

QUALITY THROUGH SPECIALISATION

GLOBAL HEALTH PARTNER

Q3 REPORT
NOVEMBER 1, 2011



GLOBAL HEALTH PARTNER

Agenda

Highlights Q3 2011

Market situation

Strategy

Service Lines

Finance

Final comments



Highlights Q3 2011

- Revenue increased with 19% to SEK 129.1 million (108.8) during Q3, and with 20% to SEK 488.4 million (407.9) for the whole period
- Operating result (EBIT) amounted to SEK -11.7 million (-4.1) in Q3, and to SEK 11.7 million (15.9) for the whole period
- Profitability affected by changed patient mix and tougher market situation
- Start up of Body Lift Center in Denmark
- Acquisition of OPA, a Danish Orthopaedic and Spine clinic

Market situation

Sweden

- Change in patient mix as well as competition resulting in lower prices
- Strong demand within all areas except Bariatrics

Denmark

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

Norway

- Private/insurance market slowly increasing

Finland

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

Actions

Spine

- Secure capacity for patients from other areas than Stockholm county council

Dental

- Continued market efforts
- Consolidation of clinics

Bariatrics

- Participate in public tenders
- Increase efficiency
- Extend product line for private market

Orthopaedics

- Price adjustments Stockholm
- Increased capacity Gothenburg/Skåne
- Integration/realizing synergies OPA

Arrhythmia

- New project



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 ÖVERVÄGTSKIRURGI</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>		
Ortho- paedics	 <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

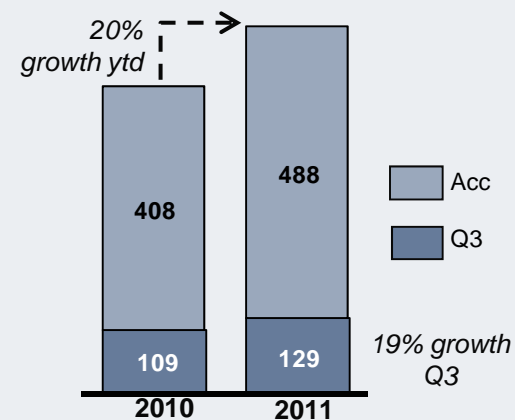
Spine	<ul style="list-style-type: none">• Spine surgery/spine care• 4 clinics in Sweden, Norway and Denmark (Orthopaedics/Spine)
Dental	<ul style="list-style-type: none">• Specialist dentistry• 3 clinics in Sweden
Bariatrics	<ul style="list-style-type: none">• Treatment and surgery of obesity and reconstructive plastic surgery• 10 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

Challenging market conditions– Q3

SEK millions

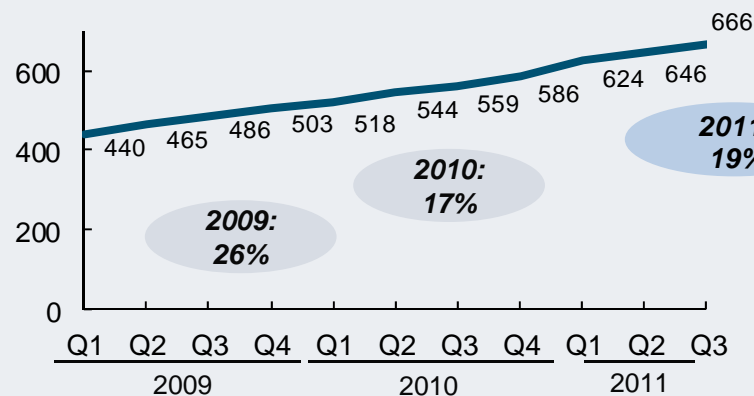
Revenue

- Revenue increased from SEK 109 million to SEK 129 million for Q3 2011, which corresponds to 19 percent growth
- For the first 9 months revenues increased from SEK 408 million to 488 SEK million, which is a 20 percent increase.
- Low organic growth in Q3 due to slow revenue growth in new Bariatrics clinics and price pressure in several mature 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 666 million
- The acquisition of OPA has helped to maintain growth pace

