and the full run-rate of synergy benefits to be achieved from year two onwards. Costs to achieve these synergy benefits are estimated at approximately AED0.9 million (US$0.2 million) with the identified cost synergy benefits expected to be derived from three key areas:

- redeployment of certain Al Zahra Hospital employees;
- replacement of certain Al Zahra Hospital senior management; and
- reduction in marketing spend at the Al Zahra Hospital.

The Directors believe that additional cost and revenue benefits are likely to accrue over time.

To illustrate the financial effects of the Acquisition on the assets and liabilities of the Company, after taking account of fees incurred by the Company under the Acquisition, and assuming full gross proceeds for the Placing (4), adjusted for expected expenses, the Enlarged Group would have had net assets of US$896 million as at 30 June 2016 on a pro forma basis.

As at 30 June 2016, the Group had a net debt position of US$790 million (5), which included gross debt liabilities of US$995 million (6) and cash reserves (including bank deposits and bank balances) of US$205 million. The Enlarged Group's pro-forma net debt position as at 30 June 2016, assuming completion of the Acquisition and the Placing (7) had taken place on 30 June 2016, would be US$1,010 million.

3. The financial information of the Al Zahra Hospital has been extracted, directly or indirectly, from the Financial Information included in Section C of the Circular
4. This adjustment reflects the estimated net proceeds from the placing of Ordinary Shares of the Company of US$334 million net of transaction costs. The adjustment assumes that the Company placed 18,571,428 shares (which represents 9.99% of the Company's issued capital) at the share price of GBP 14.48, being the Company's closing share price as of 13 December 2016. The actual proceeds from the placing will depend upon the actual share price on the date of announcement of the equity placing which is expected to be on 14th December 2016.
5. Net debt is calculated as gross debt liabilities less cash reserves (including bank deposits and bank balances).
6. The gross debt liabilities of US$995 million as at 30 June 2016 were calculated by adding "Non-current Term Loans" of US$607 million, "Current Term Loans" of US$188 million and "Bank overdrafts and other short term borrowings" of US$200 million as included in the Unaudited Condensed Consolidated Financial Statements of the Company for the period ended 30 June 2016.
7. This adjustment reflects the estimated net proceeds from the placing of Ordinary Shares of the Company of US$334 million net of transaction costs. The adjustment assumes that the Company placed 18,571,428 shares (which represents 9.99% of the Company's issued capital) at the share price of GBP 14.48, being the Company's closing share price as of 13 December 2016. The actual proceeds from the placing will depend upon the actual share price on the date of announcement of the equity placing which is expected to be on 14th December 2016.

Principal terms of the Acquisition

A sale and purchase agreement (the SPA) was entered into between NMC Healthcare LLC, a subsidiary of the Company (the Purchaser), and GMPC on 14 December 2016 whereby the Group will acquire 100 per cent. of the share capital of the Al Zahra Hospital and certain land and buildings which are currently used for the benefit of the Al Zahra Hospital.

The consideration payable to GMPC in respect of the Acquisition is AED2,058 million (approximately US$560 million), such amount to be paid wholly in cash. The purchase price will be set out on the basis of a locked box balance sheet dated 30 November 2016. The consideration payable under the Acquisition will be funded from a combination of the New Loan Facilities and the sale of the Placing Shares.

Completion of the Acquisition is dependent upon a number of conditions and approvals, including:

- the approval of the Resolutions by ordinary resolution of the Company at the General Meeting;
- the approval by the shareholders of GMPC of the divestment of the Al Zahra Hospital and land and buildings to the Group and the Purchaser;
- full and unconditional non-objection letters issued by:
  - The Sharjah Economic Development Department (SEDD) in respect of the transfer of 100 per

cent. of the shares of the Al Zahra Hospital to the Group; and
- UAE Ministry of Health in respect of the transfer of the Al Zahra Hospital's hospital licence;

- compliance with the process required by ADX/ESCA for the divestment of the Al Zahra Hospital by GMPC; and
- other customary conditions relating to the businesses of the two groups.

