

1 NOVEMBER 2007

**SEXUAL HEALTH GROUP PLC
(PLUS: SHGP)**

INTERIM RESULTS

A period of Continued Improvement

The Board of Sexual Health Group plc ("Sexual Health Group" or "the Company"), a national supplier of sexual health products to customers including the National Health Service ("NHS"), announces today its unaudited Interim Results for the six month period to 30 September 2007.

FINANCIAL HIGHLIGHTS:

- Sales growth of 11.0% in the six month period April to September compared to same period last year;
- Gross Profit up 15.0%; and gross margin improves from 41.8% to 43.4%; and
- Losses on Ordinary Activities before Tax reduced by 44.5%.

OPERATIONAL HIGHLIGHTS:

- Contract to supply NHS England with patient hygiene products;
- Contract to supply NHS England with Pre-Operative Razors;
- New medical device launched Condomania® Ultrasound Probe Covers;
- Contract to supply Barnet Primary Care Trust;
- Further six condom products added to NHS England Contract;
- Contract to supply The States of Jersey; and
- Placing in progress to raise circa GBP500,000

Commenting on today's Interim Results, Chairman, John French, said: **"We are very pleased with the activity the Company has seen in the first half of our financial year, new products have been added to our range, as well as further contracts obtained, all contributing to our continued progress towards profitability. We have some interesting prospects for the remainder of the year which we hope to capitalise on in the near future"**

---ENDS---

The Directors of the Issuer accept responsibility for this announcement.

Enquiries:**Sexual Health Group Plc**

John French, Chairman

Mobile: 07836 722 482

Bishopsgate Communications Ltd.

Dominic Barretto

Sophie Davis

Tel: 020 7562 3367

Lion Capital Corporation

Monisha Varadan

Tel: 020 7562 3389

Notes to Editors:

Sexual Health Group, the holding company, was set up in 2004 and listed on PLUS in January 2005. At the time of inception the Company had one operating subsidiary – Condomania plc, a condom distribution company catering specifically to the NHS. Condomania was founded by George Sutherland, the majority shareholder in 2000. The Company initially created the Condomania® brand in consultation with health professionals. Since its launch the brand has achieved approximately a 9% share of the NHS market which equates to 2.25% of the total UK market. At 16 products, it has one of the widest ranges of condoms available via the NHS in the UK. The Company's strategy is to bring a pipeline of new products in sexual health to the UK market.

In March 2006, the Sexual Health Group acquired Sutherland Group Holdings Ltd, which brought further products into the Company. The key product out of this range was Sutherland® Lubricating Jelly which is now on national contract in NHS England.

In April 2007, the Company announced new contracts with NHS England for patient hygiene products launching its products into the healthcare acquired infection (HAI) market estimated to cost the NHS GBP1 billion per annum to deal with.

The Company has been focusing on the development of its relationship with the NHS, and has developed its profile through this relationship. This will remain as a major part of its strategy for growth.

CHAIRMAN'S STATEMENT

FINANCIAL REVIEW

With additional new products having been added to NHS Contracts the Company's performance continues to improve.

For the six months to 30 September 2007, the Company's turnover was GBP326,324 up 11.0% (2006: GBP293,976) producing a gross profit of GBP141,487 up 15.0% (2006: GBP123,016). Gross margin for the current financial year has also improved, now 43.4% (2006: 41.8%) Administrative expenses were down 12.6% at GBP179,981 (2006: GBP206,043). The pre-tax loss was GBP65,765 (2006: GBP118,446) and the loss per ordinary share was 0.21 pence (2006: 0.38 pence).

Shareholders should note that due to both the nature of the sectors we operate in and that of our business, turnover for Sexual Health Group remains weighted to the second half of the financial year.

OVERVIEW

In April 2007, the Company announced that it had been successful in winning a Contract to supply patient hygiene products to NHS England entering the Healthcare Acquired Infection (HAI) market for the first time. HAI is a problem area for the NHS that is reported to cost in excess of GBP1 billion per annum to deal with. The contract is to supply Shower Gel, Shampoo, and Shave Cream in single use sachets, which can reduce the potential for cross infection on the wards, and since winning the contract we have been successful in gaining distribution with this new range in several NHS Trusts. We also announced the contract to supply Pre-Operative Razors to NHS England.

