

QUALITY THROUGH SPECIALISATION

GLOBAL HEALTH PARTNER

Q1 REPORT
APRIL 28, 2011



GLOBAL HEALTH PARTNER

Agenda

Highlights Q1 2011

Market situation

Strategy

Service Lines

Finance

Final comments



Highlights Q1 2011

- Positive earnings trend with 27% growth, of which 17% organic
- Operating result (EBIT) amounted to SEK 10.4 million (4.7)
- Profitability affected by changed patient mix
- Strong growth and profitability within Service Line Orthopaedics
- Successful development of clinics in Bergen following increased ownership by Global Health Partner
- Positive volume increase within Service Line Bariatrics
- Increased ownership in core business and non-core business divested

Market situation

Sweden

- Exciting development related to “patient free choice” and waiting list guarantee programs

Denmark

- Turmoil, political interference and severe competition leading to consolidation

Norway

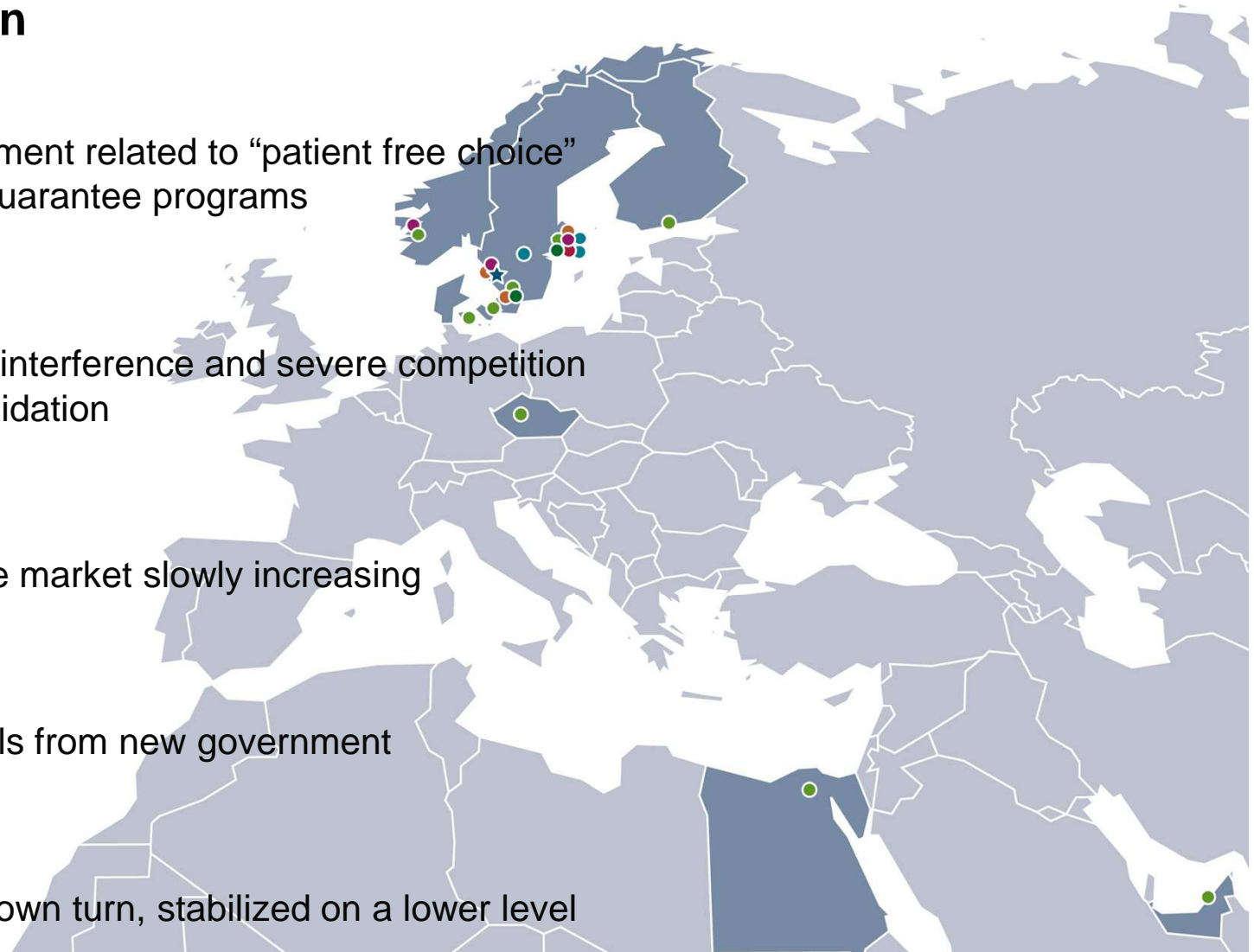
- Private/insurance market slowly increasing

