RNS Number : 8158W
Integrated Diagnostics Holdings PLC
24 August 2015

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Integrated Diagnostics Holdings Reports First Half 2015 Results

- €€€ ***Revenues*** *rise 18% year-on-year to EGP 493.2 million (a record revenue for any six-month period) amid improvements in all key operational metrics*
- €€€ *Normalised* ***EBITDA*** *of EGP 224.3 million, up 22% from 1H2014 (adjusted for one-time IPO expenses of EGP 122.9 mi--llion)*
- €€€ ***Net profit*** *for the period came in at EGP 22.1 million, while net profit normalised for IPO expenses stood at EGP 145.0 million, up 11% year-on-year (like-for-like comparison to 1H2014 net profit normalized for non-operational amortisation expenses)*
- €€€€ ***Megalab****, the new automated central lab, has begun operations and will be fully functional by year end, serving as a core element of the growth strategy going forward*

Unaudited	**Financial Period for the six months ended 30 June**		**% change**
	2015	**2014**	**over period**
Revenue (EGP '000)	493,232	416,830	18%
Number of patients	2,931,133	2,751,881	7%
Number of tests	11,721,224	10,850,277	8%
Number of branches	300	276	9%
New branches opened	12	14	-14%

Jersey, 21 August 2015

Integrated Diagnostics Holdings ('IDH'), IDHC on the London Stock Exchange, Egypt's largest fully integrated private-sector provider of medical diagnostics services, announced today its consolidated financial results for the six months ended 30 June 2015 (1H2015), reporting revenues of EGP 493.2 million, a record revenue performance for IDH in any six-month period.

IDH reported net profit of EGP 22.1 million in 1H2015, which includes EGP 122.9 million of one-time expenses related to the company's successful initial public offering (IPO) on the London Stock Exchange (LSE) in May 2015.

Adjusting for the impact of these IPO expenses, normalised net profit for 1H2015 would stand at EGP 145.0 million, compared to 1H2014 reported net profit of EGP 62.2 million (or EGP 130.6 million normalised for EGP 68.4 million of one-off charges related to the amortisation of intangible assets).

"Our first-half results speak to both the robustness of our business model and to the depth of our management team," noted Dr. Hend El-Sherbini, Chief Executive Officer of IDH. "We have delivered double-digit top- and normalised bottom-line growth and inaugurated our central 'Megalab' while simultaneously concluding our very successful IPO. Our financial and operational results are in line with management expectations, leaving us well-positioned to expand our reach in our core Egyptian market and begin making better use of the expanded, cost-effective capacity afforded by the Megalab as operations are fully ramped-up by the end of the current year."

Key Operational Highlights

Management continued to execute IDH's proven 'hub, spoke and spike' strategy in 1H2015. The Group brought 12 new labs into operation in the six months to 30 June 2015, including 11 in Egypt and one in Sudan, bringing the total to 300.

In parallel, initial operations of the Megalab began in May 2015. Capital expenditure in 1H2015 was dominated by spending to complete the fully automated facility, which will increase IDH's total testing capacity and accelerate cost savings due to its lower labour requirements. When fully operational by the end of 2015, the Megalab will replace the Group's two 'A' labs in Egypt, with one semi-automated 'A' lab remaining in place as a backup facility.

The Megalab is a key component of the company's growth strategy going forward. It will permit the widening and deepening of the Group's footprint through the rollout of new, capital-efficient 'C' labs (primarily collection centres in areas convenient to clients); allow the pursuit of new business by taking on outsourced work for hospitals and third-party labs; facilitate regional expansion; and see IDH introduce more esoteric tests. Management is presently preparing to secure CAP (College of American Pathologists) accreditation for the Megalab.

Financial Performance

Financial summary - All figures in the table below in EGP '000

Unaudited	**Financial Period for the six months ended 30 June**		**% change**
	2015	**2014**	**over period**
Revenue	**493,232**	**416,830**	**18%**
Gross Profit	271,087	158,832	71%

Adding back Amortization of intangible assets	**352**	**68,400**	
Normalized Gross Profit	**271,439**	**227,232**	**19%**
OPEX[1]	(184,444)	(56,227)	228%
EBITDA	101,407	183,685	-45%
Adding back Non-recurring expenses[2]	**122,911**	**-**	
Normalized EBITDA	**224,318**	**183,685**	**22%**
Depreciation and Amortization[3]	14,293	80,053	-82%
Profit for the period	**22,128**	**62,197**	**-64%**
Normalized Profit for the period	**145,028**	**130,597**	**11%**
Cash Balance	**209,602**	**106,735**	**96%**
CAPEX[4]	111,234	12,659	779%

1 OPEX comprises of marketing & advertising, administrative and other expenses.
2 Non-Recurring expenses representing the IPO expenses amounting to EGP 122.9mln in 2015.
3 2014 depreciation and amortization figure includes EGP 68.4mln in one-time amortization of intangible assets.
4 CAPEX is the total additions to Property, Plant & Equipment in the period. The six month period ended 30 June 2015 (1H2015) includes assets recognized under finance lease agreements for the new Mega Lab of EGP 74M for which there was no cash outflow in the period.

