

16 NOVEMBER 2009

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

**INTERIM RESULTS**

**Continued growth and a maiden interim profit**

The Board of Sutherland Health Group plc ("Sutherland Health Group" or "the Company"), a national supplier of patient hygiene, sexual health 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 2009.

**FINANCIAL HIGHLIGHTS:**

- Sales growth of 14.4% in the six month period April to September compared to same period last year;
- Gross Profit up 20.0%;
- Gross Margin improves from 48.8% to 51.2%; and
- The Company achieves a maiden interim profit.

**OPERATIONAL HIGHLIGHTS:**

- Condomania® wins contract to supply Reading, West Berkshire, and Wokingham Councils along with NHS West Berkshire;
- Condomania® awarded a Framework Agreement to supply 100% of its products to NHS England until March 2011; and
- Placing closed having raised £456,530 for working capital.

Commenting on today's Interim Results, Chairman, John French, said:

"I am delighted to report that we have reached the important milestone of delivering a maiden interim profit. The Company has shown consistent growth in customers and in their interest in the range of products that we have developed. We look forward to updating shareholders on further new developments that should see our current growth trend continue"

**CHAIRMAN'S STATEMENT**

**FINANCIAL REVIEW**

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

For the six months to 30 September 2009, the Company's turnover was GBP469,089 up 14.4.% (2008: GBP409,850) producing a gross profit of GBP240,383 up 20.0% (2008: GBP200,206). Gross margin for the current financial year has also improved, now 51.1% (2008: 48.8%) Administrative expenses were down 9.2% at GBP197,163 (2008: GBP217,148). The pre-tax profit was GBP7,245 (2008: Loss GBP57,821) and the profit per ordinary share was 0.014 pence (2008: Loss 0.14 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**

Despite a difficult economic climate in the last 6 months we have continued to build our customer base and the Company has experienced good growth in several areas of our business.

The fastest growth area of our business currently is the Sutherland® Patient Hygiene range which has seen strong demand across all products as NHS Hospitals continue to work at reducing the risk of cross infection on the wards.

The Condomania® condom range has during this period been awarded a further Framework Agreement Contract with NHS England that will see 100% of its product range being made available until March 2011.

We are pleased that we have been successful in winning a contract to supply Reading, West Berkshire, and Wokingham Councils along with NHS West Berkshire under their new C-Card Scheme. This scheme aims to improve access to sexual health education and condoms for the young people in those areas, and we are delighted to play our part in making that happen.

## **FUND RAISING**

The Company closed its placing during the period having raised £106,000 in Convertible Loan Notes and £350,530 by placing new ordinary shares at 2p, giving a total of £456,530 for working capital.

## **DIRECTOR DEALING**

During this interim period Chief Executive George Sutherland purchased 50,000 shares at 2.65p, and I purchased 25,000 shares at 2.5p. Both transactions were

on the 10<sup>th</sup> September 2009, and were reported to the market on the 11<sup>th</sup> September 2009.

## **STRATEGY**

It is our opinion that our strategy of working closely with health professionals to develop products that are needed or required within the NHS has been successful, 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.

## **NEW PRODUCTS**

Two new products that we have been discussing with the NHS, are now close to final stages in preparation. We consider that these new products will further strengthen our sexual health business and will increase our interest in the area of point of care diagnostics.

We look forward to updating shareholders on these new products and further new developments as and when we are able to do so.

**JOHN FRENCH**  
**CHAIRMAN**

**Sutherland Health Group plc**  
**Unaudited profit and loss account**  
**For the six months to 30 September 2009**

	<b>Unaudited GBP Six months Ended 30.09.09</b>	<b>Unaudited GBP Six months Ended 30.09.08</b>	<b>Audited GBP Year Ended 31.03.09</b>
Turnover	469,089	409,850	903,842
Cost of Sales	<u>228,706</u>	<u>209,644</u>	<u>480,051</u>
Gross Profit	240,383	200,206	423,791
Distribution costs	27,184	27,939	52,934
Administrative expenses	197,163	217,148	435,221
Other operating income	<u>3,210</u>	<u>5,219</u>	<u>13,840</u>
Operating Profit / (Loss)	19,246	(39,662)	(50,524)
Net Interest	<u>(12,001)</u>	<u>(18,159)</u>	<u>(31,388)</u>
Profit / (Loss) on Ordinary Activities b/f tax	7,245	(57,821)	(81,912)
Tax on loss on Ordinary Activities	<u>-</u>	<u>-</u>	<u>-</u>
Profit / (Loss) for the period	<u>7,245</u>	<u>(57,821)</u>	<u>(81,912)</u>
Earnings per share	<u>0.014p</u>	<u>(0.14p)</u>	<u>(0.18p)</u>

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

**The above interim results have not been reviewed by the Company's auditor.**

*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 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® Lubricating Jelly and Vision® pregnancy diagnostics that have already become established within the NHS business.

The Company has also developed the Sutherland® patient hygiene range which is now on contract with NHS England and NHS Northern Ireland 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](http://www.sutherlandhealth.com)**