

## **HALF-YEAR REPORT**

**Six months to 30 JUNE 2008**

**Global Health Partner PLC**

- **Revenue for the period increased by 58 % to 16.1 million (six months to June 2007 - £10.2 million). At constant exchange rates the increase is 40%.**
- **Operating profit before central costs for the period increased by 100 % to £2.2 million (six months to June 2007 - £1.1 million).**
- **Loss after tax amounted to £(0.2) million (six months to June 2007 - £(0.4) million).**
- **Loss per share (basic and diluted) attributable to shareholder's equity was (1.1) pence/share (six months to June 2007 (1.0) pence/share).**
- **Acquisition of Oradent (Specialistkliniken för Dentala Implantat) greatly increases dental implants service line revenues and profitability and enhances GHP's standing in this clinical area.**

### **Post balance sheet events:**

- On 7 July, 2008 the Board of GHP, following a strategic review, decided unanimously to recommend to shareholders that the Company be de-listed from AIM and to offer existing GHP PLC shareholders new shares by means of a one for one share offer through a scheme of arrangement under part 26 of the Companies Act 2006 in a Swedish entity to be listed on the OMX Nordic Exchange, Stockholm. Documents will be posted to shareholders on 1 August, 2008. These documents will require shareholders' action to register their votes by 22 August, 2008. An Extraordinary General Meeting will be held in respect of this matter on 25 August, 2008. The total cash outflow due to this reorganisation is expected to range between £0.8 to 1.0 million excluding VAT.
- On 16 July 2008 GHP announced that it had agreed to issue 266,355 ordinary shares at 130 pence each to certain clinicians in connection with a recent internal reorganisation. The GHP PLC shares were offered in exchange for their GMC (OrthoCenter Gothenburg) shares originally acquired by them in connection with GHP's acquisition on 23 April 2007 of IFK-kliniken (Leif Swärd Ortopedi AB). GHP's issued share capital has increased to 56,145,488 shares.

## Global Health Partner PLC announces interim results for the period 1 January to 30 June 2008

Global Health Partner plc (London AIM: GHP) (the “Company” or “GHP”), the provider of specialist clinical healthcare services, reports its (unaudited) interim results for the six month period ended 30 June 2008 (comparative six months ended 30 June 2007).

In respect of the group as a whole, the financial key performance indicators are (for the period):

	<b>Six months to 30 June 2008</b>	<b>Six months to 30 June 2007</b>	<b>Full year to 31 Dec 2007</b>
Revenue from operations, £m	16.1	10.2	20.5
Operating (loss) profit, £m	0.3	(0.4)	(1.2)
Operating profit before central costs, £m	2.2	1.1	1.7
Operating profit before central costs as a percentage of revenue	14%	11%	8%
Profit (loss) before taxation, £m	0.0	(0.4)	(1.2)
Borrowings as a percentage of total assets	26%	26%	26%

Revenue from operations for the period totalled £16.1million (2007 - £10.2million) an increase of 58% which derives both from improved performance of existing clinics and the addition of newly acquired and start-up clinics. At constant exchange rates the increase is 40% with SEK stronger at SEK 12.09:£1 in the period (SEK 13.67: £1).

An operating profit for the period of £0.3 million (2007- loss of £0.4million) is recorded for the first time in a six month period since our incorporation on 16 August 2006, reflecting both improved profitability and the operating leverage inherent within the GHP business model as the number of service line clinics expands. It is stated after one-off costs £(0.2) million for the investigation and preparation for a change of listing from AIM to OMX Nordic Exchange, Stockholm. It is also stated after central costs of £(1.7) million (2007 - £1.5million) which relate to those costs incurred in maintaining the Group central management team. This team oversees the current business and is responsible for business development activity to lead growth. GHP estimates that approximately two-thirds of the central costs are incurred to develop new business within the chosen service line as well as to analyse and pursue other healthcare opportunities for future possible investments. The GHP business is subject to rather significant seasonal changes, where the second half year is typically weaker than the first as most clinics are closed during July and part of August. GHP is also facing significant project costs in the coming periods, both from the change of listing from AIM to OMX and, more importantly, from business development projects, which in their start up phases could have significant effects on the overall financial performance.