The Directors expect the Acquisition to complete during Q1 2017, but in any event, before the Acquisition Long Stop Date, being 90 calendar days after the date of the SPA, 14 March 2017.

Irrevocable undertakings and statements of intent

NMC

The Company has received an irrevocable undertaking from Dr. B. R. Shetty, a director beneficially interested in the Company to vote in favour of the Acquisition and the associated resolutions at the General Meeting in respect of his beneficial holding of the Ordinary Shares in the Company, which represent approximately 25.7 per cent. of the ordinary share capital of the Company on issue at close of business on 13 December 2016.

The Company has also received irrevocable undertakings to vote in favour of the Acquisition and the associated resolutions at the General Meeting from H. E. Saeed Bin Butti, Khalifa Bin Butti and Infinite Investment LLC, who represent in aggregate approximately 35.9 per cent. of the ordinary share capital of the Company in issue at close of business on 13 December 2016.

GMPC

GMPC is expected to receive irrevocable undertakings from its two largest shareholders, to vote in favour of the divestment of the Al Zahra Hospital to the Group. The GMPC General Meeting is scheduled to take place on 2 January 2017.

Financing of the Acquisition

J.P. Morgan Limited and Standard Chartered Bank, acting through its Dubai International Financial Centre (DIFC) branch, have arranged new loan facilities of US$1.4 billion with the Purchaser which will be made available on signing of the SPA (the "**New Loan Facilities**").

The consideration payable to GMPC of approximately US$560 million and associated fees relating to the Acquisition, along with the repayment of the Group's current debt facilities, will be funded from a combination of the New Loan Facilities and the sale of the Placing Shares in the Placing (defined below).

The New Loan Facilities comprise:

- the Facility A Agreement, consisting of a US$825 million loan with five year maturity, used to refinance existing NMC facilities; and
- the Facility B/C Agreement, totalling US$575 million, to provide cash consideration for the Acquisition.

The Facility B/C Agreement includes (i) an 18-month bridge facility expected to be replaced in the debt markets ("**Facility B**"), and (ii) an 18-month bridge facility expected to be replaced by part of the expected proceeds of the Placing ("**Facility C**").

In addition to the New Loan Facilities, the Company has announced its intention to issue 18,571,428 Shares (the "**Placing Shares**") in an equity placing (representing up to 9.99 per cent. of the Company's Ordinary Share Capital) (the "**Placing**"). The Placing has been jointly underwritten by J.P. Morgan Securities plc and HSBC Bank plc on, and subject to, the terms of the Placing and Sponsor's Agreement and will be used to finance part of the Acquisition.

Applications will be made to the UK Listing Authority for the Placing Shares to be issued in connection with the Placing to be admitted to listing on the premium listing segment of the Official List and to the London Stock Exchange for the Placing Shares to be admitted to trading on its main market for listed securities. It is expected that admission of the Placing Shares will become effective, and that dealings in the Placing Shares will commence, on 16 December 2016.

Each of Dr. B. R. Shetty, H. E. Saeed Bin Butti and Khalifa Bin Butti are considered to be a related party to the Company under Chapter 11 of the Listing Rules, as a result of holding in excess of 10 per cent. of the issued share capital of the Company, and in the case of Dr. B. R. Shetty, owing to his position as a director of the Company. In addition, Infinite Investment LLC is considered to be a related party as it is an associate of H. E. Saeed Bin Butti and Khalifa Bin Butti. Each of Dr. B R. Shetty, H. E. Saeed Bin Butti, Khalifa Bin Butti and Infinite Investment LLC have indicated their intention to participate in the Placing up to the lesser of each of their pro-rata contribution or US$170 million. The Placing is conditional on the participation of these shareholders. Should the Placing be oversubscribed, the participation by each of Dr. B R. Shetty, H. E. Saeed Bin Butti, Khalifa Bin Butti and Infinite Investment LLC may be reduced. The allocation of Placing Shares to these persons pursuant to the Placing constitutes a smaller related party transaction pursuant to paragraph 11.1.10R of the Listing Rules.

