

QUALITY THROUGH SPECIALISATION

GLOBAL HEALTH PARTNER

Q2 REPORT
JULY 19, 2011



GLOBAL HEALTH PARTNER

Agenda

Highlights Q2 2011

Market situation

Strategy

Service Lines

Finance

Final comments



Highlights Q2 2011

- Revenue increased with 14% to SEK 180.4 million (158.5), whole period 20% to SEK 359.3 million (299.1)
- Operating result (EBIT) amounted to SEK 13.0 million (15.3), whole period SEK 23.4 million (20.0)
- Profitability affected by changed patient mix
- Strong growth and profitability within Service Line Orthopaedics
- Post balance sheet acquisition of OPA, a Danish Orthopaedic and Spine clinic

Highlights Q2 2011, cont.

- No price increase in Stockholm for Spine and Orthopaedics for the last three years. Despite this, our Spine and Orthopaedic clinics show good operating margins due to high efficiency
 - Two out of three dental clinics are performing well. Increasing interest for public contracts
 - Increasing price pressure and changed patient mix in Bariatrics
 - Some lack of physicians during Q2, of which most were temporary
 - Higher start-up and development costs during Q2 2011 than Q2 2010, also increased costs for possible acquisitions and relocations
 - Central costs continue to be under control
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Market situation

Sweden

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

Denmark

- Turmoil, political interference and severe competition leading to patient uncertainty and provider consolidation

Norway

- Private/insurance market slowly increasing
- Public inefficiency highlighted

Finland

- New reimbursement models are introduced. Insurers are looking for “better deals”.

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>	 <p>OPA Ortopædisk Privathospital Aarhus</p>
Dental	 <p>SPECIALISTTANDLÄKARNA SOPHIAHEMMET</p>	 <p>SPECIALISTTANDLÄKARNA 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 OVERVÆGTSKIRURGI</p>	 <p>BARIATRIC CENTER HELSINKI</p>  <p>BARIATRIC CENTER CAIRO</p>	 <p>BARIATRIC CENTER BERGEN</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>	 <p>OPA Ortopædisk Privathospital Aarhus</p>
Arrhythmia	 <p>ARRHYTHMIA CENTER STOCKHOLM</p>			

GHP Service Lines

Spine	<ul style="list-style-type: none">• Spine surgery/spine care• 4 clinics in Sweden, Norway and Denmark (Orthopaedics/Spine)
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• 4 clinics in Sweden and Denmark (Orthopaedics/Spine)
Arrhythmia	<ul style="list-style-type: none">• Disturbance of the heart rhythm• 1 clinic in Sweden

OPA - Aarhus, Denmark, www.opa.dk

- Broad spectrum of operations within orthopaedics and spine
- Focus on quality and high specialisation
- One of few private providers approved for highly specialised spine procedures in Denmark
- First hospital in the Mittjylland Region to be accredited under Danish Healthcare Quality Programme
- Turnover approx. SEK 60 million, 30 employees, net debt approx. SEK 25 million
- Consolidated as of 1 July, 2011. Marginal effect on Group's results 2011 estimated
- Acquisition of 70%, 6 out of 8 founders remain as shareholders, all remain as doctors

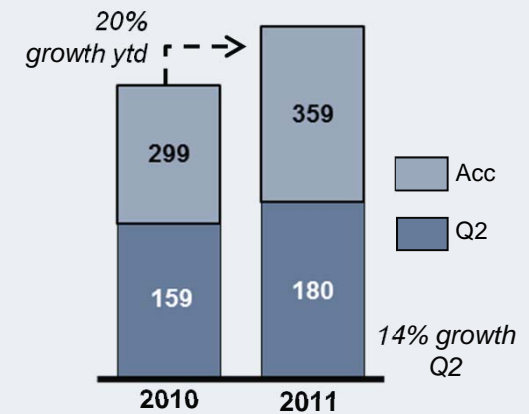


Less favourable patient mix – Q2

SEK millions

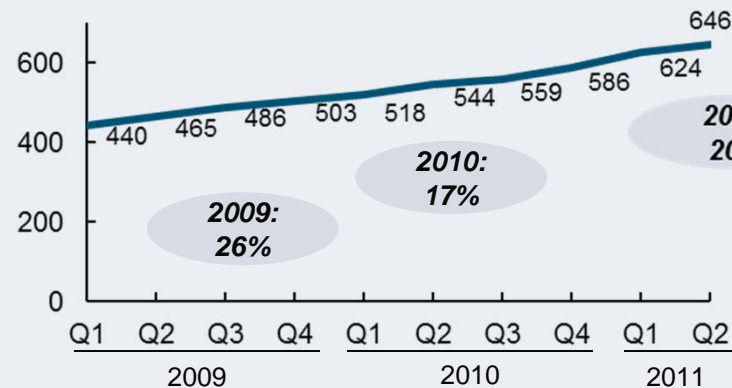
Revenue

- Revenue increased from SEK 159 million to SEK 180 million for Q2 2011, which corresponds to 14 percent growth
- For the first 6 months revenues increased from SEK 299 million to 359 SEK million, which is 20 percent.
- Lower organic growth in Q2 due to slow revenue growth in new Bariatrics clinics. A less favourable patient mix in a couple of the larger clinics also contributes.
- All Service Lines, except Dental, contributes to growth for both periods.