Egypt continued to contribute 90% of Group revenues recorded during 1H2015 (47% from Al Mokhtabar, 42% from Al Borg and 1% from a genetics subsidiary), followed by Jordan (7%) and Sudan (3%). Continued successful advertising and marketing activities saw total patients served rise 7% in the period to 2.9 million.

Normalised EBITDA for the period improved 22% to EGP 224.3 million, with Egyptian operations contributing 94% of normalised EBITDA against 4% from Jordan and 2% from Sudan.

Taxation is paid at the level of operating companies in Egypt, Jordan and Sudan, then consolidated at the IDH level. As all IPO expenses were carried at the IDH Plc level, they were accordingly not a factor in calculating the tax basis of subsidiaries.

Shareholder Information

LSE: IDHC.L
Bloomberg: IDHC:LN
Listed: May 2015
Shares Outstanding: 150 million

Contact

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Cautionary statement

These Interim Results have been prepared solely to provide additional information to shareholders to assess the group's performance in relation to its operations and growth potential. These Interim Results should not be relied upon by any other party or for any other reason. Any forward looking statements made in this document are done so by the directors in good faith based on the information available to them up to the time of their approval of this report. However, such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

INTEGRATED DIAGNOSTICS HOLDINGS plc - "IDH"

Integrated Diagnostics Holdings plc (IDH) was created with a vision of becoming one of the largest pure emerging market diagnostic groups. IDH provides more than 1,000 diagnostic services, including pathology and molecular diagnostics, genetics testing and basic radiology to patients and other laboratories operating through 6 different brands, over 300 branches and 4 central labs in Egypt, Jordon and Sudan. For further information, please go to www.idhcorp.com

Risks and Uncertainties

Those risks include the political and economic situation in Egypt and the Middle East, foreign currency supply and associated risks, changes in regulation and regulatory actions, damage to the Group's reputation, failure to maintain the Group's high quality standards and accreditations, failure to maintain good relationships with health care professionals and end-users, pricing pressures and business interruption of the Group's testing facilities, among others.

Going Concern

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly the directors continue to adopt the going concern basis in preparing the condensed financial statements. The Group's Financial Statements for the half year ended 30 June 2015 are available on the Group's website at www.idhcorp.com

Responsibility statement of the directors in respect of the half year financial report for the six month period ended 30 June 2015

The Interim Report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the Disclosure and Transparency Rules ("DTR") of the United Kingdom's Financial Conduct Authority. The DTR require that the accounting policies and presentation applied to the half yearly figures must be consistent with those applied in the latest published annual accounts, in this case being the special purpose consolidated financial statements published as at the end date of and for each of the years in the three year period ended 31 December 2014 and included in the prospectus for the Initial Public Offering by the Company dated 6 May 2015, which is available on the Company's website at www.idhcorp.com/investors, except where the accounting policies and presentation are to be changed in the subsequent annual accounts, in which case the new accounting policies and presentation should be followed, and the changes and the reasons for the changes should be disclosed in the Interim Report, unless the United Kingdom Financial Conduct Authority agrees otherwise.

We confirm that to the best of our knowledge:

The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU; and

The Interim Report includes a fair review of the information required by:

a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six month of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

A list of current directors of the Group is maintained on the Group's website at www.idhcorp.com.

For and on behalf of the Board of Directors:

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Dr. Hend El Sherbini
(CEO and Executive Director of the Group)

21 August 2015

Independent Review Report to Integrated Diagnostics Holdings plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six month ended 30 June 2015 which comprises Condensed consolidated interim statement of financial position, Condensed consolidated interim income statement, Condensed consolidated interim statement of profit or loss and other comprehensive income, Condensed consolidated interim statement of changes in equity, Condensed consolidated interim statement of cash flows and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA. As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit

opinion.
The company has not previously produced a half-yearly report containing a condensed set of financial statements and as a result there are no interim financial statements that have been subject to a review by an independent auditor. As a consequence, the review procedures set out above have not been performed in respect of the comparative period for the six months ended 30 June 2014.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six month ended 30 June 2015 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Adrian Wilcox, for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

21 August 2015

Condensed consolidated interim statement of financial position as of

(All amounts in Egyptian Pounds "EGP")