Finance income of £0.4 million (2007 - £0.4million), mainly interest on cash deposits, is offset by finance expense of £0.6million, (2007 - £0.4million), principally arising on external acquisition financing. Together with a share of loss of associated companies of £(0.1) million (2007 - nil) this resulted in an overall result before taxation of £0.0 million (2007 - loss of £0.4million). Loss per share attributable to equity shareholders was (1.1) pence (2007 - loss of 1.0 pence).

As at 30 June 2008, the Group had consolidated total assets of £64.6 million (30 June 2007: £53.2 million, consolidated net assets of £39.5 million (30 June 2007: £35.2 million), including £34.0 million of goodwill (30 June 2007: £24.5 million) derived from the Group’s acquisitions of its healthcare service operations and a corporate management company.

Total cash balances were £14.6 million (30 June 2007: £22.0 million) and external acquisition finance borrowings, principally established against the cash flows within the operations, were £16.7 million (30 June 2007: 13.6 million), including £2.4 million (2007: 2.2 million) of convertible debt.

## **CEO Per Båtelson said:**

“In our first two years we have expanded significantly in Sweden and we still see very good growth opportunities in Sweden and Scandinavia. In other more distant markets our service line expertise provides further possibilities. We have moved ahead strongly in Dental services in this period with the acquisition of Specialistkliniken för Dentala Implantat in April. With the excellent growth opportunities in obesity we have strengthened our resources in this service line. Our operations and senior management team are based in Sweden and our future prospects are tied to GHP’s business performance in Scandinavia; it is very natural for GHP now to seek capital market backing from our home market investors.”

## **Performance Review**

We have made important steps forward in each of our four established clinical areas in Scandinavia. In general, the performance of the individual clinics has been satisfactory. The core of our revenues and profitability continues to be derived from our Spine service line with Spine Center Gothenburg, now well established in the former orthopaedic premises at Hogsbo, contributing strongly alongside Stockholm Spine Center in this period.

We have also made a major step forward in Dental Services, where the significant acquisition of Oradent (Specialistkliniken för Dentala Implantat) in Stockholm has both driven revenues and profits in this service line in its first three months of operations and added significant research capability to the service line. While it is early days in its integration plan all signs so far at Specialistkliniken för Dentala Implantat are very positive. The clinic has contributed strongly since its acquisition on April 1, 2008.

Elsewhere within the service lines we are pleased with the development of Stockholms Specialistvard in Orthopaedics but have experienced lower patient volumes in OrthoCenter Gothenburg. Our Obesity service line has seen Vita Bariatric Clinic perform well and also the emergence of an encouragingly wide number of opportunities both in Sweden and internationally in this important area for GHP. During the period a first contract for obesity surgery in the region of Skane has been won with surgical procedures scheduled for a September start.

Overall we are pleased at the development of the GHP business model achieved to date, we have now established 11 operating facilities in our first two years and remain focussed on delivering significant growth during 2008 and beyond. Alongside the established clinics we are also seeing our start up facilities begin to bear fruit and believe this factor, combined with organic growth of our existing clinics, will drive GHP’s future growth strongly.

## **Service Line highlights**

### **Spine**

Revenues for the period at £7.7 million (2007 - £4.4 million) and operating profit of £1,6 million (2007 - £0.6 million) for the segment have increased strongly, primarily as a result of the inclusion of a strong full half year contribution at Spine Center Gothenburg. The comparative period contained only the first month of performance following its 1 June 2007 launch.

Stockholm Spine Center (SSC), our largest clinic and our first acquisition, has also performed well in the period with high surgery volumes in this half. The recently renovated third operating theatre has contributed to increased capacity. We have extended the key contracts for surgery and rehabilitation with Stockholm County Council until 31 December 2009 with an extra care contract being awarded during the period. We have also been able to cut waiting times for operations for public patients as a result of focused efforts in this area. However, the Norwegian associate clinic, Spine Center Bergen continued to suffer from low prices during the period and we have moderate expectations for the rest of 2008

Spine Center Gothenburg, now firmly established at Hogsbo, continued to perform well and referral volumes increased. A full six month period in 2008 versus one month in 2007 has naturally led to a significantly increased contribution to the service line revenues and profitability but it has also been achieved at volume levels and margins that reflect its staff’s continued hard work and operating efficiency.