Current trading and outlook

NMC

The Directors confirm the Company's standalone outlook as described in its interim results announcement on 24 August 2016, extracts of which are set out below:

"Our focus has consistently been on delivering a long-term strategy capable of enhancing our growth prospects in a diversified and sustainable manner. We have expanded our asset and brand portfolio organically and inorganically into additional healthcare services segments, extended our presence across the continuum of care, entered into higher growth and margin specialties with very favourable regional supply/demand dynamics and selectively entered into new geographies to position the Company at the intersection of multiple growth channels to the ultimate benefit of all our stakeholders. In H1 2016 we have just started to reap the long-term rewards of several years post IPO work on the two stages of our growth strategy. Despite record growth this year, we expect strong performance to continue going forward supported by the increased utilisation of our organic 485 bed capacity expansion over the past 18 months, recent acquisitions of businesses in high growth segments, very good performance at the major specialty hospitals and in particular Dubai based hospitals and medical centres as mandatory healthcare insurance penetration continues to expand."

"The general macro-economic outlook in the UAE remains stable with moderate GDP growth expected. The IMF forecasts a real GDP growth of 2.3 per cent. and 2.5 per cent. in 2016 and 2017 respectively. The ongoing insurance reform in Dubai continues to increase medical insurance penetration rates to expand the UAE healthcare market size and thus the prospects for NMC."

The Directors have continued to see positive trading from the Company since its interim results announcement on 24 August 2016. For the ten months to 31 October 2016 for the Company has seen continued momentum across the business with positive financial results driven by the continued strong operational performance from existing and newly opened facilities and the successful integration and first full year of consolidation of a number of recently acquired businesses. The NMC Royal Hospital has seen continued strong growth in volumes and is performing ahead of management's expectations. Additionally, both inpatient and outpatient numbers have ramped up considerably at Brightpoint Hospital, driven by increased demand for complex procedures.

The Directors confirm the Company's standalone 2016 EBITDA guidance of approximately US$240 million. The Directors note that prior 2017 EBITDA guidance of approximately US$300 million will no longer be relevant in light of the timing of the Acquisition with completion expected in early 2017 and the associated impact to the Company's earnings in 2017 and later years.

The Board remains committed to its previously stated policy to target a dividend pay-out ratio of 20-30 per cent. of profit after tax. The Board believes that this is a progressive dividend policy, whilst maintaining an appropriate level of dividend cover. The dividend policy not only reflects the strong cash flow characteristics of the Group, but also allows for the retention of cash to fund the ongoing operating requirements and continued investment which the Company has highlighted for its long-term growth.

The Al Zahra Hospital

The Directors believe that the recent 17 storey investment will drive revenue growth over the medium and longer term as the additional added capacity drives by increased patient numbers. In 2016 and the near term, the Directors expect the benefit of revenue growth to be more than offset by the substantial investment in recruiting new doctors and key staff following the facility expansion and refurbishment undertaken in 2015 and 2016.

In addition to the benefits resulting from the above investment expenditure, the Directors plan to implement the following strategy to drive additional growth in revenue and profit at the Al Zahra Hospital:

- hiring of additional consultants with complementing higher complexity and value added specialisms to improve the service mix at the Al Zahra Hospital and potentially the revenue per patient;
- adding further centres of excellence within the Al Zahra Hospital;
- expanding the addressable market through higher participation in mid-segment insurance plans to increase patient footfall, asset utilisation and thus benefit from operational gearing;
- increasing marketing and thus patient recruitment underpinned by the promotion of local referrals through community-based doctors to fill current spare capacity across specialities; and
- increasing investment in leading medical treatments and laboratory equipment to strengthen the Al Zahra Hospital's reputation as a leading regional general hospital.

The Directors believe that the benefits of the recent GMPC investment and their planned strategy above will allow attractive medium term revenue growth, with any additional market growth driven from the potential near-term introduction of mandatory insurance for employers in Sharjah and any revenue synergies arising from the Acquisition, providing additional upside to this.

