

17 December 2013

SUTHERLAND HEALTH GROUP PLC

(“Sutherland Health Group” or “the Company”)

ISDX Symbol: SHGP

UNAUDITED HALF YEAR RESULTS

CHAIRMAN’S STATEMENT

The Board of Sutherland Health Group, a national supplier of personal care, patient hygiene, sexual health and gynaecology products to customers including the National Health Service (“NHS”), announces today its unaudited Half Year Results for the six months to 30 September 2013.

FINANCIAL REVIEW

Performance for the first six months of the financial year is slightly ahead of our expectations and represents an improvement over the second half of the year to 31 March 2013. Sales were however reduced compared to the equivalent period in 2012, as in the first half of 2012, we benefitted from stronger than expected demand for our products from within the NHS, resulting in a short term enhanced financial performance. We continue to see growth in sales, to our new wholesale customers and to Amazon, which is enabling us to change the shape of our business, reducing the dependence on the NHS. This is in line with our previously stated strategy.

For the six months to 30 September 2013, the Company’s turnover was down 45% to GBP377,368 (2012: GBP690,420) producing a gross profit of GBP178,562 (2012: GBP312,773). Administrative expenses were up 0.6% at GBP185,109 (2012: GBP183,923). The pre-tax result was a loss of GBP29,659 (2012: profit GBP99,533).

OUTLOOK

The months since end of the interim period end have seen an increase in sales and the Company returning to profitable trading as our planned growth in distribution has started to take effect.

The Biston products acquisition, announced on 30 September 2013, is enabling us to build stronger links with maternity units in the UK. It is our intention to build on that further in 2014 with other products, such as the recently announced distribution deal with Lansinoh.

The Board looks forward to updating shareholders further as appropriate.

John French

Chairman

SUTHERLAND HEALTH GROUP PLC
UNAUDITED CONSOLIDATED PROFIT & LOSS ACCOUNT
FOR THE SIX MONTHS TO 30TH SEPTEMBER 2013

	Unaudited	Unaudited	Audited
	6 Months	6 Months	Year Ended
	30.09.13	30.09.12	31.03.13
	£	£	£
Turnover	377,368	690,420	1,044,413
Cost of Sales	<u>(198,806)</u>	<u>(377,647)</u>	<u>(583,661)</u>
Gross Profit	178,562	312,773	460,752
Distribution Costs	(16,683)	(21,174)	(39,670)
Administration Expenses	(185,109)	(183,923)	(362,277)
Other Operating Income	<u>5,397</u>	<u>5,319</u>	<u>10,716</u>
Operating Profit (Loss)	(17,833)	107,676	69,521
Net Interest	<u>(11,826)</u>	<u>(13,462)</u>	<u>(26,447)</u>
Profit (Loss) on Ordinary Activities	(29,659)	99,533	43,074
Tax on Profit on Ordinary Activities	=	=	<u>(6,494)</u>
Profit (Loss) for the period	(29,659)	<u>99,533</u>	<u>36,580</u>
Earnings per share	(0.03p)	0.14p	0.05p

There were no recognised gains or losses other than the Profit/(Loss) for the financial period. All amounts relate to continuing operations.

SUTHERLAND HEALTH GROUP PLC
UNAUDITED CONSOLIDATED BALANCE SHEET
AT 30TH SEPTEMBER 2013

	Unaudited	Unaudited	Audited
	30.09.13	30.09.12	31.03.13
	£	£	£
FIXED ASSETS			
Intangibles	358,449	361,503	247,546
Tangibles	4,508	6,308	6,286
Total Fixed Assets	362,957	367,811	253,832
CURRENT ASSETS			
Stocks	158,970	174,579	210,538
Debtors	143,302	258,600	149,502
Cash	207,715	121,281	137,494
Total Current Assets	509,987	554,460	497,534
CREDITORS: amounts falling due			
within one year	(275,182)	(262,083)	(272,328)
NET CURRENT ASSETS	<u>234,805</u>	<u>292,377</u>	<u>225,206</u>
TOTAL ASSETS LESS CURRENT			
LIABILITIES	597,762	660,188	479,038

CREDITORS: amounts falling due after

more than one year	(227,680)	(260,705)	(244,490)
NET ASSETS	370,082	399,483	234,548
CAPITAL AND RESERVES			
Called up Share Capital	155,505	139,505	139,505
Share Premium	1,154,561	1,082,161	1,072,561
Other Reserves	93,591	111,478	111,478
Profit and (Loss) Account	<u>(1,033,575)</u>	<u>(933,661)</u>	<u>(1,088,996)</u>
SHAREHOLDERS FUNDS	<u>370,082</u>	<u>399,483</u>	<u>234,548</u>

The Directors do not recommend the payment of a dividend for the reported period.

The unaudited Half Year Results have not been audited and the financial information contained in these results has not been agreed with, or reviewed by, an auditor.

---ENDS---

The Directors of the Issuer accept responsibility for this announcement

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Notes to Editors:

Sutherland Health Group Plc is a national supplier of personal care; patient hygiene, sexual health and diagnostic products to the UK National Health Service (NHS) and other UK customers. Its aim is to supply innovative solutions to current health issues by studying current trends and working alongside leading professionals who also work within the health sector.

The company is committed to developing and marketing high quality brands and products that will benefit health professionals and consumers alike in many areas of health. The Group has established its own brands: Condomania® Condoms; Sutherland® Patient Hygiene and Personal Care; Lubricating Jelly; and Vision® pregnancy and gynaecology diagnostics. These products have already become established within the NHS business.

The Group is ISO and MHRA registered, and at present principally manufactures and operates within the United Kingdom.

For further information on the Company visit www.sutherlandhealth.com