

28 OCTOBER 2008

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

INTERIM RESULTS

Growth continues and a contract with NHS Wales

The Board of Sutherland Health Group plc ("Sutherland Health Group" or "the Company"), a national supplier of sexual health, patient hygiene, and diagnostic products to customers including the National Health Service ("NHS"), announces today its unaudited Interim Results for the six month period to 30 September 2008.

FINANCIAL HIGHLIGHTS:

- Sales growth of 25.6% in the six month period April to September compared to same period last year;
- Gross Profit up 41.5%; and gross margin improves from 43.4% to 48.8%; and
- Losses on Ordinary Activities before Tax reduced by 12.1%.

OPERATIONAL HIGHLIGHTS:

- 100% listing of Condomania® products within NHS England with the products on contract increasing from 13 to 21 products.
- Sutherland® Patient Hygiene sees the range on contract with NHS England increased from 8 to 12 products
- Thixo-D® Nutritional products now on NHS Wales National Contract
- Placing in progress reaches minimum of £300,000 and remains open to raise circa GBP500,000

Commenting on today's Interim Results, Chairman, John French, said: **"We are delighted with the activity the Company has seen in the first half of our financial year, new products have been added to our range, and we announce today a new contract for Thixo-D® from NHS Wales, all of which adds to our existing core growth and enables us to continue our progress towards a profitable future. At the present time there is understandable concern about the general economy of the UK, but the strategy we have embarked upon of producing products for some of the key health strategies of the Government should see the Company's growth continue. We look forward to reporting further positive news to our shareholders"**

---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 sexual health, patient hygiene, and diagnostic products. The company presently supplies condoms, pregnancy diagnostics, and lubricating jelly to the UK National Health Service (NHS). Its aim is to supply innovative solutions to current sexual health issues by studying current trends and working alongside leading professionals who also work within sexual health.

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 sexual health. The first of these product areas is condoms where the Group has established its own brand Condomania® that has already achieved a significant share of the NHS business.

The company has also developed the Sutherland® patient hygiene range which is now on contract with NHS England that can reduce the risk to patients of cross infection.

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

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

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 2008, the Company's turnover was GBP409,850 up 25.6% (2007: GBP326,324) producing a gross profit of GBP200,206 up 41.5% (2007: GBP141,487). Gross margin for the current financial year has also improved, now 48.8% (2007: 43.4%) Administrative expenses were up 20.6% at GBP217,148 (2007: GBP179,981). The pre-tax loss was GBP57,821 (2007: GBP65,765) and the loss per ordinary share was 0.14 pence (2007: 0.21 pence).

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

OVERVIEW

In April 2008, the Company announced that it had signed Heads of Agreement to acquire Pasante Healthcare Ltd. This was an exciting opportunity for the Company that many saw as a natural acquisition for us, however the market conditions prevailing at the time meant that we were unable to complete the acquisition as announced in our corporate update on the 30th May 2008. The Board was naturally disappointed to have not completed the deal, but are delighted that the core business of the Group did not suffer a loss of turnover whilst this acquisition activity was happening, and in fact still managed to grow turnover by 25% in the first half of our year.

NHS MARKET

In our AGM statement on the 30th September 2008 we announced to shareholders that the Group had seen the number of Condomania products on contract with NHS England increase from 13 to 21 giving a 100% listing of the Condomania® condom range. We were also pleased to report that the Sutherland® patient hygiene range had seen the number of products on contract with NHS England increased from 8 to 12.

We also announced in our AGM statement that the Sutherland® patient hygiene range has increased from 8 to 12 products on contract with NHS England, which has furthered our sales in this important and growing area of concern to the NHS.

The Thixo-D® Nutrition range has been put on contract for NHS Wales for a 3 year period commencing 1st September 2008 until 30th August 2011, enabling all hospitals in Wales to order our product via this contract.

Thixo-D® is a rapid thickener for the management of Dysphagia which is the medical name for a swallowing problem. Dysphagia can be a long or short term condition causing coughing, spluttering, or even choking when swallowing thin liquids. Thixo-D® has been approved for prescription use and the Company has achieved distribution via major national wholesalers AAH and Unichem as well as regional pharmacy wholesalers.

It is our opinion that our strategy of working closely with health professionals to develop products that are needed or required within the NHS is working, and as we continue to grow our presence in the NHS, further market and new product opportunities are being presented to us to work on or consider.

FUNDRAISING

In June 2008, the Company announced it had embarked on a Placing of new ordinary shares and the offer of a £300,000 convertible loan note giving 9% interest to raise circa GBP500,000 in total for working capital to support sales growth, and to continue further new product development. The convertible loan note was closed by the Board when it had reached £106,000, but the placing of new ordinary shares is still in progress with shares being placed at 2p per share. The Placing will remain open until further notice.

ACQUISITIONS

The Company continues to explore compatible acquisitions and, with the continued improvement in the Company's trading it currently is experiencing 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 2008

	Unaudited GBP Six months Ended 30.09.08	Unaudited GBP Six months Ended 30.09.07	Audited GBP Year Ended 31.03.08
Turnover	409,850	326,324	711,386
Cost of Sales	<u>209,644</u>	<u>184,837</u>	<u>390,550</u>
Gross Profit	200,206	141,487	320,836
Distribution costs	27,939	14,173	37,644
Administrative expenses	217,148	179,981	419,004
Other operating income	<u>(5,219)</u>	<u>(8,081)</u>	<u>(11,314)</u>
Operating loss	(39,662)	(44,586)	(124,498)
Net Interest	<u>18,159</u>	<u>21,179</u>	<u>49,493</u>
Loss on Ordinary Activities before tax	(57,821)	(65,765)	(173,991)
Tax on loss on Ordinary Activities	-	-	-
Loss for the period deducted from reserves	<u>(57,821)</u>	<u>(65,765)</u>	<u>(173,991)</u>
Earnings per share	<u>(0.14p)</u>	<u>(0.21p)</u>	<u>(0.51p)</u>

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