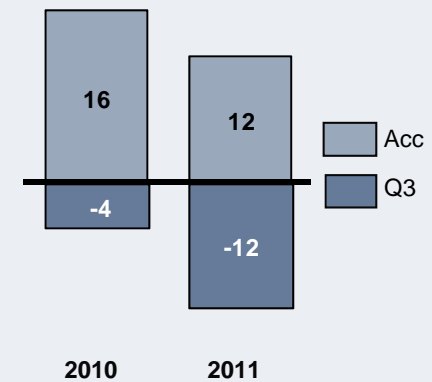


Reduced profitability– Q3

SEK millions

EBIT

- Operating result in Q3 decreased due to
 - Start-up costs for new businesses
 - less favorable patient mix in a couple of the larger clinics
- Service Lines Spine and Arrhythmia increased its EBIT during the nine month period compared to 2010



EBIT, rolling 12 months

- A SEK 8 million reduction leads to rolling 12 months EBIT of SEK 24 million

EBIT, rolling 12 months

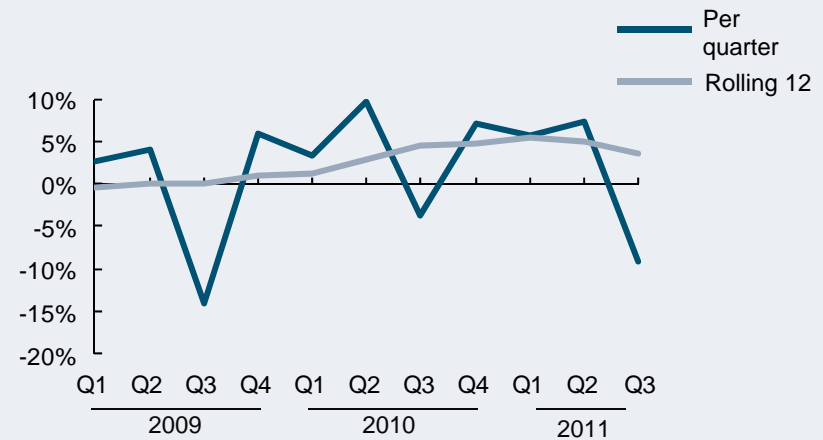


Reduced profit margin – Q3

SEK millions

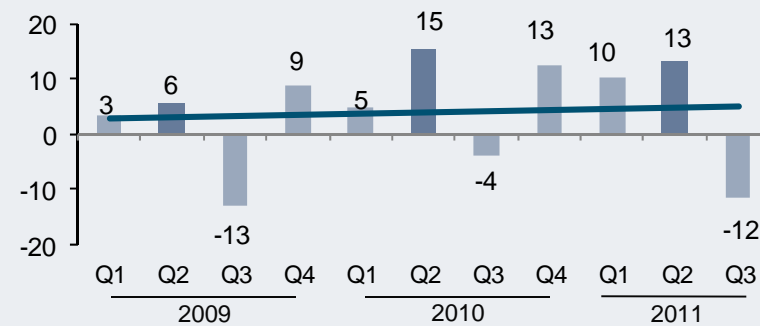
EBIT margin

- Q3 EBIT margin was reduced from -3.8 percent to -9.1 percent
- EBIT margin for rolling 12 months decreased from 4.9 percent to 3.6 percent.
- 2009 numbers are shown exclusive of UK one-off costs



EBIT trend

- Q3 2011 saw a drop in EBIT compared to the corresponding period during previous year
- 2009 numbers are shown exclusive of UK one-off costs



Performance per Service Line – Q3

Service Line Spine

- Growth in a mature segment with little spare capacity
- Continued good profitability even though the clinic in Stockholm suffered from less favourable patient mix and acquisition of Danish clinic

SEK millions	Q3 2011	Q3 2010	9 mths 2011	9 mths 2010
Revenues	40.7	33.8	152.0	130.0
Operating result	1.5	2.1	20.4	18.6
Operating margin, %	4	6	13	14

Service Line Dental

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

SEK millions	Q3 2011	Q3 2010	9 mths 2011	9 mths 2010
Revenues	14.7	16.9	64.5	70.3
Operating result	-0.4	0.0	4.6	6.3
Operating margin, %	-3	0	7	9

Service Line Arrhythmia

- Growth for both periods
- Solid profitability despite free capacity in the clinic

SEK millions	Q3 2011	Q3 2010	9 mths 2011	9 mths 2010
Revenues	5.8	4.0	21.3	18.7
Operating result	0.2	-0.2	2.9	2.3
Operating margin, %	3	-5	14	12

Performance per Service Line, cont.