Finland

- Waiting for signals from new government

Czech Republic

- Hit by financial down turn, stabilized on a lower level



Our strategy can be summarized in four cornerstones

**“Quality through
Specialisation” –
Service Lines**

















**Partnership
model**

**Decentralised
business model**

**Rapid growth in
selected markets**



GHP clinics

Spine	 <p>SPINE CENTER GÖTEBORG</p>	 <p>STOCKHOLM SPINE CENTER</p>	 <p>SPINE CENTER BERGEN</p>
Dental	 <p>SPECIALISTANDLÄKARNA SOPHIAHEMMET</p>	 <p>SPECIALISTANDLÄKARNA NORRKÖPING</p>	<p>SPECIALISTKLINIKEN FÖR DENTALA IMPLANTAT</p>
Bariatrics	 <p>BARIATRIC CENTER STOCKHOLM</p>  <p>OB KLINIKA</p>	 <p>BARIATRIC CENTER SKÅNE</p>  <p>BARIATRIC CENTER CENTER FOR OVERVÄGTSKIRURGI</p>	 <p>BARIATRIC CENTER HELSINKI</p>  <p>BARIATRIC CENTER CAIRO</p> <p>RASHID CENTRE FOR DIABETES & RESEARCH</p>
Gastro	 <p>GASTRO CENTER SKÅNE</p>	<p>STOCKHOLM GASTRO CENTER</p>	
Orthopaedics	 <p>ORTHO CENTER IFK-KLINIKEN</p>	 <p>ORTHO CENTER STOCKHOLM</p>	 <p>ORTHO CENTER SKÅNE</p>
Arrhythmia	 <p>ARRHYTHMIA CENTER STOCKHOLM</p>		

GHP Service Lines

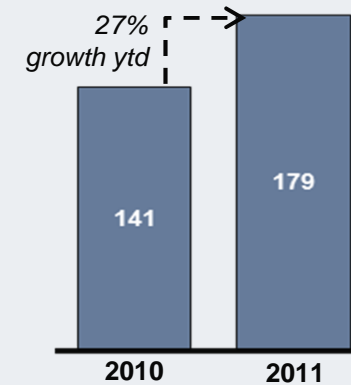
Spine	<ul style="list-style-type: none">• Spine surgery/spine care• 3 clinics in Sweden and Norway
Dental	<ul style="list-style-type: none">• Specialist dentistry• 3 clinics in Sweden
Bariatrics	<ul style="list-style-type: none">• Treatment and surgery of obesity• 9 clinics in Sweden, Finland, Denmark, Norway, Czech Republic, Egypt and UAE
Gastro	<ul style="list-style-type: none">• Medical gastroenterology and endoscopy• 2 clinics in Sweden
Orthopaedics	<ul style="list-style-type: none">• Sports traumatology and prosthetic surgery• 3 clinics in Sweden
Arrhythmia	<ul style="list-style-type: none">• Disturbance of the heart rhythm• 1 clinic in Sweden

