

## **Global Health Partner Plc announces preliminary results for the period ended 31 December 2006**

Global Health Partner Plc (London AIM: GHP) (the “Company” or “GHP”), the provider of specialist clinical healthcare services, reports its first set of consolidated results for the period ended 31 December 2006.

GHP, a UK registered company, was listed on AIM on 16 August 2006, following its 14 August 2006 merger with Bombshell Limited, an AIM listed shell company whose sole asset was cash.

The following consolidated financial information therefore contains the combined results of GHP’s operations for the period from 15 August 2006 to 31 December 2006 and the results of Bombshell Limited for the period from 1 April 2006 to 14 August 2006.

The comparative data is that of Bombshell Limited as at 31 March 2006 and for the nineteen month period then ended. Going forward, it is intended that the Company will report its consolidated financial information for the twelve month period ended 31 December each year, together with half-year information to 30 June.

As at 31 December 2006, GHP had consolidated net assets of £22.8m, including £22.6m of goodwill derived from the Company’s acquisitions of its healthcare service operations and a corporate management company, all acquired during the period August to December 2006. Total cash balances were £12.6m and external acquisition finance borrowings, principally established against the cash flows within the operations, were £13.9m, including £2.1m of convertible debt.

### **Chairman and CEO, Per Båtelson said:**

“In this initial period of operations from August 2006, we have established our specialised clinical healthcare service model, working with an experienced central management team to bring in some of the best medical entrepreneurs. The clinical services we currently provide are: Spine surgery and rehabilitation, Dental Implant surgery and prosthesis surgery, Orthopaedic surgery and rehabilitation, and Obesity treatment, including Bariatric surgery.

There is significant current business activity both to develop these areas in Sweden, where our operations are currently located, and in the UK and Europe both through roll-outs and further add-on acquisitions. Progress to date has been satisfactory, but GHP remains a young organisation with significant challenges to perfect and roll-out its integrated business model, especially in replicating its Swedish operational successes in the UK and other European markets. Across these markets, the regulatory environment and the competitive forces acting on entrepreneurial activity within healthcare services vary widely.

During the period following their respective acquisitions, both Spine surgery and rehabilitation and Dental Implant surgery and prosthesis surgery services have continued to perform strongly with improvements in both revenues and operating margins.

The Orthopaedic surgery and rehabilitation services were effectively acquired out of administration and, while some progress has been made to reconstruct operations through process improvements and recruitment of new physicians, there remains considerable work to be done to increase activity and bring the clinic up to acceptable operating margins.

Given the current market receptiveness to the business model in favourable operating conditions in Sweden, GHP will continue to pursue penetration in the Scandinavian market alongside European roll-outs and expects to add one or two more clinical services.

Overall, the Board of Directors is pleased at the development of the integrated business model achieved to date, and remains focused on delivering against the significant challenges of early stage development and, as far as possible, living up to the market's current expectations of GHP. “

## **Global Health Partner's Business Model**

GHP is an active investor in and business partner to leading medical professionals in selected clinical areas. While the activities, to date, have focused on the Swedish market, the Company has a Europe-wide focus and wishes to acquire and build “centres of excellence” clinics in the UK and other major European markets over the next few years.

The partnership model invites top class entrepreneurs to retain some equity participation, or become shareholders of the clinics where they operate, and in some instances to join as shareholders of the integrated operations.

Having the key clinicians as significant shareholders aligns their interests with that of the Company and promotes better quality, tighter and more integrated governance. It also provides the clinicians with an individually controlled exit opportunity when value creation has occurred. GHP, through its qualified staff, provides expertise and services in areas such as business development, administration, finance, property, marketing and contracting. GHP's oversight also ensures financial and operational quality and provides the necessary overall resources for expansion both organically and through acquisition.

GHP expects that each clinical service will grow both through acquisitions and roll-outs, in line with the underlying market conditions for that speciality. The corporate resources will be kept at optimal levels in order to secure the lowest possible overhead burden on operations. GHP believes that this model can create a meaningful cost advantage versus traditional hospital delivery models, whilst producing quality output through specialisation at the same time.

## **Post Balance Sheet Events**

Following the year end, two further significant acquisitions have taken place. First in Orthopaedics, GHP has expanded its operating capacity. The acquisition in January 2007, of 88% of the ordinary shares of Stockholm's Specialistvård AB, an orthopaedic clinic, adds two operating theatres and 25 beds located in adjacent premises to Stockholm Spine Centre at Lowenstromska sjukuset. Secondly the Company has made its first acquisition in the area of Obesity treatment. The acquisition in February 2007 of 65% of the ordinary shares of Obesity Stockholm AB, a leading Stockholm private obesity clinic, represents an important step forward in establishing the Obesity surgery clinical capability based on the protocols developed with the Sahlgrenska University Hospital. This positions GHP well for what is expected to be a growing market in many European countries. The total cost of these acquisitions was approximately £2.2m, satisfied by cash and shares. The operations are currently performing in line with expectations.