General Meeting and Shareholder Circular

Due to its size, the Acquisition constitutes a Class 1 transaction under the UK Listing Rules and the Company is therefore seeking the approval of the Shareholders for the Acquisition. Further details of the Acquisition and the transactions related to the Acquisition, together with a notice convening a General Meeting to consider the Acquisition, will be contained in the Shareholder Circular. The General Meeting will be convened in due course at which the Shareholders will be asked to consider, and if thought fit, pass a resolution to approve the Acquisition.

RISK FACTORS

Shareholders should carefully review all of the information contained in this announcement and should pay particular attention to the risks described below. If one or more of the following risks were to arise, the business, financial condition, results of operations, prospects and/or the share price of the Group and, following the Acquisition, the Enlarged Group could be materially and adversely affected and investors could lose all or part of their investment. The risks set out below may not be exhaustive and do not necessarily comprise all of the risks associated with the Group and, following the Acquisition the Enlarged Group. Additional risks and uncertainties not currently known to us or which we currently deem immaterial may arise or become material in the future and may have a material adverse effect on the business, results of operations, financial condition, prospects and/or share price of the Group, and following the Acquisition, the Enlarged Group and shareholders could lose all or part of their investment.

Risks relating to the acquisition

The Acquisition is subject to a number of conditions which may not be satisfied or waived

Completion of the Acquisition is conditional on the satisfaction of certain conditions including, amongst other things: (i) approval of the Acquisition by the Shareholders at the General Meeting; (ii) approval of the Acquisition by the shareholders of GMPC; and (iii) full and unconditional non-objection letters being obtained from certain government bodies.

There can be no assurance as to the timing of obtaining the necessary non-objection letters and waivers, or that such non-objection letters or waivers will not be subject to conditions, requirements, limitations or costs, including the giving of undertakings by the Group. These conditions, requirements, limitations, costs and undertakings could jeopardise or delay the completion of the Acquisition or may reduce the anticipated benefits of the proposed Acquisition.

There can be no assurance that these conditions will be satisfied (or waived, if applicable). If these conditions are not satisfied or waived, the Acquisition will not take effect, either at all or in the manner currently envisaged.

Management attention may be diverted from the Group's existing business by the Acquisition and the process of integrating the Al Zahra Hospital with the Group

The Acquisition has required, and will continue to require, substantial amounts of both time and focus from the Group's management teams, which could divert the attention of those teams from maintaining standards of operation in their respective businesses. If the transaction is approved, following the Acquisition, the Enlarged Group's management team will also be required to devote significant attention and resources to integrating the Group and the Al Zahra Hospital businesses. There is a risk that the challenges associated with managing the Acquisition will result in management teams of the Enlarged Group being distracted and that consequently the underlying businesses will

not perform in line with expectations.

The Enlarged Group may not be able to integrate successfully the Al Zahra Hospital, and/or it may not be able to realise the anticipated cost savings or other synergies from the Acquisition

The Acquisition of the Al Zahra Hospital is in line with the Group's strategy which includes growing through acquisitions. The process of integrating acquired businesses involves risks. These risks include, but are not limited to:

- diversion of management's attention from the management of daily operations to the integration of newly acquired operations;
- difficulties in the assimilation of different corporate cultures, practices and sales and distribution methodologies;
- difficulties in conforming the acquired company's accounting, internal controls and other procedures and policies to those of the Group;
- retaining the loyalty and business of the customers of acquired businesses;
- retaining employees who may be vital to the integration of the acquired business or to the future prospects of the combined businesses;
- difficulties and unanticipated expenses integrating information technology (IT) and other operational systems and procedures; and
- unanticipated costs and expenses associated with any undisclosed or potential liabilities.