## Dental

Revenues for the period at £2.8 million (2007 - £1.5 million) and operating profit £0.4 million (2007 - £0.4 million) for the segment have benefited from a three month contribution from Specialistkliniken för Dentala Implantat. However, due primarily to lower surgery volumes with patients waiting for the changes to reimbursement regulations, the specialist dental implants operations at Sophiahemmet and Söderkliniken (NDIC) have experienced reduced profitability versus the comparative period of 2007. The new reimbursement rules coming into effect in July should imply a stronger demand in future periods, however the timing of when that feeds through into second half results is somewhat uncertain.

The start-up of the Leeds clinic in the UK has been slower than expected, while Specialistkliniken för implantat och käkkirurgi i Norrköping, acquired in the second half of 2007, performed satisfactorily in its first full half year.

During the period, GHP completed the acquisition of Specialistkliniken för Dentala Implantat, which takes GHP to a market leading position in specialist dentistry in Sweden. The clinic itself is the largest private clinic for specialised oral rehabilitation in Sweden and the only clinic licensed by the National Swedish Board of Health and Welfare to educate and graduate specialists in Prosthetic Dentistry. Adding this clinic to our existing network reinforces our professional brand and also increases our attraction when approaching new partners in this clinical area.

## Orthopaedic

Revenues for the period at £4.3 million (2007 - £3.7 million) and operating profit £0.2 million (2007 - loss £0.1 million) for the segment have both moved ahead, sustained by good performance at Stockholm Specialistvård (SSV.)

OrthoCenter Gothenburg (created by a legal merger between the IFK and GMC clinics) opened its new clinic in Annedal during the period. These premises will provide a lower cost, fully equipped, top quality surgical environment for the surgeons. OrthoCenter Gothenburg is rebuilding volumes following its move to new premises

The SSV clinic has experienced strong demand from the Karolinska Hospital and is operating profitably in a competitive marketplace.

## Obesity

Revenues for the period at £1.2 million (2007 - £0.6 million) have benefited from a full period of operations at the Vita Bariatric Clinic acquired in February 2007. The operating result of £0.0 million (2007 - profit £0.2 million) arises from significant development costs for the segment. The Vita Bariatric Clinic at Sophiahemmet has performed well. During the period the clinic moved location within the Sophiahemmet hospital premises with minimal disruption to productivity in order to facilitate an expansion of the business in future months.

The award of the contract for obesity surgery within the Skane region represents an important validation of the service line's surgical skills and operating capability. The initial contract award to Vita Bariatric Clinic in Skåne will see surgeries undertaken at Kristianstad hospital from the fourth quarter of 2008. Outpatient visits have also started at our clinic at Lund during this period.

We have expanded our operating resource deployed in the development of the obesity service line as we see an underserved area of clinical need where GHP's surgeons and operating protocol can make a difference in a market that we believe is very likely to grow strongly. Towards the end of the period GHP made plans to explore a number of international opportunities which on validation may lead to expansion of GHP's business model into new markets. These will be considered under market entry criteria which combine high levels of obesity and morbidity within the population and a need for enhanced surgical operating protocols and capabilities with acceptable market and regulatory structures for international privately owned operations and will be conducted under an operating structure that does not dilute GHP's central resource capabilities.

## **GHP's Future Plans**

Given its successful expansion in relatively favourable market conditions in Sweden and Scandinavia in its short history of almost two years to date, GHP will continue to focus its development activity within the selected clinical areas of Spine, Dental, Orthopaedic and Obesity in these geographic markets. The chosen service lines offer real growth opportunities and good margins which all benefit from surgical excellence and a standardised service model. Opportunities to internationalise the model beyond these home markets will undoubtedly arise in the coming months and years, but will not divert GHP from its principal focus for the upcoming periods of developing its network of specialist, high performance clinics in Sweden and Scandinavia. In these markets we continue to see excellent opportunity for growth and sustainable margins, which we plan to deliver while at the same time enhancing our established reputation for surgical excellence and operating efficiency.