Increasing growth – Q1

SEK millions

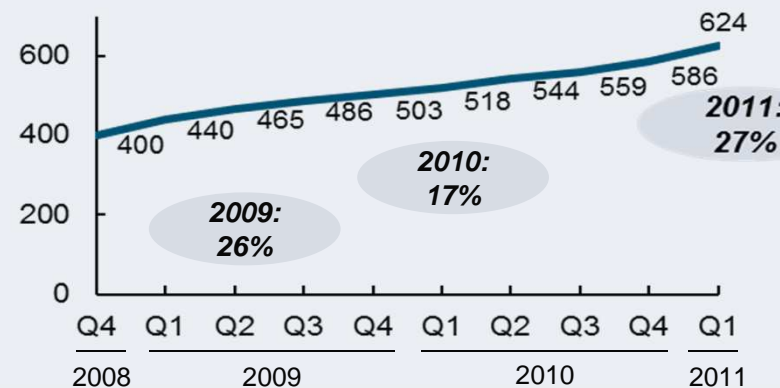
Revenue

- Revenue increased from SEK 141 million to SEK 179 million for Q1 2011
- 27 percent growth of which 17 percent was organic
- Bariatrics main growth driver with 78 percent growth, but Orthopaedics and Spine also contributes significantly



Revenue rolling 12 months

- Rolling 12 months continue to increase and now amounts to SEK 624 million
- Acceleration of income in newly started clinics should continue to help accelerate growth during 2011

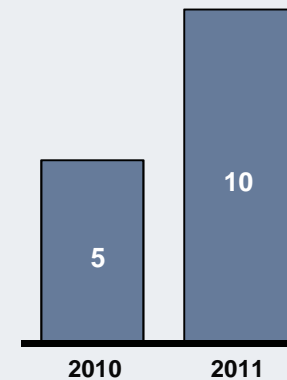


Continued increased profitability – Q1

SEK millions

EBIT

- Operating result in Q1 increased with SEK 5.7 million
- All Service Lines except Dental increased its EBIT compared to the same period 2010



EBIT, rolling 12 months

- A SEK 5.7 million improvement leads to rolling 12 months EBIT of 34 MSEK
- Q1 2011 continues the profit increase that started in Q2 2010

EBIT, rolling 12 months

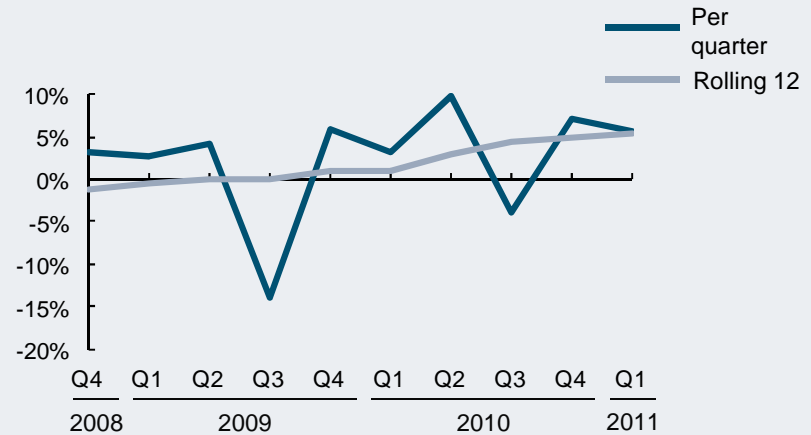


Improved profit margin – Q1

SEK millions

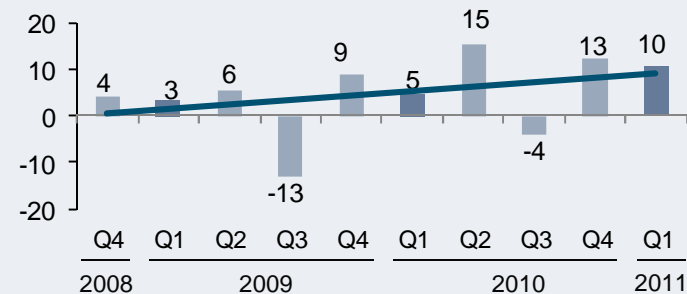
EBIT margin

- Q1 EBIT margin improved from 3.3 percent to 5.8 percent
- EBIT margin for rolling 12 months shows a steady increase, now amounting to 5.5 percent compared to 4.8 percent at the end of 2010
- 2008 numbers are shown exclusive of relisting costs and 2009 numbers exclusive of UK one-off costs



