

QUALITY THROUGH SPECIALISATION

GLOBAL HEALTH PARTNER

Q4 REPORT
FEBRUARY 23, 2011



GLOBAL HEALTH PARTNER

Agenda

Highlights Q4 2010

Market situation

Strategy

Service Lines

Finance

Summary



Highlights Q4 2010

- Revenue increased with 17% to SEK 177.6 million (151.2)
- 10% organic growth
- Operating result (EBITA) amounted to SEK 12.5 million (-2.9)
- EBT increased to SEK 12.8 million (-5.9)
- EAT amounted to SEK 12.6 million (-8.5)
- EPS amounted to SEK 0.13 million (-0.19)
- Acquisition of Stockholm Gastro Center
- Acquisition of minority shares in Bariatric Center Stockholm Holding

Market situation

Sweden

- Exciting development related to “patient free choice” and waiting list guarantee programs

Denmark

- Turmoil, political interference and severe competition

Norway

- Status quo

Finland

- “On the verge” to open up for private initiatives

Czech Republic

- Hit by financial down turn



Our strategy can be summarized in four cornerstones

**“Quality through
Specialisation” –
Service Lines**


















**Partnership
model**

**Decentralised
business model**

**Rapid growth in
selected markets**



GHP clinics

Spine	 <p>SPINE CENTER GÖTEBORG</p>	 <p>STOCKHOLM SPINE CENTER</p>	 <p>SPINE CENTER BERGEN</p>	
Dental	 <p>SPECIALISTANDLÄKARNA SOPHIAHEMMET</p>	 <p>SPECIALISTANDLÄKARNA NORRKÖPING</p>	<p>SPECIALISTKLINIKEN FÖR DENTALA IMPLANTAT</p>	
Bariatrics	 <p>BARIATRIC CENTER STOCKHOLM</p>  <p>OB KLINIKA</p>	 <p>BARIATRIC CENTER SKÅNE</p>  <p>BARIATRIC CENTER CENTER FOR OVERVÄGTSKIRURGI</p>	 <p>BARIATRIC CENTER HELSINKI</p>  <p>BARIATRIC CENTER CAIRO</p>	 <p>BARIATRIC CENTER BERGEN</p> <p>RASHID CENTRE FOR DIABETES & RESEARCH</p>
Gastro	 <p>GASTRO CENTER SKÅNE</p>	<p>STOCKHOLM GASTRO CENTER</p>		
Orthopaedics	 <p>ORTHO CENTER IFK-KLINIKEN</p>	 <p>ORTHO CENTER STOCKHOLM</p>	 <p>ORTHO CENTER SKÅNE</p>	
Arrhythmia	 <p>ARRHYTHMIA CENTER STOCKHOLM</p>			

GHP Service Lines

Spine	<ul style="list-style-type: none">• Spine surgery/spine care• 3 clinics in Sweden and Norway
Dental	<ul style="list-style-type: none">• Specialist dentistry• 3 clinics in Sweden
Bariatrics	<ul style="list-style-type: none">• Treatment and surgery of obesity• 9 clinics in Sweden, Finland, Denmark, Norway, Czech Republic, Egypt and UAE
Gastro	<ul style="list-style-type: none">• Medical gastroenterology and endoscopy• 2 clinics in Sweden
Orthopaedics	<ul style="list-style-type: none">• Sports traumatology and prosthetic surgery• 3 clinics in Sweden
Arrhythmia	<ul style="list-style-type: none">• Disturbance of the heart rhythm• 1 clinic in Sweden