In February 2007, GHP placed a further 12 million ordinary shares with existing shareholders, raising approximately £12.0m after expenses. The placing of shares at £1 each represented approximately 22% of the enlarged equity and provides the Company with significant funds to support further developments.

## **For Further Information contact GHP:**

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## Summarised Consolidated Profit and Loss Accounts (Unaudited)

For the period 1 April to 31 December 2006 (comparative - 19 months ended 31 March 2006)

	31 December 2006 £000	31 March 2006 £000
<b>Revenue and other operating income</b>		
Revenue	5,718	-
Other operating income	305	-
	<u>6,023</u>	<u>-</u>
Operating expenses	<u>(6,277)</u>	<u>(47)</u>
<b>Operating loss</b>	<u>(254)</u>	<u>(47)</u>
Share of net loss of associate	(13)	-
Financial income	221	336
Financial expenses	<u>(659)</u>	<u>-</u>
	<u>(451)</u>	<u>336</u>
<b>(Loss) profit before tax</b>	(705)	289
Taxation	<u>(277)</u>	<u>-</u>
<b>Net (loss) profit</b>	<u>(982)</u>	<u>289</u>
<b>Attributable to</b>		
Shareholders' equity	(1,092)	289
Minority interests	<u>110</u>	<u>-</u>
	<u>(982)</u>	<u>289</u>
<b>(Loss) earnings per ordinary share</b>		
Basic	(4.6)p	4.5p
Diluted	(4.0)p	4.5p

## Summarised Consolidated Balance Sheets (Unaudited)

At 31 December 2006 (comparative - 31 March 2006)

	31 December 2006 £000	31 March 2006 £000
<b>Assets</b>		
<b>Non-current assets</b>		
Goodwill	22,627	-
Other non-current assets	<u>1,769</u>	<u>-</u>
<b>Total non-current assets</b>	<u>24,396</u>	<u>-</u>

<b>Current assets</b>		
Trade and other receivables	1,814	6
Other current assets	1,458	-
Cash and cash equivalents	12,614	3,514
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<b>Total current assets</b>	15,886	3,520
	<hr/>	<hr/>
<b>Total assets</b>	40,282	3,520
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<b>Liabilities</b>		
<b>Current liabilities</b>		
Short term borrowings	1,877	-
Other current liabilities	3,031	14
	<hr/>	<hr/>
<b>Total current liabilities</b>	4,908	14
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<b>Non-current liabilities</b>		
Long term borrowings	12,028	-
Other non-current liabilities	515	-
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<b>Total non-current liabilities</b>	12,543	-
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<b>Total liabilities</b>	17,451	14
	<hr/>	<hr/>
<b>Net assets</b>	22,831	3,506
	<hr/> <hr/>	<hr/> <hr/>
<b>Total shareholders' equity</b>	22,523	3,506
<b>Minority interests</b>	308	-
<b>Total equity</b>	22,831	3,506
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### Summarised Statement of Changes in Consolidated Shareholders' Equity (Unaudited)

Opening balance at 1 April 2006		3,506
Issue of share capital (net of expenses)		19,700
Net loss		(1,092)
Foreign exchange and other movements		409
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<b>Closing balance at 31 December 2006</b>		22,523
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## Summarised Statements of Cash Flows (Unaudited)

For the period 1 April to 31 December 2006 (comparative – 19 months ended 31 March 2006)

	31 December 2006 £000	31 March 2006 £000
<b>Operating activities</b>		
Operating loss	(254)	(47)
Depreciation and amortisation	253	-
Other operating activities - net	(248)	103
Changes in working capital - net	(805)	8
<b>Net cash flow (used in) from operating activities</b>	<u>(1,054)</u>	<u>64</u>
<b>Investing activities</b>		
Acquisition of subsidiaries	(3,259)	-
Other investing activities	(229)	-
<b>Net cash flow (used in) investing activities</b>	<u>(3,488)</u>	<u>-</u>
<b>Financing activities</b>		
Movement in borrowings - net	414	-
Issue of ordinary share capital (net of expenses)	13,180	3,217
<b>Net cash flow from financing activities</b>	<u>13,594</u>	<u>3,217</u>
Effects of exchange rate changes	<u>48</u>	<u>233</u>
<b>Net increase in cash and cash equivalents</b>	9,100	3,514
<b>Cash and cash equivalents at the beginning of the period</b>	<u>3,514</u>	<u>-</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>12,614</u></u>	<u><u>3,514</u></u>

## **Notes to the Summarised Consolidated Financial Information (unaudited)**

### **1. Introduction**

Global Health Partner Plc (the “Company”) is a company incorporated in the United Kingdom. On 14 August 2006 the company merged with Bombshell Limited, a cash shell company listed on the Alternative Investment Market of the London Stock Exchange whose sole asset was a dollar denominated cash deposit. On 14 August 2006, the Company raised funding of approximately £13.2m after expenses in a placing of 23,568,769 ordinary shares.