EBIT trend

- Increasing trend for all quarters
- 2008 numbers are shown exclusive of relisting costs and 2009 numbers exclusive of UK one-off costs



Performance per Service Line – Q1

Service Line Spine

- Strong growth due to increased performance and increased ownership in Spine Center Bergen
- Strong profitability at the clinic in Göteborg drives profitability increase for the segment

SEK millions	Q1 2011	Q1 2010	Change %
Sales revenue	56.7	45.6	24
Operating profit	9.1	5.8	
Operating margin, %	16	13	

Service Line Dental

- Service Line Dental still suffers from a declining market for highly specialist dentistry
- High number of referrals in Q1 provides for come back in Q2 and Q3

SEK millions	Q1 2011	Q1 2010	Change %
Revenues	22.3	24.4	-9
Operating profit	1.2	1.3	
Operating margin, %	5	5	

Service Line Arrhythmia

- Only moderate growth
- Solid profitability despite free capacity in the clinic

SEK millions	Q1 2011	Q1 2010	Change %
Revenues	7.7	7.1	8
Operating profit	1.3	1.1	
Operating margin, %	17	15	

Performance per Service Line, cont.

Service Line Bariatrics

- Continued strong growth due to both organic start-ups and development, and from the acquisition of Stockholm Gastro Center
- Investment costs in newly started clinics have a significant impact on profitability of the Service Line

SEK millions	Q1 2011	Q1 2010	Change %
Sales revenue	51.4	28.9	78
Operating profit	1.4	0.6	
Operating margin, %	3	2	

Service Line Orthopaedics

- Solid growth in a mature area where increasing initiatives from insurance companies and patient choice systems are beneficial to our high quality clinics
- Solid profitability despite high price pressure for many of our procedures

SEK millions	Q1 2011	Q1 2010	Change %
Sales revenue	40.8	34.6	18
Operating profit	5.0	3.4	
Operating margin, %	12	10	

Performance per geography – Q1

SEK millions

		Q1 2011	Q1 2010	Full year 2010	Full year 2009
Sweden	Revenue from business activities	157.4	131.0	526.5	481.9
	Operating result from business activities	10.6	6.6	35.8	31.3
Nordic region	Revenue from business activities	13.5	3.3	31.7	4.8
	Operating result from business activities	0.4	-0.3	-2.7	-2.2
Other countries	Revenue from business activities	8.0	6.3	27.3	16.6
	Operating result from business activities	-0.6	-2.2	-4.7	-36.3
Reported operating result		10.4	4.7	28.4	-7.2

Comments

- All business development costs are included in the Swedish segment, despite the fact that most development activities are carried out outside Sweden
- Most Swedish operations have improved during 2011, leading to a profit margin increase
- Also the non-Swedish operations have improved its profitability

Increased margins in mature business – Q1

SEK millions

		Q1 2011	Q1 2010	Full year 2010	Full year 2009
Mature business	Revenue	160.0	123.9	517.3	469.9
	Operating result	21.0	12.3	68.7	53.1
Newly opened and development	Revenue	18.9	16.7	68.2	33.4
	Operating result	-10.6	-7.6	-40.3	-48.7
	Reported revenue	178.9	140.6	585.5	503.3
	Reported operating result	10.4	4.7	28.4	4.4

Comments

- Mature clinics are clinics that have been in operation for at least 12 months
- Central administration costs for the Group are included in the mature business
- Central expansion and project costs are included in the start-up business
- EBIT margin from mature business has increased
- Still significant investment costs in newly opened clinics