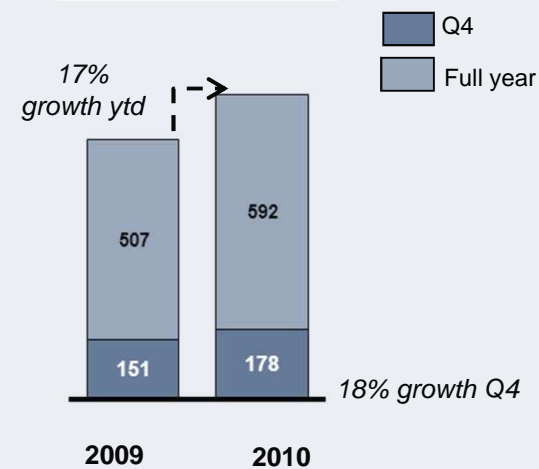


Continued strong income growth in Bariatrics

SEK millions

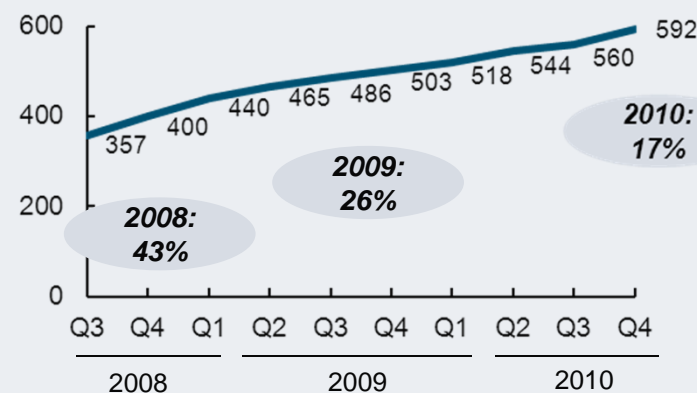
Total income

- Income increased from SEK 152 million to SEK 179 million for Q4 and from SEK 507 million to SEK 592 million for the full year
- 18 percent growth of which 10 percent was organic for Q4 and 17 percent growth of which 12 percent was organic for the full year
- Bariatrics main growth driver with above 80 percent growth for both periods, but Orthopaedics and Arrhythmia also contributes to the full year growth



Total income rolling 12 months

- Rolling 12 months continue to increase and now amounts to SEK 592 million
- Acceleration of income in newly started clinics should help accelerate growth during 2011

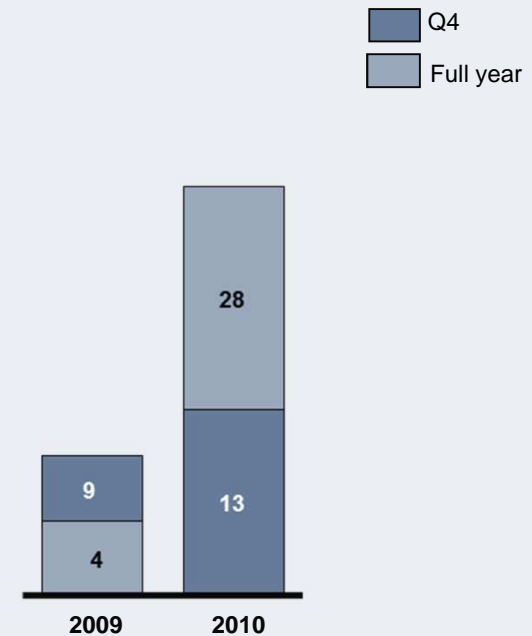


Continued increased profitability

SEK millions

EBITA

- Operating result in Q4 increased with SEK 3.8 million and with SEK 24.0 million for the full year (excluding one-off costs for 2009)
- Including the one-off costs for 2009 the improvements are SEK 15.4 million and SEK 35.6 million for the periods, respectively
- For Q4, all Services Lines except Arrhythmia and Spine increased performance compared to 2009, while all Service Lines except Spine increased their EBITA for the full year
- Spine almost at 2009 levels despite loss of rehab contract followed by a weak Q1
- Continued high investment costs in Service Line Bariatric
- The full year improvement of SEK 24 million is split between
 - EBITA from clinics improved throughout the year and amounted to SEK 16 million at year end
 - Non-allocated central costs were reduced with SEK 8 million to SEK 30 million



Improved operational performance

SEK millions

EBITA, rolling 12 months

- The first graph shows the EBITA development on rolling 12 months including one-off costs for the re-listing and the closure of UK activities during 2008 and 2009
- The second graph shows the profitability development excluding such one-off costs
- Q4 2010 continues the profit increase that started in Q2
- Also when one-off costs are included the profitability shifted during Q2 2010
- A SEK 15.4 million improvement leads to almost SEK 28.4 million EBITA on a rolling 12 months basis