	Note	**30 June 2015 (Unaudited)**	**31 December 2014 (Audited)**
ASSETS			
Non-current assets			
Property, plant and equipment	4	341,995,709	243,873,5
Intangible assets and goodwill	5	1,608,487,398	1,608,839,1
Total non-current assets		**1,950,483,107**	**1,852,712,7**
Current assets			
Inventories	6	33,024,631	36,007,2
Trade and other receivables	7	118,400,348	90,074,8
Cash and cash equivalents	8	209,601,554	252,109,9
Total current assets		**361,026,533**	**378,192,0**
Total assets		**2,311,509,640**	**2,230,904,7**
Equity			
Share Capital	10	1,072,500,000	1,072,500,0
Share premium reserve	10	929,692,727	929,692,7
Capital reserve	10	(216,411,871)	(216,411,87
Legal reserve	10	27,130,957	26,945,4
Translation reserve		1,183,050	

Retained earnings		17,762,851	
Equity attributed to the owners of the Company		**1,831,857,714**	**1,812,726,3**
Non-controlling interest		44,236,792	42,841,7
Total equity		**1,876,094,506**	**1,855,568,0**
Deferred tax liabilites and other provisions	14	**126,181,263**	**126,011,8**
Non-current liabilities			
Long-term financial obligations	11	63,116,330	582,1
Total non-current liabilities		**63,116,330**	**582,1**
Current liabilities			
Trade and other payables	9	163,506,535	125,014,5
Borrowings		10,448	44,9
Current tax liabilities	16-C	82,600,558	123,683,2
Total current liabilities		**246,117,541**	**248,742,6**
Total liabilities		**435,415,134**	**375,336,7**
Total equity and liabilities		**2,311,509,640**	**2,230,904,7**

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors and signed on their behalf on 21 Aug 2015 by:

Dr. Hend El Sherbini
Chief Executive Officer

Tarek Hemida
Chief Financial Officer

The accompanying notes on pages 15 - 30 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim income statement for the six months ended

(All amounts in Egyptian Pounds "EGP")

	Note	30 June 2015 (Unaudited)	30 June 2014 (Unaudited)
Revenue		493,231,588	416,830,059
Cost of sales	12-1	(222,144,686)	(257,997,634)
Gross profit		**271,086,902**	**158,832,425**
Other income		471,032	1,025,910
Marketing and advertising expenses	12-2	(22,465,287)	(24,878,745)
Administrative expenses	12-3	(158,409,813)	(27,304,407)
Other expenses	12-4	(3,568,796)	(4,043,933)
Operating profit		**87,114,038**	**103,631,250**
Finance income	13	6,424,343	2,770,302
Finance cost	13	(1,381,609)	(3,159,667)
Net finance income / (cost)		5,042,734	(389,365)
Profit before tax		**92,156,772**	**103,241,885**
Income tax expense		(70,028,434)	(41,044,385)
Profit for the period		**22,128,338**	**62,197,500**
Profit attributed to:			
Owners of the Company		16,900,969	56,562,856
Non-controlling interest		5,227,369	5,634,644
		22,128,338	**62,197,500**
Earnings per share (expressed in EGP per share):			
Basic and diluted earnings per share	20	0.11	0.38

The accompanying notes on pages 15 - 30 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of profit and loss and other comprehensive income for the six months ended

(All amounts in Egyptian Pounds "EGP")

	30 June 2015 (Unaudited)	30 June 2014 (Unaudited)
Net profit	**22,128,338**	**62,197,500**

Condensed consolidated interim statement of changes in equity for the six months ended

(All amounts in Egyptian Pounds "EGP")

		Attributable to owners of the Company					
	Note	**Share capital**	**Share premium**	**Capital reserve**	**Legal reserve***	**Translation reserve**	
At 1 January 2015		**1,072,500,000**	**929,692,727**	**(216,411,871)**	**26,945,448**	**-**	
Profit for the period		-	-	-	-	-	
Other comprehensive income for the period		-	-	-	-	1,183,050	
Total comprehensive income		**-**	**-**	**-**	**-**	**1,183,050**	
Transactions with owners of the Company							
Contributions and distributions							
Dividends**		-	-	-	-	-	
Additional paid in capital		-	-	-	-	-	
Legal reserve formed during the period		-	-	-	185,509	-	
Total contributions and distributions		**-**	**-**	**-**	**185,509**	**-**	
Total transactions with owners of the Company		**-**	**-**	**-**	**185,509**	**-**	
Balance at 30 June 2015 (Unaudited)		**1,072,500,000**	**929,692,727**	**(216,411,871)**	**27,130,957**	**1,183,050**	
At 1 January 2014		**317,500**	**-**	**2,100,906,827**	**26,777,114**	**350,364**	**(2**
Profit for the period		-	-	-	-	-	
Other comprehensive income for the period		-	-	-	-	1,725,912	
Total comprehensive income		**-**	**-**	**-**	**-**	**1,725,912**	
Transactions with owners of the Company							
Contributions and distributions							
Dividends		-	-	-	-	-	(2
Legal reserve formed during the period			-	-	168,334	-	
Non-controlling interests resulting from acquisition of subsidiary		-	-	-	-	-	
Adjustments of the acquisition of IDH Caymans		-	-	-	-	-	
Total contributions and distributions		**-**	**-**	**-**	**168,334**	**-**	**(2**
Total transactions with owners of the Company		**-**	**-**	**-**	**168,334**	**-**	**(2**
Balance as at 30 June 2014 (Unaudited)		**317,500**	**-**	**2,100,906,827**	**26,945,448**	**2,076,276**	**(3**

The accompanying notes on pages 15 - 30 form an integral part of these condensed consolidated interim financial statements.