On 15 August 2006, the Company acquired Global Health Partners AB, a strategic investment and management company based in Sweden and whose principal asset was an established management team of experienced professionals operating in the healthcare sector. The acquisition was financed by the issuance of 5,000,000 ordinary shares at 50p each.

On 16 August 2006, the Company acquired 90.1% of Stockholm Spine Centre AB, a specialist spinal surgery clinic located in Stockholm, Sweden. The acquisition was financed by the issuance of 3,375,000 ordinary shares at 60p each, £2,375,000 convertible debentures of £1 each and cash of approximately £2.4m. Deferred consideration may become payable after 2008 on the fulfilment of certain conditions.

On 5 September 2006, the Company acquired 51% of Nordic Dental Holding AB, a specialist dental implant clinic located in Stockholm, Sweden. The acquisition was financed by the issue of 3,200,000 ordinary shares at 60p each. Deferred consideration may become payable after 2008 on the fulfilment of certain conditions.

On 29 September 2006, the Company acquired Gothenburg Medical Centre AB specialist orthopaedic sports medicine clinic located in Gothenburg, Sweden. The acquisition was financed by a cash payment of approximately £1.5m, including the assumption of external acquisition financing.

The consolidated financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, including interpretations from the International Financial Reporting Interpretations Committee.

The unaudited consolidated financial information does not constitute full financial statements within the meaning of Section 240 of the UK Companies Act 2005.

Unless otherwise stated, all amounts in the consolidated financial information are denominated in thousands of UK pounds sterling.

The preparation of consolidated financial information in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of asset and liabilities at the date of the consolidated financial information and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

## 2. Operating loss

Operating loss is stated after corporate expenses of £1.27m which relate to those costs incurred in starting up and maintaining a group central management team during the period. This team oversees the current business and manages the corporate development and expansion of the GHP Group according to its stated strategy.

## 3. (Loss) earnings per ordinary share

Basic (loss) earnings per ordinary share has been calculated on the (loss) earnings after tax attributable to equity shareholders of £(1.092)m divided by the weighted average number of ordinary shares in issue during the period of 23,887,601.

The diluted (loss) earnings per ordinary share takes account of the impact of issuance of shares, if the convertible debentures (convertible at 75p on 15 August 2009) were to have been converted and in issue during the entire period, and has been calculated on the following basis:

	31 December 2006	31 March 2006
Loss earnings for the period (£000)	(1,092)	289
Adjustment for effective interest on convertible debentures (£000)	62	-
Adjusted (loss) earnings for the period (£000)	(1,030)	289
Weighted average diluted shares in issue	25,625,784	6,433,455
Diluted (loss) earnings per ordinary shares (pence)	(4.0)	4.5

## 4. Share capital

As 31 December 2006, there were 41,702,224 allotted, called up and fully paid ordinary shares of 50p each in issue (31 March 2006 – 6,433,455). During the period a total of 35,268,769 ordinary shares were issued in respect of the placing of shares and acquisitions. In total 23,568,769 shares were issued for cash, 11,575,000 shares were issued as consideration for acquisitions and 125,000 shares were issued for services.

## 5 Short term and long term borrowings

At 31 December 2006, the Company had secured borrowings of £13.9m, including external bank loans and loans to minority shareholders of subsidiary undertakings. Of this amount £1.9m is classified as short term and £12.0m is long term, including convertible debt of £2.1m in respect of an acquisition.

## 6. Financial income and expense

	31 December	31 March
	2006	2006
	£000	£000
Financial income:		
Bank interest receivable	221	103
Foreign exchange gain	<u>-</u>	<u>233</u>
	<u>221</u>	<u>336</u>
Financial expense:		
Bank interest payable	236	-
Foreign exchange loss	<u>423</u>	<u>-</u>
	659	-

## 7. Taxation

Taxation principally arises on the operations in Sweden. No deferred tax assets have been recognised in respect of certain corporate and other costs arising in Sweden and the UK.

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