Including one-off costs



Excluding one-off costs



Improved profit margin

SEK millions

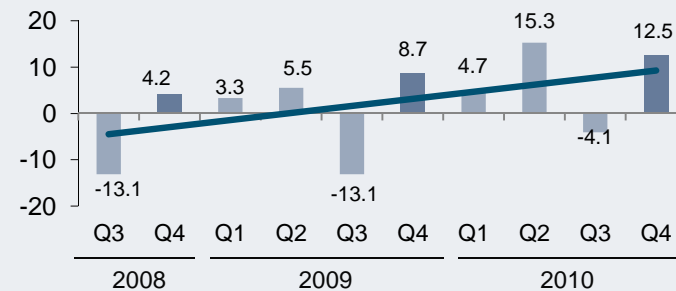
EBITA margin

- Q4 EBITA margin improved from 5.8 percent to 7.0 percent and full year margin from 0.8 percent to 4.8 percent
- EBITA margin for rolling 12 months shows a steady increase, now amounting to almost 5 percent
- 2008 numbers are shown exclusive of relisting costs and 2009 numbers exclusive of UK one-off costs



EBITA trend

- Increasing trend for all quarters, now also for the third quarter
- 2008 numbers are shown exclusive of relisting costs and 2009 numbers exclusive of UK one-off costs



Performance per geography, Q4 and full year 2010

SEK millions

		Q4 2010	Q4 2009	Full year 2010	Full year 2009
Sweden	Revenue from business activities	157.5	143.1	526.5	481.9
	Operating result from business activities	14.3	15.1	35.8	31.3
Nordic region	Revenue from business activities	11.8	3.2	31.7	4.8
	Operating result from business activities	-0.8	0.1	-2.7	-2.2
Other countries	Revenue from business activities	8.3	4.9	27.3	16.6
	Operating result from business activities	-1.0	-18.1	-4.7	-36.3
Reported operating result		12.5	-2.9	28.4	-7.2

Comments

- All business development costs are included in the Swedish segment, despite the fact that most development activities are carried out outside Sweden
- Most Swedish operations have improved during 2010, however no consolidated improvements due to reduced Spine and Dental performance
- Significantly lower loss from clinics outside Sweden during 2010 compared to 2009

Increased margins in mature business

SEK millions

		Q4 2010	Q4 2009	Full year 2010	Full year 2009
Mature business	Revenue	160.3	133.7	517.3	469.9
	Operating result	23.2	18.1	68.7	53.1
Newly opened and development	Revenue	17.3	17.5	68.2	33.4
	Operating result	-10.7	-9.4	-40.3	-48.7
	Reported revenue	177.6	151.2	585.5	503.3
	Reported operating result	12.5	8.7	28.4	4.4

Comments

- Mature clinics are clinics that have been in operation for at least 12 months
- Central administration costs for the Group are included in the mature business
- Central expansion and project costs are included in the start-up business
- EBITA margin from mature business has increased for both periods
- Still significant investment costs in newly opened clinics

Q4 2010 – Financial key data

SEK millions

	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Total cash	137	133	145	152	163	155	190	198	227	152	174	199
Shareholders equity incl. minority	475	515	522	514	513	511	550	547	547	574	471	453
Long term debt	169	131	134	129	136	115	119	116	120	129	160	160
Net cash position	14	9	20	33	36	23	62	76	96	14	26	27
Equity ratio	61%	68%	67%	69%	68%	67%	69%	70%	70%	70%	61%	65%
Net debt / EBITDA rolling 12	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Int bearing debt / EBITDA rolling 12	2.5	4.0	6.1	11.7	16.8	11.6	28.9					
Int bearing debt / adjusted EBITDA rolling 12	2.5	2.9	3.9	5.5	6.7	9.9	10.9					
EPS	0.13	-0.07	0.09	-0.01	-0.19	-0.19	-0.01	-0.06	-0.24	-0.33	-0.07	-0.06
Basic cash flow from operating activities per share	0.38	-0.07	0.08	0.03	0.32	-0.32	0.05	-0.08	0.68	-0.23	0.13	-0.07
Shareholders equity per share, SEK	6.81	7.41	7.53	7.44	7.45	7.55	7.8	7.77	7.81	8.91	8.04	7.97
Number of employees	324	306	302	297	288	281	282	279	235	218	207	198
Revenue per employee	0.55	0.36	0.52	0.47	0.52	0.33	0.47	0.45	0.59	0.33	0.54	0.43