Revenue rolling 12 months

- Rolling 12 months continue to increase and now amounts to SEK 646 million
- July acquisition of OPA will help to accelerate growth

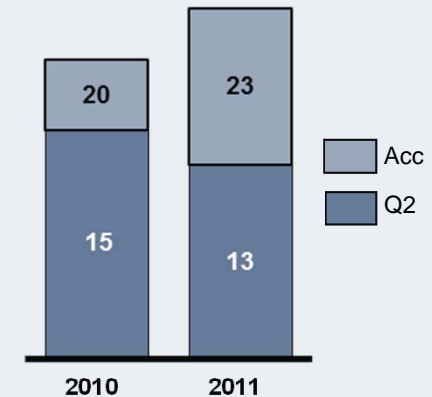


Maintained good profitability in most businesses – Q2

SEK millions

EBIT

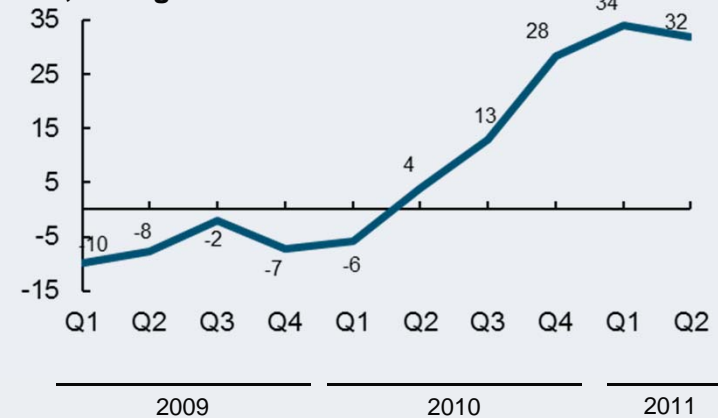
- Operating result in Q2 decreased somewhat due to
 - higher costs for expansion of the business
 - Less favourable patient mix in a couple of the larger clinics
- Only Orthopaedics increased its EBIT in Q2 compared to the same period 2010
- All Service Lines except Dental increased its EBIT for the first 6 months compared to the same period in 2010



EBIT, rolling 12 months

- A SEK 2 million reduction leads to rolling 12 months EBIT of SEK 32 million

EBIT, rolling 12 months



Reduced profit margin – Q2

SEK millions

EBIT margin

- Q2 EBIT margin was reduced from 9.7 percent to 7.2 percent
- EBIT margin for rolling 12 months showed a marginal decrease from 5.5 percent 4.9 percent.
- 2009 numbers are shown exclusive of UK one-off costs



EBIT trend

- Q2 2011 first quarter that did not improve compared to the corresponding periods during previous years
- 2009 numbers are shown exclusive of UK one-off costs



Performance per Service Line – Q2

Service Line Spine

- Growth in a mature segment with little spare capacity
- Continued strong profitability even though clinic in Stockholm suffered from less favourable patient mix

	Q2	Q2	6 mths	6 mths
SEK millions	2011	2010	2011	2010
Revenues	54.6	50.6	111.3	96.2
Operating result	9.8	10.7	18.9	16.5
Operating margin, %	18	21	17	17

Service Line Dental

- Service Line Dental still suffers from a declining market for highly specialist dentistry
- Dental will focus even more on market activities to stimulate a come back in revenues and operating result

	Q2	Q2	6 mths	6 mths
SEK millions	2011	2010	2011	2010
Revenues	27.5	29.0	49.8	53.4
Operating result	3.8	5.0	5.0	6.3
Operating margin, %	14	17	10	12

Service Line Arrhythmia

- Moderate growth
- Solid profitability despite free capacity in the clinic

	Q2	Q2	6 mths	6 mths
SEK millions	2011	2010	2011	2010
Revenues	7.8	7.6	15.5	14.7
Operating result	1.4	1.4	2.7	2.5
Operating margin, %	18	18	17	17

Performance per Service Line, cont.

Service Line Bariatrics

- Relatively strong growth due to both organic start-ups and development, and from the acquisition of Stockholm Gastro Center in September 2010
- Investment costs in newly started clinics have a significant impact on profitability in the Service Line

SEK millions	Q2 2011	Q2 2010	6 mths 2011	6 mths 2010
Revenues	49.8	35.7	101.2	64.6
Operating result	1.8	2.4	3.2	3.0
Operating margin, %	4	7	3	5

Service Line Orthopaedics

- Good 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, especially in Stockholm

SEK millions	Q2 2011	Q2 2010	6 mths 2011	6 mths 2010
Revenues	40.7	35.6	81.5	70.2
Operating result	4.3	4.0	9.3	7.4
Operating margin, %	11	11	11	11

