

5 November 2010

SUTHERLAND HEALTH GROUP PLC

("Sutherland Health Group" or "the Company")

PLUS Symbol: SHGP

INTERIM RESULTS

The Board of Sutherland Health Group, a national supplier of patient hygiene, sexual health and gynaecology products to customers including the National Health Service ("NHS"), announces today its unaudited Interim Results for the six months to 30th September 2010.

Financial Highlights:

- Sales growth of 0.6% in the six month period April to September compared to same period last year;
- Gross Profit up 9.6%;
- Gross margin improves from 51.2% to 55.8%;
- Operating profit up 102%; and
- Profit for the period up 298% from £7,245 to £28,847.

Operational Highlights:

- Relationship letter signed with Thames Valley Innovation & Growth;
- New Sales and Marketing Assistants recruited;
- New contract awarded by NHS England to supply Thixo-D® nutritional supplement; and
- Placing closed raising £217,000 before expenses;

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

"We are delighted that we continue to improve our gross margins as the mix of our product sales changes with our new products beginning to improve our overall profitability. The last few months has seen a very busy period for the Company as we prepared for the launch of our new Gynaecology diagnostics for which we recently announced first orders had been received from the NHS. We look forward to updating shareholders on further progress and developments in new distribution and sales"

CHAIRMAN'S STATEMENT

FINANCIAL REVIEW

For the six months to 30 September 2010, the Company's turnover was GBP471,997 up 0.6% (2009: GBP469,089) producing a gross profit of GBP263,404 up 9.6% (2009: GBP240,383). Gross Margin for the current financial year has also improved by 55.8% (2009: 51.1%). Administrative expenses increased by 5.5% to GBP208,013 (2009: GBP197,163). The pre-tax profit was GBP28,847, which is an increase of 298.2% (2009: GBP7,245) and the profit per ordinary share was 0.045 pence (2009: 0.014 pence).

The first six months of the financial year has been a period of consolidating our position, improving gross margins and profitability on our brands, whilst at the same time preparing for our launch into the Gynaecology diagnostics market.

During this period we signed a relationship letter with Thames Valley Innovation and Growth (TVIG) enabling the Company to receive funding for specialist consultancy to further its research into new market opportunities.

We were also pleased to be awarded a new contract with NHS England to supply our nutritional product Thixo-D® that came into effect on 1 May 2010. Thixo-D® Original is a nutritional supplement that is an instant food and thickener for the management of Dysphagia.

We have also recruited two new sales and marketing people to strengthen our sales activities going forward.

FUNDING

The Company raised GBP217,000 by placing new ordinary shares at 2.5p during this period. The Directors purchased 600,000 new ordinary shares in this placing. The funds raised are being used by the Company for working capital, to continue new product development and to fund the sales and marketing team.

DIRECTORS DEALINGS

During the interim period, Chief Executive George Sutherland purchased 49,000 shares at 2.5p and a further 26,000 shares at 2.73p on 28 April 2010 and I purchased 78,000 shares at 2.5p on 28 April 2010. These transactions were reported to the market on 30th April 2010.

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 to date been a success. We are regularly presented with new product opportunities for us to work on or consider. We have also begun to broaden our distribution network into other medical markets, which presents a further opportunity for the Company going forward.

NEW PRODUCTS

We announced on 25 October 2010 that we had completed development and have now received first orders from NHS England for the Vision® Amniotic Leak Detector and the Vision® Vaginal Infection Swab. Both products are supplied under a national contract with NHS England until 30 September 2012. We are delighted that they have now been approved for marketing and look forward to an exciting period of gaining distribution and further sales opportunities with these two new important products.

JOHN FRENCH
CHAIRMAN

SUTHERLAND HEALTH GROUP PLC
UNAUDITED CONSOLIDATED PROFIT & LOSS ACCOUNT
FOR THE SIX MONTHS TO 30TH SEPTEMBER 2010

	Unaudited	Unaudited	Audited
	6 Months	6 Months	Year Ended
	30.09.10	30.09.09	31.03.10
	£	£	£
Turnover	471,997	469,089	956,509
Cost of Sales	(208,593)	(228,706)	(455,986)
Gross Profit	263,404	240,383	500,523
Distribution Costs	(21,575)	(27,184)	(55,734)
Administration Expenses	(208,013)	(197,163)	(398,822)
Other Operating Income	5,140	3,210	7,386
Operating Profit	38,956	19,246	53,353
Net Interest	(10,109)	(12,001)	(24,017)
Profit on Ordinary Activities	28,847	7,245	29,336
Tax on Profit on Ordinary Activities	-	-	-
Profit for the period	28,847	7,245	29,336
Earnings per share	0.045p	0.014p	0.05p

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

All amounts relate to continuing operations.

SUTHERLAND HEALTH GROUP PLC
UNAUDITED CONSOLIDATED BALANCE SHEET
AT 30th SEPTEMBER 2010

	Unaudited	Unaudited	Audited
	30.09.10	30.09.09	31.03.10
	£	£	£
FIXED ASSETS			
Intangibles	302,391	327,027	314,709
Tangibles	6,844	5,970	7,849
	309,235	332,997	322,558
CURRENT ASSETS			
Stocks	112,591	116,923	159,044
Debtors	185,315	234,092	187,526
Cash	25,057	11,875	61,148
	322,963	362,890	407,718
CREDITORS: amounts falling due			
within one year	(179,134)	(422,797)	(492,845)
NET CURRENT ASSETS (LIABILITIES)	143,829	(59,907)	(85,127)
TOTAL ASSETS LESS CURRENT			
LIABILITIES	453,064	273,090	237,431
CREDITORS: amounts falling due after			
more than one year	(239,513)	(268,947)	(239,585)

NET ASSETS	213,551	4,143	(2,154)
CAPITAL AND RESERVES			
Called up Share Capital	127,376	104,083	110,016
Share Premium	1,036,488	901,311	866,990
Other Reserves	111,478	111,478	111,478
Profit and Loss Account	(1,061,791)	(1,112,729)	(1,090,638)
SHAREHOLDERS FUNDS	213,551	4,143	(2,154)

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

---ENDS---

The Directors of the Issuer accept responsibility for this announcement

Enquiries:

Sutherland Health Group Plc

John French, Chairman

E: john@sutherlandhealth.com

T: 07836 722482

Rivington Street Corporate Finance Ltd

Heena Karani

E: heena.karani@rs-cf.com

T: 0207 562 3393

Bishopsgate Communications Ltd

Maxine Barnes

E: shg@bishopsgatecommunications.com

T: 0207 562 3367

M: 07860 489571

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® 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 operates within the United Kingdom.

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