Furthermore, even if the Enlarged Group is able to integrate the relevant operations of the Al Zahra Hospital or other acquired businesses successfully, it may not be able to realise the potential cost savings and synergies that were anticipated from the integration, either in the amount or within the time frame that it expected, and the costs of achieving these benefits may be higher than, and the timing may differ from, what it expected. The Enlarged Group's ability to realise anticipated cost savings and synergies may be affected by a number of factors, including, but not limited to, the following:

- the use of more cash or other financial resources on integration and implementation activities than expected;
- increases in other expenses unrelated to the acquisitions, which may offset the cost savings and other synergies from the acquisitions;
- the Enlarged Group's ability to eliminate duplicative back-office overhead and overlapping and redundant selling, general and administrative functions; and
- the Enlarged Group's ability to avoid labour disruptions in connection with any integration, particularly in connection with any headcount reduction or in connection with the management and separation of shared services between the Al Zahra Hospital and other healthcare facilities currently owned by GMPC.

If the Enlarged Group fails to realise anticipated cost savings and synergies, its financial results may be materially adversely affected, and it may not generate the cash flow from operations that it anticipated.

There may be a delay between signing and completion

Given that there are conditions to which the Acquisition is subject (see '*The Acquisition is subject to a number of conditions which may not be satisfied or waived*' above), there may be a delay between signing and completion in order to satisfy them. During the period to completion of the Acquisition, events or developments may occur which could make the terms of the Acquisition less attractive for the Group and this may have an adverse effect on the business, financial condition or results of the Enlarged Group, and any delay in completion may result in additional transaction costs.

The Group will incur additional indebtedness following the Acquisition and its leverage following the Acquisition will increase

As at 30 June 2016, the Group had a net debt position of US$790 million [8], which included gross debt liabilities of US$995 million [9]. The Group has entered into the US$1.4 billion New Loan Facilities arranged by J.P. Morgan Limited and SCB, DFIC, comprising three loan facilities, Facility A, Facility B and Facility C, as further described under the *Financing of the Acquisition* section above. The Facility A agreement under the New Loan Facilities, consisting of a US$825 million loan, is to be used to refinance existing NMC facilities in the event that lenders under the existing facilities do not consent to the Acquisition and/or Facility B and Facility C. Facility C is not expected to be drawn if the expected proceeds from the Placing are attained. However, Facility B and Facility C, together totalling US$575 million, may be used to provide cash consideration for the Acquisition. As such the leverage of the Group, and following the Acquisition, the Enlarged Group, will increase if those funds are drawn. The additional indebtedness incurred will bear a variable rate of interest and as such the Enlarged Group will be exposed to interest rate risk (see 'Increases in interest rates may adversely affect the Group's, the Al Zahra Hospital's and, following the Acquisition, the Enlarged Group's financial condition' below).

Facility B and Facility C will have an initial term of 18 months, during which time the Directors of the Enlarged Group intend to secure alternative sources of funding to refinance those facilities. Should this not be possible the Enlarged Group may have to repay the full amount of its indebtedness at the expiry of the term, which would have a severely detrimental impact on the Enlarged Group's business, financial condition and results of operations.

8. Net debt is calculated as gross debt liabilities less cash reserves (including bank deposits and bank balances).
9. The gross debt liabilities of US$995 million as at 30 June 2016 were calculated by adding "Non-current Term Loans" of US$607 million, "Current Term Loans" of US$188 million and "Bank overdrafts and other short term borrowings" of US$200 million as included in the Unaudited Condensed Consolidated Financial Statements of the Company for the period ended 30 June 2016.

The Al Zahra Hospital may not perform in line with expectations

If the results and cash flows generated by the combination of the operations of the Al Zahra Hospital with those of the Group are not in line with the Directors' expectations, then a write-down may be required against the carrying value of the Group's investment in the Al Zahra Hospital. Such results or write-down may adversely affect the Company's share price, value and/or reduce the Enlarged Group's ability to raise future financing, generate distributable reserves and consequently affect its ability to pay dividends or return capital to Shareholders.

