



GHG buys out minority at major referral hospital

Georgia Healthcare Group PLC (the "**Group**" or "**GHG**") announces that it has signed a binding Memorandum of Understanding, subject to relevant regulatory approvals, to buy-out the remaining 33.3% minority shareholding of its largest pediatric hospital, Iashvili Referral Hospital ("**Iashvili**"). GHG has held a 66.7% controlling interest in Iashvili since February 2014. In exchange for the 33.3% minority shareholding at Iashvili, GHG will pay cash of US\$ 1.0 million and transfer all of its assets in Tbilisi Maternity Hospital "**New Life**" ("**New Life**") to the seller of the minority stake. GHG has held a 100% stake in New Life since February 2014. Following this transaction, GHG will own 44 healthcare facilities with a total of 2,588 beds, of which 15 are referral hospitals operating 2,127 beds, 19 are community hospitals operating 461 beds and 10 are ambulatory clinics.

Financial and operating highlights of Iashvili and New Life	Iashvili	New Life
Number of operating beds at the end of 2015	266	82
Gross revenue in 2015	GEL 25.2 million	GEL 2.4 million
<i>Of which: attributable to the minority shareholder</i>	GEL 8.4 million	GEL 0 million

"I am pleased to announce this buy-out. The acquisition of the remaining stake in Iashvili will allow us to proceed with the full integration of Iashvili, extracting synergies and further strengthening GHG's position in the Georgian pediatric healthcare segment," commented **Nikoloz Gamkrelidze**, CEO of Georgia Healthcare Group.

About Georgia Healthcare Group PLC

Georgia Healthcare Group PLC is a UK incorporated holding company of the largest healthcare services provider in the fast-growing, predominantly privately-owned, Georgian healthcare services market. GHG's leadership position is underpinned by offering the most comprehensive range of inpatient and outpatient services targeting the mass market segment through its vertically integrated network of 35 hospitals and ten ambulatory clinics, as at 31 December 2015. GHG is the single largest market participant, accounting for 26.6% of total hospital bed capacity in the country as of 31 December 2015. GHG is also the largest provider of medical insurance in Georgia with a 38.4% market share based on net insurance premiums earned and approximately 234,000 insurance customers as at 31 December 2015. GHG employed a total of c.9,700 people as at 31 December 2015, including 2,705 physicians

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