* Under Egyptian Law each subsidiary must set aside at least 5% of its annual net profit into a legal reserve until such time that this represents
distrubitable to the owners of the Company.

** Dividends paid in the period were from subsidiary companies within the period and no dividends were paid from IDH plc.

Condensed consolidated interim statement of cash flows for the six months ended

(All amounts in Egyptian Pounds "EGP")

	Note	30 June 2015 (Unaudited)	30 June 2014 (Unaudited)
Profit for the period before income tax		92,156,772	103,241,885
Adjustments			
Depreciation	4	13,941,145	11,618,432
Amortization		351,750	68,435,063
Loss on disposal of Property, plant and equipment		80,592	426,977
Impairment in trade and other receivables	12-4	2,478,171	2,913,179
Provisions made	12-4	1,010,033	703,777
Reversal of impairment in trade and other receivables		(85,106)	(77,433)
Provisions reversed		(6,145)	(788,974)
Interest expense	13	1,268,124	197,398
Interest income	13	(3,752,238)	(2,731,650)
Foreign currency exchange (gain) / loss	13	(2,672,104)	2,768,732
Operating income before changes in working capital		**104,770,994**	**186,707,386**
Provision used		(1,761,688)	(748,308)
Change in inventory		2,982,621	(7,954,319)
Change in trade and other receivables		(31,355,372)	(26,139,047)
Change in trade and other payables		16,746,414	3,408,301
Cash generated from operating activities		**91,382,969**	**155,274,013**
Income tax paid during period		(101,416,837)	(74,687,507)
Net cash from operation		**(10,033,868)**	**80,586,506**
Cash flows from investing activities			
Interest received		3,549,768	2,731,650
Acquisition of purchase of Property, plant and equipment		(33,750,049)	(12,658,855)
Proceeds from sale of property and equipment		267,104	45,053
Net cash flows used in investing activities		**(29,933,177)**	**(9,882,152)**
Cash flows from financing activities			
Repayments of borrowings		(34,508)	(2,049,550)
Interest paid	13	(1,268,124)	(197,398)
Proceeds from change in non-controlling interest		797,020	163,420
Dividends paid		(3,581,973)	(228,027,512)
Financial lease		428,822	-
Net cash flows used in financing activities		**(3,658,763)**	**(230,111,040)**
Net decrease in cash and cash equivalent		**(43,625,808)**	**(159,406,686)**
Cash and cash equivalent at the beginning of the period		252,109,940	264,692,392
Effect of exchange rate fluctuations on cash held		1,117,422	1,449,421
Cash and cash equivalent at the end of the period	8	**209,601,554**	**106,735,127**

The accompanying notes on pages 15 - 30 form an integral part of these condensed consolidated interim financial statements.

1. Reporting entity

Integrated Diagnostics Holdings plc "IDH" or "the Company" is a Company which was incorporated in Jersey on 4 December 2014 and established according to the provisions of the Companies (Jersey) Law 1991 under Registered No. 117257. These condensed consolidated interim financial statements as at and for the six months ended 30 June 2015 comprise the Company and its subsidiaries (together referred as the 'Group').

The Group's financial year starts on 1 January and ends on 31 December each year. The first accounting period for IDH will be from 4 December 2014 (date of incorporation) to 31 December 2015.

These condensed consolidated interim financial statements were approved for issue by the Directors of the Company on 21 August 2015.

These condensed consolidated interim financial statements include the IDH's financial statements and its subsidiaries. The Group's main activity is concentrated in the field of medical diagnostics.

2. Basis of preparation

The accounts for the 6 months ended 30 June 2015 and 30 June 2014 included within condensed consolidated interim financial statements are unaudited although the accounts for the 6 months ended 30 June 2015 have been reviewed.

The financial information presented for the comparative year ended 31 December 2014 essentially represents the financial performance and position of the same continuing business albeit that the Parent Company of the Group changed in 2014 as a result of group reorganisation.

On 23 December 2014, as a necessary step to its Initial Public Offering on 06 May 2015, the Company (i.e. Integrated Diagnostics Holdings plc), issued 150 million shares to the shareholders of the previous Parent Company of the Group, Integrated Diagnostics Holdings LLC ("Caymans"), in exchange for 100% of the issued shares of Caymans.