As announced on 7 July, 2008 the Board of GHP has decided to recommend to GHP's existing shareholders that we transfer our listing from the AIM market to the OMX Nordic Exchange, Stockholm. GHP has been able to establish itself and trade successfully on the AIM Market of the London Stock Exchange since its initial flotation and placing on 16 August, 2006, growing strongly from its initial market capitalisation of £23.1m and its 60 pence per share initial market price. It has also been able to support its expansion strategy with finance raised in a subsequent placing on the AIM market with Swedish and international investors. However, as the Group has developed its operations principally in service lines within Sweden and Scandinavia, increasing support for the Group has been shown from Scandinavian investors with recently Investor Growth Capital taking a significant 15.6% stake in the business at the end of 2007.

Given the development of the business so far, with the majority of GHP's business operations now established and operating successfully in Sweden, with the senior management team based in Gothenburg and with regard to the future development strategy focusing on the potential for growth in its local markets, the Board, following careful consideration, believes that a transfer to the OMX Nordic Exchange, Stockholm now makes strong strategic sense. It expects that this will align best the operating and capital markets so that the perceived appetite for GHP's shares among local Swedish institutions and retail investors, given its local operations, may result in increased liquidity in the future.

The Board of GHP unanimously recommends this course of action to shareholders. We believe it is in the best interests of existing shareholders and hope that shareholders will also vote in favour of the proposal at the Extraordinary General Meeting to be held to consider this matter on August 25, 2008. If approved, it is to be effected by a Scheme of Arrangement under part 26 of the Companies Act 2006 for completion during September 2008 with a listing on OMX Nordic Exchange, Stockholm expected to occur shortly thereafter..

### Post-balance sheet events

On 7 July, 2008 the Board of GHP, following a strategic review, decided unanimously to recommend to shareholders that the Company be de-listed from AIM and to offer existing GHP PLC shareholders new shares by means of a one for one share offer through a scheme of arrangement under part 26 of the Companies Act 2006 in a Swedish entity to be listed on the OMX Nordic Exchange, Stockholm. Documents will be posted to shareholders on 1 August, 2008. These documents will require shareholders' action to register their votes by 22 August, 2008. An Extraordinary General Meeting will be held in respect of this matter on 25 August, 2008. The total cash outflow due to this reorganisation is expected to range between £0.8 to 1.0 million excluding VAT.

On 16 July 2008 GHP announced that it had agreed to issue 266,355 ordinary shares at 130 pence each to certain clinicians in connection with a recent internal reorganisation. The GHP PLC shares were offered in exchange for their GMC (OrthoCenter Gothenburg) shares originally acquired by them in connection with GHP's acquisition on 23 April 2007 of IFK-kliniken (Leif Swärd Ortopedi AB). GHP's issued share capital has increased to 56,145,488 shares.

Gothenburg 21 July, 2008

Global Health Partner PLC

Per Båtelson  
CEO

## Summarised Consolidated Profit and Loss Accounts (Unaudited)

For the period 1 January to 30 June 2008

	<b>Jan-June 2008 £000</b>	<b>Jan-June 2007 £000</b>	<b>Full year 2007 £000</b>
<b>Revenue and other operating income</b>			
Revenue	16,076	10,181	20,458
Other operating income	<u>560</u>	<u>703</u>	<u>952</u>
	<b>16,636</b>	<b>10,884</b>	<b>21,410</b>
Operating expenses	(16,307)	(11,290)	(22,658)
<b>Operating profit (loss)</b>	<b>329</b>	<b>(406)</b>	<b>(1,248)</b>
Share of net profit (loss) of associates	(104)	3	(198)
Financial income	369	421	1,027
Financial expenses	<u>(573)</u>	<u>(409)</u>	<u>(745)</u>
	(308)	15	84
<b>Profit (loss) before tax</b>	<b>21</b>	<b>(391)</b>	<b>(1,164)</b>
Taxation	(187)	(42)	219
<b>Net profit (loss)</b>	<b>(166)</b>	<b>(433)</b>	<b>(945)</b>
<b>Attributable to</b>			
Shareholder's equity	(590)	(484)	(1,136)
Minority interests	<u>424</u>	<u>51</u>	<u>191</u>
	<b>(166)</b>	<b>(433)</b>	<b>(945)</b>
<b>(Loss) per ordinary share, pence</b>			
Basic	(1.1)	(1.0)	(2.2)
Diluted	(1.1)	(1.0)	(2.2)
Average number of shares	55,020,374	50,667,641	52,637,288
Average number of shares after full dilution	58,484,145	54,131,412	56,101,059
Average number of employees	216	184	190