In May 2007, the Company announced the launch of a new medical device Condomania® Ultrasound Probe Covers. The probe covers can be used in conjunction with Sutherland Lubricating Jelly during general medical procedures where Ultrasound is in use. Ultrasound is a technique used to create images of organs and other internal body parts.

July 2007 saw the Company announce that it had secured the contract to supply Barnet Primary Care Trust with Condomania® condoms. The contract, funded by the Department of Health as part of their Teenage Pregnancy strategy, will mean that under 21 year olds in the Barnet area will be given improved education, advice, and access to free Condomania® condoms.

In October 2007, the Company announced that a further six products were to be added to the Company's NHS England framework agreement contract, and included in the NHS Supply Chain Catalogue with effect from 1 October 2007.

This latest news means that the Company now has 16 products from its Condomania® condom range listed with NHS England taking it to 100% listing of its variants within the condom range and now offers one of the widest choices of condoms available within the NHS. This will enable the Primary Care Trusts to have a wider choice in wholesale ordering which will help increase sales and distribution of the Condomania range.

Also in October 2007, the Company announced that its Condomania division has secured the contract to supply The States of Jersey with Condomania® condoms. The contract, funded by The States of Jersey Public Health Department is part of the States' "Health for Life Strategy" and will support the development of an island wide Condom Distribution Scheme. Condom distribution is also cited as one of the key priorities within the island's new Sexual Health Strategy (2007).

The condom distribution scheme will enable people to access free condoms from a range of venues including the island's core sexual health services. The scheme's primary objective is to reduce the increasing rates of sexually transmitted infections (STI's) as well as unplanned pregnancy. Furthermore, providing condoms to core services, according to need, will help to standardize the practice of condom distribution across Jersey.

NHS MARKET

The Company has seen a number of successful additions to its NHS contracts in the past six months which will bring increased distribution and revenue and the strategy is to continue to support and work closely with healthcare professionals within the NHS in developing products that have a ready demand within the NHS

FUNDRAISING

In September 2007, the Company announced it had embarked on a Placing of new ordinary shares to raise circa GBP500,000 for working capital to support sales growth, and to continue further new product development. The placing is still in progress with shares being placed at 5p per share, and the Board is pleased to inform shareholders that the Company has its first institutional investor, Majedie Investments Plc, who subscribed for 3,000,000 new shares and that active capital investor Addworth plc also subscribed for 500,000 new shares.

ACQUISITIONS

The Company continues to explore compatible acquisitions and, with the continued improvement in the Company's trading, it hopes to be in a position to make a suitable acquisition at the earliest opportunity.

JOHN FRENCH
CHAIRMAN

Sexual Health Group plc
Unaudited profit and loss account
For the six months to 30 September 2007

	Unaudited GBP Six months Ended 30.09.07	Unaudited GBP Six months Ended 30.09.06	Audited GBP Year Ended 31.03.07
Turnover	326,324	293,976	604,223
Cost of Sales	<u>(184,837)</u>	<u>(170,960)</u>	<u>(337,171)</u>
Gross Profit	141,487	123,016	267,052
Distribution costs	(14,173)	(13,734)	(29,568)
Administrative expenses	(179,981)	(206,043)	(416,996)
Other operating income	<u>8,081</u>	<u>1,148</u>	<u>3,961</u>
Operating loss	(44,586)	(95,613)	(175,551)
Net Interest	<u>(21,179)</u>	<u>(22,833)</u>	<u>(54,317)</u>
Loss on Ordinary Activities before tax	(65,765)	(118,446)	(229,868)
Tax on loss on Ordinary Activities	-	-	-
Loss for the period deducted from reserves	<u>(65,765)</u>	<u>(118,446)</u>	<u>(229,868)</u>
Earnings per share	<u>(0.21)</u>	<u>(0.38p)</u>	<u>(0.77p)</u>

There were no recognised gains or losses other than the loss for the financial period.