The effect of this was to add a new parent company on top of the existing group - this being the only change - prior to its flotation and gave rise to reverse acquisition accounting by the new parent company. In considering the requirements of IFRS 3, consideration was given as to whether this was a business combination. The conclusion reached by the Directors was that this was not a business combination by the new parent company merely the addition of a new holding company to a continuing business, i.e., a group reorganisation. The impact, for accounting purposes, of the transaction on 23 December 2014 was to present the Company as if it had always been the Parent Company of the Group with the consequent continuation of the book values and history previously reported by Caymans, save for alteration of the equity section of the prior year's statement of consolidated financial position to reflect that of the new Parent Company.

Basis of preparation (continued)

A. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' (as adopted by the EU). They do not include all the information required for a complete set of IFRS financial statements as adopted by European Union ("IFRS-EU"), and should be read in conjunction with the special purpose consolidated financial statements published as at and for the year ended 31 December 2014 and included in the prospectus for the Initial Public Offering by the Company dated 6 May 2015 which is available at www.idhcorp.com

B. Going concern

These condensed consolidated interim financial statements have been prepared on the going concern basis. At 30 June 2015, the Group had net assets amounting to EGP 1,876,094,506. The Group is profitable and cash generative and the Directors have considered the Group's cash forecasts for a period of 12 months from the signing of the balance sheet. The Directors have a reasonable expectation that the Group has adequate resources to meet its liabilities as they fall due for at least 12 months from the date of approval of these condensed consolidated interim financial statements. Thus, they continue to adopt the going concern basis in preparing the financial information.

C. Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except where adopted IFRS mandates that fair value accounting is required.

D. Functional and presentation currency

These condensed consolidated interim financial statements and financial information are presented in Egyptian Pounds (EGP). The functional currency of the majority of the Group's entities is the Egyptian Pounds (EGP) and is the currency of the primary economic environment in which the Group operates.

E. Use of estimates and judgements

There are no material changes in management judgments, estimates and assumptions during the six month period ended 30 June 2015 from those applied in the special purpose consolidated financial statements published as at and for the year ended 31 December 2014 and included in the prospectus for the Initial Public Offering by the Company dated 6 May 2015 which is available at www.idhcorp.com

In preparing these condensed consolidated interim financial statements, management have made a material judgment, estimate and assumptions that affect the application of the Group's lease accounting policy and the reported amounts of assets, liabilities, and expenses. Actual results may differ from these estimates. Information about judgment, estimate and assumptions applied is set below and in note 11.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are consistent with those applied in the special purpose consolidated financial statements published as at and for the year ended 31 December 2014 and included in the prospectus for the Initial Public Offering by the Company dated 6 May 2015 and available at www.idhcorp.com. These special purpose consolidated financial statements were prepared in accordance with IFRS as adopted by the European Union.

Due to the significance of the agreement entered into for the supply of equipment in the Mega-Lab during the period, and judged to be a finance lease (see note 11) the Group's lease accounting policy has been confirmed below.

A. Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates out payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impractical to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

ii. Leased assets

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

ii. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

New standards and interpretations not yet adopted

New standards, amendments to standards and interpretations that are not yet effective for the period ended 30 June 2015 have not been applied in preparing these condensed consolidated interim financial statements. None of these is expected to have a significant effect on these condensed consolidated interim financial statements of the Group.

4. Property, plant and equipment

	Land & Buildings	**Medical, electric & information system equipment**	**Leasehold improvements**	**Fixtures, fittings & vehicles**
Cost				
At 1 January 2015	129,044,532	93,381,661	52,354,609	25,641,7
Additions	-	86,272,879	17,910,301	3,370,4
Disposals	-	(1,820,704)	(482,448)	(170,61
Translation differences	408,166	353,090	202,714	1,065,3
Transfers	38,000,000	15,419,721	-	

At 30 June 2015	167,452,698	193,606,647	69,985,176	29,906,9
Depreciation				
At 1 January 2015	16,522,156	61,163,003	22,566,570	10,110,2
Charge for the period	1,249,026	7,808,167	3,667,503	1,216,4
On disposals	-	(1,594,951)	(427,203)	(103,91
Translation differences	177,907	153,901	88,357	464,3
	????????????????????????	????????????????????????	????????????????????????	??????????????????????
At 30 June 2015	17,949,089	67,530,120	25,895,227	11,687,1
Net book value				
At 30 June 2015	**149,503,609**	**126,076,527**	**44,089,949**	**18,219,81**
At 31 December 2014	**112,522,376**	**32,218,658**	**29,788,039**	**15,531,49**

Leased equipment

EGP 74m of medical and electric equipment was supplied under finance lease arrangements during the period ended 30 June 2015. This equipment was supplied to service the Group's new state-of-the-art Mega Lab. The Mega Lab commenced limited operations in the period and is expected to be fully operational by the end of 31 December 2015. The equipment secures lease obligations, see note 11 for further details on the recognition and the leasing arrangement.