## Summarised Consolidated Balance Sheets (Unaudited)

At 30 June 2008

	<b>30 June 2008 £000</b>	<b>30 June 2007 £000</b>	<b>31 Dec 2007 £000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	34,029	24,730	27,953
Other non-current assets	<u>8,680</u>	<u>1,803</u>	<u>4,665</u>
<b>Total non-current assets</b>	<b>42,709</b>	<b>26,533</b>	<b>32,618</b>
<b>Current assets</b>			
Trade and other receivables	7,254	4,635	5,049
Financial assets	-	30	-
Cash and cash equivalents	<u>14,596</u>	<u>22,003</u>	<u>17,973</u>
<b>Total current assets</b>	<b>21,850</b>	<b>26,668</b>	<b>23,022</b>
<b>Total assets</b>	<b>64,559</b>	<b>53,201</b>	<b>55,640</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Short-term borrowings	4,331	1,232	1,321
Other current liabilities	<u>7,308</u>	<u>3,640</u>	<u>3,423</u>
<b>Total current liabilities</b>	<b>11,639</b>	<b>4,872</b>	<b>4,744</b>
<b>Non-current liabilities</b>			
Long-term borrowings	12,428	12,379	12,984
Other non-current liabilities	<u>984</u>	<u>757</u>	<u>1,449</u>
<b>Total non-current liabilities</b>	<b>13,412</b>	<b>13,136</b>	<b>14,433</b>
<b>Total liabilities</b>	<b>25,051</b>	<b>18,008</b>	<b>19,177</b>
<b>Net assets</b>	<b>39,508</b>	<b>35,193</b>	<b>36,463</b>
<b>Total shareholder's equity</b>	<b>37,704</b>	<b>34,228</b>	<b>35,048</b>
<b>Minority interests</b>	<b>1,804</b>	<b>965</b>	<b>1,415</b>
<b>Total equity</b>	<b>39,508</b>	<b>35,193</b>	<b>36,463</b>

## Summarised Statement of Changes in Consolidated Shareholders' Equity (Unaudited)

	<b>30 June 2008 £000</b>	<b>30 June 2007 £000</b>	<b>31 Dec 2007 £000</b>
Opening balance	35,048	22,523	22,523
Issue of ordinary shares (less expenses)	1,761	12,594	12,698
Net (loss)	(590)	(484)	(1,136)
Foreign exchange and other movements	<u>1,485</u>	<u>(405)</u>	<u>963</u>
<b>Closing balance</b>	<b>37,704</b>	<b>34,228</b>	<b>35,048</b>

## Summarised Statements of Cash Flows (Unaudited)

For the period 1 January to 30 June 2008

	<b>Jan-Jun 2008 £000</b>	<b>Jan-Jun 2007 £000</b>	<b>Full year 2007 £000</b>
<b>Operating activities</b>			
Operating profit (loss)	329	(406)	(1,248)
Depreciation and amortization	363	404	918
Other operating activities – net	(603)	(661)	(317)
Change in working capital – net	<u>309</u>	<u>239</u>	<u>(661)</u>
<b>Net cash flow (used in) from operating activities</b>	<b>398</b>	<b>(424)</b>	<b>(1,308)</b>
<b>Investing activities</b>			
Acquisition of subsidiaries*	(3,176)	(1,638)	(1,095)
Other investing activities	<u>(1,726)</u>	<u>(130)</u>	<u>(3,276)</u>
<b>Net cash flow (used in) investing activities</b>	<b>(4,902)</b>	<b>(1,768)</b>	<b>(4,371)</b>
<b>Financing activities</b>			
Movement in borrowings - net	874	(506)	(1,247)
Issue of ordinary share capital (net of expenses)	-	<u>12,166</u>	<u>12,165</u>
<b>Net cash flow from financing activities</b>	<b>874</b>	<b>11,660</b>	<b>10,918</b>
Effects of exchange rate changes	253	(79)	120
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,377)</b>	<b>9,389</b>	<b>5,359</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b><u>17,973</u></b>	<b><u>12,614</u></b>	<b><u>12,614</u></b>
<b>Cash and cash equivalents at the end of the period</b>	<b>14,596</b>	<b>22,003</b>	<b>17,973</b>