Performance per geography – Q2

SEK millions

		Q2 2011	Q2 2010	Jan - June 2011	Jan - June 2010
Sweden	Revenue from business activities	161.2	143.8	318.6	274.8
	Operating result from business activities	14.8	15.6	25.4	22.2
Nordic region	Revenue from business activities	10.2	7.8	23.7	11.1
	Operating result from business activities	-1.9	1.9	-1.5	2.2
Other countries	Revenue from business activities	9.0	6.9	17.0	13.2
	Operating result from business activities	0.1	-2.2	-0.5	-4.4
Reported operating result		13.0	15.3	23.4	20.0

Comments

- All business development costs are included in the Swedish segment, despite the fact that most development activities are carried out outside Sweden
- Swedish business suffer from less favourable patient mix in the large Bariatrics clinic.
- Also the non-Swedish operations have improved its profitability

Somewhat reduced margins in mature business – Q2

SEK millions

		Q2 2011	Q2 2010	Jan - June 2011	Jan - June 2010
Mature business	Revenue	166.2	136.5	326.2	260.4
	Operating result	23.7	23.0	44.7	35.3
Newly opened and development	Revenue	14.2	22.0	33.1	38.7
	Operating result	-10.7	-7.7	-21.3	-15.3
Reported revenue		180.4	158.5	359.3	299.1
Reported operating result		13.0	15.3	23.4	20.0

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 is stable during the first six months but has decreased somewhat during the second quarter
- Still significant investment costs in newly opened clinics

Financial key data – Q2

SEK millions

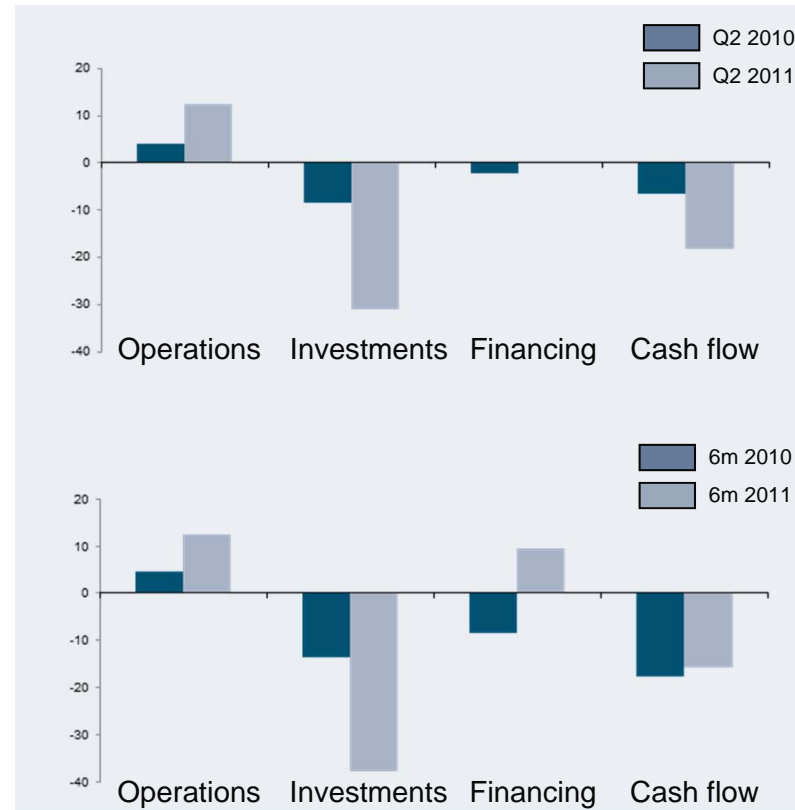
	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Total cash	121	139	137	133	145	152	163	155	190	198
Shareholders equity incl. minority	474	478	475	515	522	514	513	511	550	547
Long term debt	179	179	169	131	134	129	136	115	119	116
Net cash position	-11	7	14	9	20	33	36	23	62	76
Equity ratio	62%	62%	61%	68%	67%	69%	68%	67%	69%	70%
Net debt / EBITDA rolling 12	0.19	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	2.4	2.5	4.0	6.1	11.7	16.8	11.6	28.9	
Int bearing debt / adjusted EBITDA rolling 12	2.4	2.4	2.5	2.9	3.9	5.5	6.7	9.9	10.9	
EPS	0.09	0.04	0.13	-0.07	0.09	-0.01	-0.19	-0.19	-0.01	-0.06
Basic cash flow from operating activities per share	-0.19	0.00	0.38	-0.07	0.08	0.03	0.32	-0.32	0.05	-0.08
Shareholders equity per share, SEK	6.83	6.84	6.81	7.41	7.53	7.44	7.45	7.55	7.8	7.77
Number of employees	360	367	324	306	302	297	288	281	282	279
Revenue per employee	0.50	0.49	0.55	0.36	0.52	0.47	0.52	0.33	0.47	0.45

Improved cash flow – Q2

SEK millions

Comments

- Operating cash strong in the second quarter due to more balanced working capital changes than during the same quarter 2010
- Cash flow from investing activities mainly consists of investments in health care equipment, dividend paid to minority shareholders and acquisition of minority shares in Stockholm Spine Center
- Cash flow from financing activities include new loans as well as some loan repayments





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