Financial key data – Q1

SEK millions

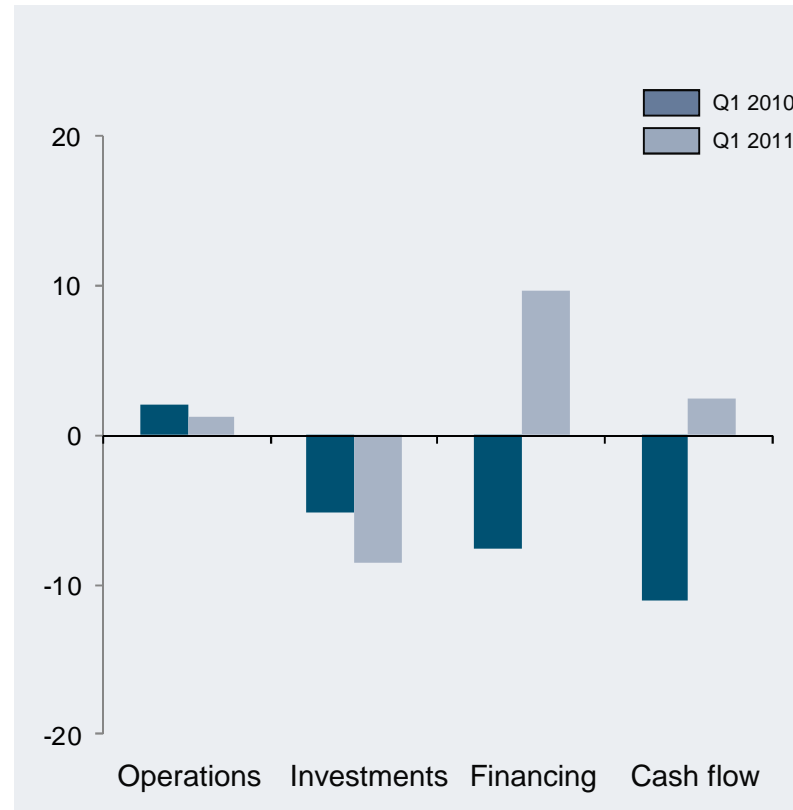
	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008
Total cash	139	137	133	145	152	163	155	190	198	227	152	174
Shareholders equity incl. minority	478	475	515	522	514	513	511	550	547	547	574	471
Long term debt	179	169	131	134	129	136	115	119	116	120	129	160
Net cash position	-7	14	9	20	33	36	23	62	76	96	14	26
Equity ratio	62%	61%	68%	67%	69%	68%	67%	69%	70%	70%	70%	61%
Net debt / EBITDA rolling 12	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Int bearing debt / EBITDA rolling 12	2.4	2.5	4.0	6.1	11.7	16.8	11.6	28.9				
Int bearing debt / adjusted EBITDA rolling 12	2.4	2.5	2.9	3.9	5.5	6.7	9.9	10.9				
EPS	0.04	0.13	-0.07	0.09	-0.01	-0.19	-0.19	-0.01	-0.06	-0.24	-0.33	-0.07
Basic cash flow from operating activities per share	0.00	0.38	-0.07	0.08	0.03	0.32	-0.32	0.05	-0.08	0.68	-0.23	0.13
Shareholders equity per share, SEK	6.84	6.81	7.41	7.53	7.44	7.45	7.55	7.8	7.77	7.81	8.91	8.04
Number of employees	367	324	306	302	297	288	281	282	279	235	218	207
Revenue per employee	0.49	0.55	0.36	0.52	0.47	0.52	0.33	0.47	0.45	0.59	0.33	0.54

Improved cash flow – Q1

SEK millions

Comments

- Included in cash flow from operations was SEK -7.2 million (-1.0) of changes in working capital. The main item is additional production in Stockholm Spine which results in delayed payment.
- Cash flow from investing activities mainly consists of investments in health care equipment and dividend paid to minority shareholders
- Cash flow from financing activities include new loans as well as some loan repayments



For more information

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