5. Intangible assets and goodwill

Intangible assets represented in goodwill, brand names and customer lists are allocated as follows:

	30 June 2015 (unaudited)	31 December 2014
Goodwill	1,234,432,398	1,234,432,398
Brand names	374,055,000	374,055,000
Customer lists	-	351,750
	1,608,487,398	**1,608,839,148**

Goodwill

The majority of the Group's goodwill balance as of 30 June 2015 arose on the acquisition of Al Mokhtabar Company for Medical Labs and Al Borg Laboratory Company amounting to EGP 699,101,575 and 497,275,010 respectively.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. No indicators of impairment have been identified at 30 June 2015.

6. Inventories

	30 June 2015 (unaudited)	31 December 2014
Chemicals and operating supplies	33,024,631	36,007,252
	33,024,631	**36,007,252**

7. Trade and other receivables

	30 June 2015	31 December 2014
	(unaudited)	
Trade receivables	110,561,860	86,563,899
Other receivables	7,104,201	2,893,795
Prepayments	11,504,542	10,446,230
Due from related parties (Note 15-a)	2,116,321	1,807,556
Accrued revenue	297,787	500,258
	131,584,711	**102,211,738**
Less:		
Impairment of trade receivables	(13,184,363)	(12,136,865)
	118,400,348	**90,074,873**

8. Cash and cash equivalents

	30 June 2015	31 December 2014
	(unaudited)	
Time deposit*	122,253,984	185,775,882
Cash at bank	82,696,453	63,442,494
Cash in hand	4,651,117	2,891,564
Cash and cash equivalents	**209,601,554**	**252,109,940**

*The maturity date of these time deposits is less than 3 months.

9. Trade and other payables

	30 June 2015	31 December 2014
	(unaudited)	
Trade payable	69,124,236	59,350,629
Accrued expenses	72,340,691	35,034,253
Other payables	8,795,031	29,772,001
Finance lease liabilities	13,246,577	857,645
	163,506,535	**125,014,528**

10. Equity

The Company's ordinary share capital is $150,000,000 equivalent to EGP 1,072,500,000.

	Ordinary shares 30 June 2015	Ordinary shares 31 December 2014
	(unaudited)	
In issue at beginning of the period/year	150,000,000	-
Issued during the period/year	-	150,000,000

In issue at the end of the period/year	**150,000,000**	**150,000,000**

On 23 December 2014, as a necessary step to its Initial Public Offering on 11 May 2015, the Company (i.e. Integrated Diagnostics Holdings plc), issued 150 million shares to the shareholders of the previous Parent Company of the Group, Integrated Diagnostics Holdings LLC ("Caymans"), in exchange for 100% of the issued shares of Caymans.

There were no changes in rights or proportions of control in Caymans and its consolidated subsidiaries, and after 23 December 2014 (the date after which Caymans ceased to be the parent of the group) IDH and its consolidated subsidiaries as a result of this transaction.

Whilst, the equity instruments of Caymans were legally acquired, in substance the Directors have determined that Caymans is the accounting acquirer of IDH. As such, this transaction has been accounted for as a reverse acquisition.

Accordingly, these condensed consolidated financial statements are issued in the name of the new legal parent, IDH, but are a continuation of the consolidated financial statements of Caymans. In accordance with the requirements of IFRS 3: 'Business Combinations', the comparatives for 31 December 2014 within the condensed consolidated financial statements of IDH have been retroactively adjusted to transfer EGP 2,002,192,727 from capital contribution to capital reserve to reflect the legal capital position of IDH as shown in the condensed consolidated statement of changes in equity. One other adjustment has been made to reinstate the legal reserve in the amount of EGP 26,945,448 which is required under Egyptian Law governing Egyptian subsidiaries.

11. Long term financial obligation

The long-term financial obligation represent the finance lease liabilities due over 1 year for agreements entered into by the Group.

	30 June 2015	**31 December 2014**
	(unaudited)	
Finance lease liability - laboratory equipment	62,833,708	-
Finance lease liability - other	282,622	582,162
	63,116,330	**582,162**

Finance lease liabilities for the laboratory equipment are payable as follows:

	Minimum lease payments 30 June 2015	**Interest 30 June 2015**	**Principal 30 June 2015**
Less than one year	16,905,455	5,457,965	11,447,490
Between one and five years	67,621,818	21,831,859	45,789,959
More than five years	27,000,000	9,956,250	17,043,750
	111,527,273	37,246,074	74,281,199

The Group entered into 2 significant agreements during the period ended 30 June 2015 to service the Group's new state-of-the-art Mega Lab which commenced limited operations in the period and is expected to be fully operational by the end of 31 December 2015.

Both agreements have minimum annual commitment payments to cover the supply of medical diagnostic equipment, kits and chemicals to be used for testing and ongoing maintenance and support services over the term of the agreement. The agreement periods are 5 and 8 years which is deemed to reflect the useful life of the equipment.