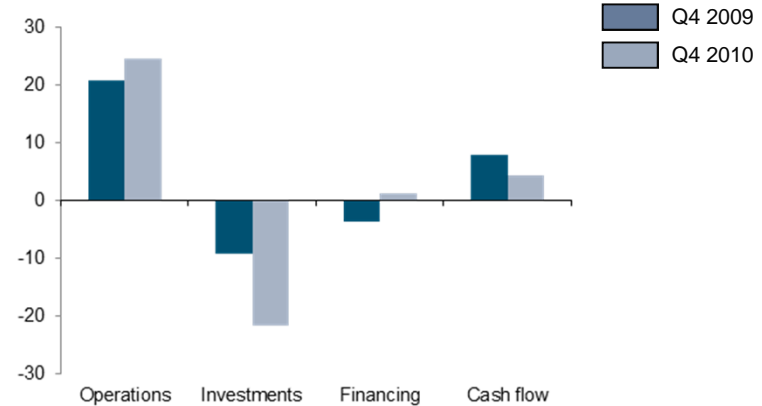
Improved cash flow from operations

SEK millions

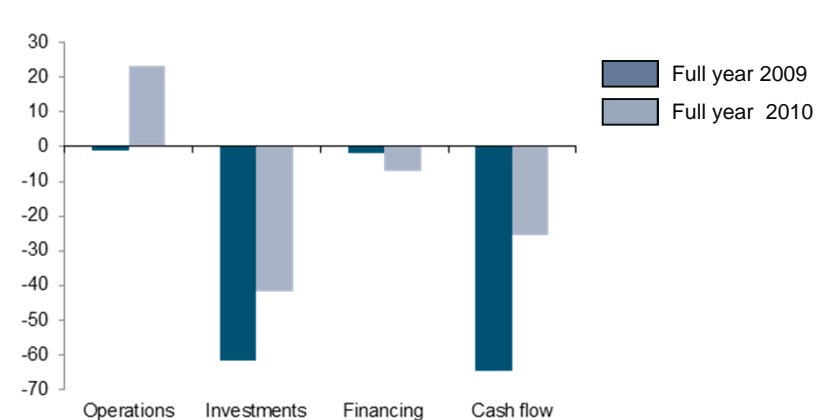
Comments to the cash flow, Q4 and full year

- Included in cash flow from operations was SEK 6.6 million (6.4) of changes in working capital for Q4 and SEK -11.5 million (-9.4) for the full year
- Cash flow from investing activities mainly consists of investments in health care equipment and dividend paid to minority shareholders
- Cash flow from financing activities include some loan repayments and finance lease repayments
- Cash flow for Q4 was slightly lower than last year despite higher cash flow from operations. This is because of higher investments in e.g. Stockholm Gastro Center
- Cash flow for the full year improved by SEK 39 million, largely depending on increased cash flow from operations

Cash flow, Q4



Cash flow, Full year



Summary 2010

- Positive earnings trend for the company as a whole
- Strong growth and profitability within Service Line Orthopaedics
- Successful restructuring of the rehabilitation activities at Stockholm Spine Center and Spine Center Bergen
- The resource intensive but promising start-up of Diabetes and Bariatrics Clinic in Ajman, UAE
- Positive volume trends within Service Line Bariatrics
- The results of the ongoing quality work
- Continued stable development of Arrhythmia Center Stockholm
- The acquisition of Stockholm Gastro Center
- Processing of business models and the control of minority influence



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