Risks relating to the Group, the Al Zahra Hospital and the Enlarged Group

The Group, the Al Zahra Hospital and, following the Acquisition, the Enlarged Group operates in a regulated sector and changes in this regulation, or any failure by the Group to remain in compliance with this regulation, could have a material adverse effect on the Group's, the Al Zahra Hospital's and, following the Acquisition, the Enlarged Group's operations

The healthcare industry is subject to laws, rules and regulations in the countries where the Group and the Al Zahra Hospital currently conducts business and in those to which it intends to expand its operations. The UAE healthcare industry, in particular (including the regulations that affect the healthcare-related aspects of the Group's distribution and services segment, such as the importation and sale of pharmaceutical products) is heavily regulated. The Group believes that the healthcare industry in the UAE is one of the fastest-growing sectors in the country and one in which the UAE, continue to commit large investment in the development and improved regulation of the industry. In the UAE, the Group's and the Al Zahra Hospital's medical facilities and pharmacies are regulated by various bodies, including the Health Authority of Abu Dhabi (the HAAD), the Dubai Health Authority (the DHA) and the Ministry of Health of the UAE (the MoH). Many of the Group facilities are also accredited with internationally recognised standards organisations, such as Joint Commission International.

The Group and the Al Zahra Hospital are subject to extensive regulation relating to, among other things:

- the conduct of operations;
- the addition of facilities and services;
- the adequacy of medical care, including required ratios of nurses to hospital beds;
- the quality of medical equipment and services;
- the qualifications of medical and support personnel;
- the confidentiality, maintenance and security issues associated with health-related information and medical records;
- the screening, stabilisation and transfer of patients who have emergency medical conditions; and
- the handling and disposal of medical waste.

Regulation in the healthcare industry is constantly changing, and the Group is unable to predict the future course of international and local regulation or changes to the structure of healthcare provision in any jurisdiction in which it operates. There can be no assurance that future regulatory or healthcare structure changes, including in respect of pricing, will not have a material adverse effect on the Group's and, following the Acquisition, the Enlarged Group's business, financial condition and results of operations in the future. In addition, safety, health and environmental laws and regulations in the UAE have been increasing in stringency in recent years and it is possible that they will become significantly more stringent in the future. To comply with these requirements, the Enlarged Group may have to incur substantial operating costs and/or capital expenditure in the future.

Following the Acquisition the Group will integrate the Al Zahra Hospital's regulatory compliance processes and procedures with its own. During this process it is a risk that any misalignment of compliance processes could result in a) breach of regulation and/or b) deterioration of clinical care and quality standards which may result in a breach of accreditation standards. If a determination is made that the Group and, following the Acquisition, the Enlarged Group, is in material violation of applicable laws, rules or regulations, or clinical quality standards, its business, financial condition and results of operations could be materially adversely affected as a result of fines or other sanctions imposed and as a result of the negative impact and loss of patient customer confidence that any publicity associated with the non-compliance could have on its reputation.

The Group, the Al Zahra Hospital and, following the Acquisition, the Enlarged Group depends on payments from a relatively small number of insurance providers. If the Group's relationship with these insurance companies deteriorates, if it is unable to negotiate and retain similar fee arrangements, or if these insurance providers are unable to make payments to the Group, the Group's, the Al Zahra Hospital's and, following the Acquisition, the Enlarged Group's business may be materially adversely affected

A significant proportion of the Group's the Al Zahra Hospital's and, following the Acquisition, the Enlarged Group's revenue is received from public and private health insurance companies. In each of 2015, 2014 and 2013, revenue from insurance companies represented around 75 per cent. of the Group's total healthcare revenue. Of the Group's total healthcare revenue in 2015, 46.8 per cent. was derived from its top four insurance company customers.

The Group generally negotiates on an annual basis with insurance companies regarding the fees or pricing arrangements to be paid to the Group for the services provided at its medical facilities. Many of these insurance companies have joined third-party administration (TPA) organisations, which insurers use to control costs by centralising back office functions, processing claims and negotiating fees and pricing arrangements with hospitals. The Enlarged Group may face downward pressure on some of the payment rates from these insurers and TPAs, particularly if there is further consolidation of insurance companies into TPAs, which may strengthen their bargaining position and result in less favourable pricing and other terms for the Enlarged Group. The Enlarged Group may also be unable to pass on effectively any increases in its cost base to the tariffs paid by insurers.