If the minimum annual commitment payments are met over the agreement period ownership of the equipment supplied will transfer to the IDH. Management fully expect to be able to fulfil the minimum payments and the basis of treating the proportion of payments relating to the supply of equipment as a finance lease.

Management have performed a fair value exercise in order to allocate payments between the different elements of the arrangements and identify the implicit interest rate of the finance lease. Due to the difficulty in reliably splitting the payments for the supply of medical equipment from the total payments made, the finance asset and liability has been recognised at an amount equal to the fair value of the underlying equipment. This is based on the current cost price of the equipment supplied provided by the suppliers of the agreement. The implicit interest rate of both finance leases has been estimated to be 11.5%. The equipment is being depreciated based on a units of production method and expected to match the length of each agreement term.

12. Expenses

12-1 Cost of sales

	30 June 2015 (unaudited)	30 June 2014 (unaudited)
Chemicals and supplies	89,710,378	78,794,611
Wages and salaries for employees	78,543,602	62,790,919
Other expenses	37,886,986	32,764,976
Depreciation of property and equipment	12,368,577	10,337,740
Cost of specialized analysis at other laboratories	3,283,393	4,874,326
Amortisation of intangible assets	351,750	68,435,062
	222,144,686	**257,997,634**

12-2 Marketing and advertising expenses

	30 June 2015 (unaudited)	30 June 2014 (unaudited)
Advertising expenses	14,739,269	17,006,903
Others	4,213,595	3,862,350
Marketing salaries	3,492,863	3,990,320
Depreciation of property and equipment	19,560	19,172
	22,465,287	**24,878,745**

12-3 Administrative Expenses

	30 June 2015 (unaudited)	30 June 2014 (unaudited)
Advisory fees*	125,056,334	943,404
Administrative salaries & wages	15,383,899	12,589,734
Other	11,049,503	5,847,305
Board of directors salaries, remunerations & allowances	5,367,068	6,662,444

Depreciation of property and equipment	1,553,009	1,261,520
	158,409,813	**27,304,407**

* In the period to 30 June 2015 advisory fees included EGP 123 million relating to the costs for the IPO. No new shares were issued on IPO and so all costs relating to the IPO have been expensed.

12-4 Other Expenses

	30 June 2015 (unaudited)	30 June 2014 (unaudited)
Impairment of trade and other receivables	2,478,171	2,913,179
Provisions made in the period	1,010,033	703,777
Loss on disposal of fixed assets	80,592	426,977
	3,568,796	**4,043,933**

13. Net finance income

Finance income	**30 June 2015 (unaudited)**	**30 June 2014 (unaudited)**
Interest income on - time deposits	3,752,238	2,731,650
Net foreign exchange gain	2,672,104	-
Gains on sale of financial investments in investment funds	-	38,652
Total finance income	**6,424,343**	**2,770,302**
Finance cost		
Bank charges	(113,485)	(193,537)
Interest expense	(1,268,124)	(197,398)
Net foreign exchange loss	-	(2,768,732)
Total finance cost	**(1,381,609)**	**(3,159,667)**
Net finance income/(cost)	**5,042,734**	**(389,365)**

14. Deferred tax liabilities and other provisions

Deferred tax

Deferred tax assets and liabilities resulted from the temporary differences between the tax base of an asset and liability and the carrying amount of these assets and liabilities in the consolidated financial statements:

	30 June 2015		31 December 2014	
	Assets	**Liabilities**	**Assets**	**Liabilities**

		(unaudited)		(unaudited)
Fixed assets (accumulated depreciation)	-	(2,879,659)	-	(3,990,128)
Revaluation of identifiable assets	-	(116,198,908)		(115,157,488)
Other provisions	1,988,839	-	2,114,164	-
Net deferred tax liability		**(117,089,728)**		**(117,033,452)**
Other Provisions				
Egyptian Government Training Fund for employees		(7,250,914)		(6,606,281)
Provision for legal claims		(1,840,621)		(2,372,117)
Total deferred tax liabilities and other provisions		**(126,181,263)**		**(126,011,850)**

The amount of deferred tax income recognized in the consolidated statement of income as follows:

	30 June 2015	30 June 2014
	(unaudited)	**(unaudited)**
Net tax which creates a liability at the end of the period	(117,089,728)	(121,758,488)
Less:		
Net tax resulting in tax liability at the beginning of period	117,033,452	133,387,400
Deferred tax (expense)/income	**(56,276)**	**11,628,912**

15. Related party transactions

Some of the Group's companies carried out during the period certain transactions with its related parties, transactions with those related parties are transacted according to the conditions and terms set by the Group's board of directors and in light of the contracts and agreements with those parties after the authorization to carry out such transactions in light of decisions of the Ordinary Assembly Meeting for this purpose.