Service Line Bariatrics

- Growth from organic start-ups and the acquisition of Stockholm Gastro Center in September 2010
- Start-up costs in newly started clinics have a significant impact on profitability in the Service Line

	Q3	Q3	9 mths	9 mths
SEK millions	2011	2010	2011	2010
Revenues	35.5	28.5	136.7	93.1
Operating result	-5.2	-0.5	-2.0	2.5
Operating margin, %	-15	-2	-1	3

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
- Danish acquisition affects profitability negatively in Q3

	Q3	Q3	9 mths	9 mths
SEK millions	2011	2010	2011	2010
Revenues	32.4	25.6	113.9	95.8
Operating result	-1.2	1.3	8.1	8.7
Operating margin, %	-4	5	7	9

Performance per geographic area – Q3

SEK millions

		Q3 2011	Q3 2010	Jan - Sept 2011	Jan - Sept 2010
Sweden	Revenue from business activities	101.8	94.2	420.4	369.0
	Operating result from business activities	-5.5	-0.7	19.9	21.5
Nordic region	Revenue from business activities	19.5	8.2	43.2	19.3
	Operating result from business activities	-6.6	-3.8	-8.1	-1.7
Other countries	Revenue from business activities	7.8	6.4	24.8	19.6
	Operating result from business activities	0.4	0.4	-0.1	-3.9
Reported operating result		-11.7	-4.1	11.7	15.9

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 is affected negatively from less favorable patient mix in the large Bariatric clinics and from new clinics in the Nordic region.
- The non-Swedish operations have maintained it's profitability

Somewhat reduced margins in mature business – Q3

SEK millions

		Q3 2011	Q3 2010	Jan - Sept 2011	Jan - Sept 2010
Mature business	Revenue	119.2	91.2	449.9	346.4
	Operating result	2.3	5.7	46.8	41.7
Newly opened and development	Revenue	9.9	17.6	38.5	61.5
	Operating result	-14.0	-9.8	-35.1	-25.8
Reported revenue		129.1	108.8	488.4	407.9
Reported operating result		-11.7	-4.1	11.7	15.9

Comments

- Mature clinics are clinics that have been in operation for at least 24 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
- Increased costs for newly opened clinics and projects

Financial key data – Q3

SEK millions

	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Total cash	95	121	139	137	133	145	152	163	155	190	198
Shareholders equity incl. minority	462	474	478	475	515	522	514	513	511	550	547
Long term debt	168	178	179	169	131	134	129	136	115	119	116
Net cash position	-66	-11	7	14	9	20	33	36	23	62	76
Equity ratio	61%	62%	62%	61%	68%	67%	69%	68%	67%	69%	70%
Net debt / EBITDA rolling 12	1.3	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	3.2	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	3.2	2.4	2.4	2.5	2.9	3.9	5.5	6.7	9.9	10.9	
EPS	-0.19	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	-0.27	-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	6.65	6.83	6.84	6.81	7.41	7.53	7.44	7.45	7.55	7.8	7.77
Number of employees	364	360	367	324	306	302	297	288	281	282	279
Revenue per employee	0.35	0.50	0.49	0.55	0.36	0.52	0.47	0.52	0.33	0.47	0.45

Temporary increase in working capital – Q3

SEK millions

Comments

- Temporary weak operating cash flow in the third quarter
- Cash flow from investing activities mainly consists of investments in health care equipment and acquisitions of shares in subsidiaries
- Cash flow from financing activities include new loans as well as some loan repayments.





www.globalhealthpartner.com

Contact:

Per Båtelson, CEO, +46 (0)705-95 57 00, per.batelson@ghpartner.com

Tobias Linebäck, CFO and IR, +46 (0)708-55 37 19, tobias.lineback@ghpartner.com