In Dubai and Abu Dhabi in particular, the Group is, and following the Acquisition, the Enlarged Group will be, dependent upon the legal requirement for employers to provide employees with health insurance. If there is any change to these legal requirements, or a change of scope in the requirements, there may be a material adverse effect on the Group's, and following the Acquisition, the Enlarged Group's business, financial condition and results of operation. Furthermore, most health insurance in the region is provided by a government owned insurance company which further enhances its relative bargaining position.

In addition, changes in the scope of coverage provided by insurance companies could negatively impact the Enlarged Group.

Any future changes in the regulatory pricing of pharmaceutical products may have an adverse effect on the financial performance of the Al Zahra Hospital and the Enlarged Group

Each of the Al Zahra Hospital, the Group and the Enlarged Group are exposed to the new price regulations related to the procurement and sales of pharmaceutical products. The UAE MoH may in the future further reduce the retail pricing of certain pharmaceutical products. The MoH typically reduced the procurement costs as part of the same regulatory price regulations. Thus price reductions could be partially offset by the associated procurement price decrease.

The performance of the Group, the Al Zahra Hospital and, following the Acquisition the Enlarged Group depends on its ability to recruit and retain quality doctors and other healthcare professionals, such as nurses and technicians

The Group's, the Al Zahra Hospital's and, following the Acquisition the Enlarged Group's operations depend on the number, efforts, ability and experience of the doctors and other healthcare professionals at its medical facilities. The Group competes with other healthcare providers, including

those located in the UAE, North America, India, the European Union (EU) and Egypt, to recruit and retain qualified doctors and other healthcare professionals. In some cases, doctor recruitment and retention is affected by a shortage of doctors in certain specialties.

The reputation, expertise and demeanour of the doctors and other medical professionals who provide medical services at the Group's, the Al Zahra Hospital's and, following the Acquisition the Enlarged Group's medical facilities are instrumental to their ability to attract patients. The success of the Group's, the Al Zahra Hospital's and, following the Acquisition the Enlarged Group's medical facilities depends, therefore, on the number and quality of the doctors on the medical staffs of its medical facilities, the admitting practices of those doctors and the Group maintaining good relations with those doctors.

The factors that doctors consider important in deciding where they will work include compensation package, reputation of hospital, quality of equipment and facilities, quality and number of supporting staff and market leadership of the hospital. The Enlarged Group may not be able to compete effectively with other healthcare providers on all these factors.

Moreover, since the ability to attract, hire, relocate and retain medical personnel from abroad is an important element of the Group's the Al Zahra Hospital's and, following the Acquisition the Enlarged Group's human resource planning, local immigration and medical licensing requirements significantly affect its staffing requirements. Immigration and medical licensing applications for medical personnel may take several months or more to be finalised. If the Enlarged Group is unable to complete the requisite licence and visa applications, either as a result of changing requirements or otherwise, for its new recruits its ability to implement successfully its business strategy could suffer, which may have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

The Group, the Al Zahra Hospital and, following the Acquisition the Enlarged Group depends heavily on key personnel, and loss of the services of one or more of the Group's, the Al Zahra Hospital's and, following the Acquisition the Enlarged Group's key executives or a significant portion of its management personnel could weaken the Group's management team and materially adversely affect its business, financial condition and prospects

The Group's, the Al Zahra Hospital's and, following the Acquisition the Enlarged Group's success largely depends on the skills, experience and efforts of its senior management team and on the efforts, ability and experience of key members of its management staff. The Group's, the Al Zahra Hospital's and, following the Acquisition the Enlarged Group's senior management has extensive experience in the private hospitals industry and has skills that are critical to the operation of the Group's, the Al Zahra Hospital's and, following the Acquisition the Enlarged Group's business.