Transaction with key management personnel

The significant transactions with key management personnel and their nature volumes during the six month period ended:

Related Party	Nature of relationship	Nature of transaction	30 June 2015	30 June 2014
			(unaudited)	**(unaudited)**
Dr. Hend IDH CEO	Board of director member	Salary	1,695,750	1,645,167
IDH Representatives	Board of director member	Remuneration	-	5,362,500
			1,695,750	**7,007,667**

Related party transactions (continued)

The significant transactions with other related parties, their nature volumes and balance during the period 30 June 2015 and 2014 are as follows:

A. Due from related parties

Related Party	Nature of transaction	Nature of relationship	30 June 2015 Amount of transaction (unaudited)	30 June 2015 Balance (unaudited)
Health-care Tech Company	Expenses paid on behalf	Affiliate*	75,300	188,336
Integrated Treatment for Kidney Diseases (S.A.E)	Expenses paid on behalf	Entity owned by Company's CEO	233,465	1,927,985
Total				**2,116,321**

Related Party	Nature of transaction	Nature of relationship	31 December 2014 Amount of transaction	31 December 2014 Balance
Health-care Tech Company	Expenses paid on behalf	Affiliate	75,208	113,036
Integrated Treatment for Kidney Diseases (S.A.E)	Bank transfers Value of assets and expenses paid on behalf	Entity owned by Company's CEO	1,694,520	1,694,520
Total				**1,807,556**

* Health-care Tech is a company whose shareholders include Dr. Moamena Kamel (a beneficial owner of Hena Holdings) and Dr. Seham Ibrahim (a member of the Senior Management).

16. Tax Status

A) Amendments on the Tax law

The profit of the company is subjected to corporate tax according to income tax law No. 91 of 2005 and the company is also subjected to the provisions of Law No. (44) of 2014 that was issued on 4 June 2014 concerning " imposing a temporary annual additional tax for three years as of the current taxation period at the rate of 5 % on the amounts exceeding one million Egyptian pounds of the taxable income of the natural persons or on the profits of the juristic persons."

Tax Status (continued)

B) Integrated Diagnostics Holdings plc - "IDH"

Integrated Diagnostics Holdings plc "IDH" has been established according to the provisions of the Companies (Jersey) law 1991 under No. 117257. The company is not subject to tax in accordance with the Jersey law.

C) Income tax liabilities

	30 June 2015	31 December 2014
	(unaudited)	
Balance b/f	123,683,208	87,716,000
Withholding tax	7,096,081	3,866,376
Income tax for the year	70,259,678	133,517,669
Tax paid	(118,438,409)	(101,416,837)
Balance c/f	**82,600,558**	**123,683,208**

17. Financial Instruments

The Group has reviewed the financial assets and liabilities held at 30 June 2015 and 31 December 2014. It has been deemed that the carrying amounts for all financial instruments are a reasonable approximation of fair value.

Finance lease agreements significant to the Group were entered into during the period ended 30 June 2015 for medical equipment to service the Group's new Mega Lab. Due to the judgement required to allocate payments between lease payments and payments related to other elements of the arrangements an extensive fair value assessment was performed. This included identifying the fair value of the underlying equipment supplied, the ongoing maintenance and support costs during the lease period and the interest rate implicit to the lease to estimate the finance cost.

Further details of the valuation techniques used to calculate the fair value can be seen in note 11.

18. Contingent liabilities

There are no contingent liabilities relating to the group's transactions and commitment with banks, this has been assessed and not deemed to have a material effect on the group's future financial position.

19. Operating lease

The group leases certain branches for the operation of the business. The rental costs of those branches are accounted for as an operating lease and recorded within the consolidated statement of income as a cost of sales.

The following represent the number of branches and their rental value:

	30 June 2015	30 June 2014
	(unaudited)	**(unaudited)**
Number of rented branches	241	225
Total rental cost for the period	8,967,388	7,481,141
Average rent cost per branch	**37,209**	**33,250**

20. Earnings per share

	30 June 2015	30 June 2014
	(unaudited)	**(unaudited)**
Profit attributed to owners of the parent	16,900,969	56,562,856
Weighted average number of ordinary shares in issue	150,000,000	150,000,000
Basic and diluted earnings per share	**0.11**	**0.38**

The Company has no potential diluted shares as of the June 30, 2015 and June 30, 2014 therefore; the earning per diluted share are equivalent to basic earnings per share.

21. Segment reporting

The group is viewed as a single reportable segment, as the group's CODM reviews the internal management reports and KPIs of the group as whole and not at a further aggregated level.

The group operates in three geographic areas, Egypt, Sudan and Jordan. Each area offers similar services and the KPIs of each are viewed to be the same. The revenue split between the three regions is set out below, as it can be seen Sudan and Jordan combined make up less than 10% of the group's total revenue.

	Revenue by geographic location (unaudited)			
For the six month period ended	**Egypt region**	**Sudan region**	**Jordan region**	**Total**
30 June 2015	445,687,641	14,484,316	33,059,631	493,231,588
30 June 2014	370,141,127	18,798,743	27,890,189	416,830,059

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