Individuals with industry-specific experience are scarce, and the market for such individuals is highly competitive. It is possible that, following the Acquisition, a failure of the Enlarged Group to maintain or put in place plans or arrangements to incentivise employees could result in the departure of key personnel or members of the Enlarged Group management. The Enlarged Group may not be able to attract and retain qualified personnel to replace or succeed members of its senior management or other key employees, should the need arise following the Acquisition. None of the Group's, the Al Zahra Hospital's and, following the Acquisition the Enlarged Group's directors or executive officers is covered by key man life insurance policies. The loss of services of one or more members of the Enlarged Group's senior management or of a significant portion of any of its management staff following the Acquisition could weaken significantly its management expertise and its ability to deliver healthcare services efficiently. This could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

The Group's, the Al Zahra Hospital's and, following the Acquisition, the Enlarged Group's business may be materially adversely affected if successful clinical negligence claims are brought against them

Each of the Group, the Al Zahra Hospital and, following the Acquisition, the Enlarged Group maintain patient-facing operations. There can be no assurance that the Group, the Al Zahra Hospital and following the Acquisition, the Enlarged Group will have no future clinical negligence claims made against it. As a result of the acquisition, the Enlarged Group will have a significantly greater patient population which will increase the Enlarged Group's exposure clinical negligence claims. Such claims, if successful, could result in significant liabilities, compensation claims or settlement payments which would have an adverse impact on the financial performance of the Enlarged Group as well as the reputation of the Enlarged Group as a healthcare provider. Such claims, even if unsuccessful, may still cause reputational damage to the Enlarged Group, as a healthcare provider.

Many of the Group's, and following the Acquisition, the Enlarged Group's key assets will be held by a nominee

Under UAE law and regulations, with the exception of certain specific areas designated by each emirate as such, all land must be held legally by a UAE national or corporate entities fully owned by UAE nationals or nationals of the GCC. Also, with the exclusion of free zones, foreign ownership of shareholdings in corporate entities in the UAE is restricted to 49 per cent. while the remaining 51 per cent. must be owned by UAE persons. In addition, all healthcare facility and pharmacy operating licences may only be held legally by a UAE national, and not a body corporate. As a result, some of the property and shareholdings in the healthcare facilities and pharmacies owned beneficially by the Group, and all of the Group's medical facility and pharmacy licences, are held legally in the name of either H.E. Saeed Bin Butti or Mr. Khalifa Bin Butti for the sole benefit of the Group. Both H.E. Saeed Bin Butti or Mr. Khalifa Bin Butti are previous directors and continue to be significant Shareholders of the Company.

The Real Estate, the shareholding of the Al Zahra Hospital, as well as the medical facility and pharmacy licenses relating to the Al Zahra Hospital are similarly subject to these laws and regulations. It is anticipated that, following the Acquisition, these assets of the Enlarged Group will be held by a similar nominee structure. Should there be any change in law or in the interpretation of the law by the UAE courts which makes the current structure of ownership no longer viable, the value of the affected assets of the Enlarged Group may be materially reduced, or the Enlarged Group may be required to dispose of them.

Although this ownership structure is commonly used in the UAE, and as such the likelihood of change/challenge is remote, the potential effect on the business and financial condition of the Enlarged Group would be material.

Increases in interest rates may adversely affect the Group's, the Al Zahra Hospital's and, following the Acquisition, the Enlarged Group's financial condition

The Group will incur variable interest rate indebtedness in order to finance the Acquisition (see '*The Group will* *incur additional indebtedness following the Acquisition and its leverage following the Acquisition will increase'* above). These borrowings expose the Group, and following the Acquisition, the Enlarged Group, to increases in interest rates generally. Interest rates are highly sensitive to many factors beyond the Group's or the Enlarged Group's control, including the interest rate and other monetary policies of governments and central banks in the jurisdictions in which the Group, and following the Acquisition, the Enlarged Group, operates. Any increase in interest rates will result in an increase in the Enlarged Group's variable interest rate expense, to the extent that the increase is not effectively hedged, and may have a material adverse effect on the Enlarged Group's financial condition and results of operations.

The UAE private healthcare sector, including Sharjah, continues to represent a large and attractive market for investors and increased competition may be adversely affect the Group's, the Al Zahra Hospital's and, following the Acquisition, the Enlarged Group's financial condition

Increased competition due to high private and government investments in the UAE healthcare sector and associated investments coming whether from new entrants or existing market participants could lead to a potential loss of market share and reduction in access to future growth in UAE healthcare spend.

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