\*note 9

## **Notes to the Summarised Consolidated Financial Information for the period ended 30 June 2008 (unaudited)**

### **1. General information**

Global Health Partner plc (the “Company”) was incorporated in the United Kingdom (England and Wales) in June 2006. The Company and all of its subsidiaries are together referred to herein as the “Group”. The Company’s registered office is: 7 Cowley Street, London SW1P 3NB.

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 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.

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.

### **2. Operating profit**

Operating profit is stated after corporate expenses of £1.9 million which include those costs incurred in 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. GHP estimates that approximately two-thirds of the central costs are incurred to develop new business within the chosen service lines as well as to analyse and pursue other healthcare opportunities for future possible investments. In central costs for the period are also included costs (£0.2) million for the investigation and preparation for a change of listing from AIM to OMX Nordic Exchange, Stockholm.

### **3. (Loss) per ordinary share**

Basic (loss) per ordinary share has been calculated on the (loss) after tax attributable to equity shareholders of £(1.1) million divided by the weighted average number of ordinary shares in issue during the period of 55,020,374.

The diluted (loss) per ordinary share takes account of the impact of issuance of shares, if the convertible debentures were to have been converted and in issue during the entire period.

The impact of the issuance of ordinary share in future periods which solely arises from the convertible bond is anti-dilutive in nature. The adjustment to earnings in the period (six month 2008), for the effective interest on the convertible bond, was £(0,1) million.

#### 4. Segment information

At 30 June 2008, the directors have determined that the Group is currently engaged in four primary reporting business segments each providing specialized, integrated healthcare services:

- spine
- dental
- orthopaedic; and
- obesity

The segment information is provided after allocation of costs for service line specific personnel and projects, but before any allocation of costs for group central overhead functions as well as business development costs that relates to the group as a whole. As the Service Lines develop, a larger allocation to the respective segments may occur.

#### January-June 2008

	Spine £000	Dental £000	Orthopaedic £000	Obesity £000	Corporate £000	Total £000
Revenue	7,715	2,779	4,346	1,236	-	16,076
Operating profit (loss)	1,593	434	206	(17)	(1,887)	329

#### January-June 2007

	Spine £000	Dental £000	Orthopaedic £000	Obesity £000	Corporate £000	Total £000
Revenue	4,368	1,509	3,727	552	25	10,181
Operating profit (loss)	620	376	(92)	151	(1,461)	(406)

#### Full year 2007

	Spine £000	Dental £000	Orthopaedic £000	Obesity £000	Corporate £000	Total £000
Revenue	9,830	2,524	6,903	1,201	-	20,458
Operating profit (loss)	1,194	455	(109)	187	(2,975)	(1,248)

## 5. Share capital

As 30 June 2008, there were 55,879,133 allotted, called up and fully paid ordinary shares of 50p each in issue (30 June 2007 – 54,345,492). 1,444,641 ordinary shares were issued during the period as part of the total payment for Specialistkliniken för Dentala Implantat.

On 16 July 2008 GHP announced that it had agreed to issue 266,355 ordinary shares at 130 pence each to certain clinicians in connection with the acquisition on 23 April 2007 of IFK-kliniken (Leif Swärd Ortopedi AB). GHP issued share capital was increased to 56,145,488 shares.

## 6. Short term and long term borrowings

At 30 June 2008, the Company had secured borrowings of £16.7 m, including external bank loans and loans to minority shareholders of subsidiary undertakings. Of this amount £4.3 is classified as short term, including convertible debt of £2.4 m in respect of an acquisition and £12.4 m is long term.

## 7. Financial income and expenses

	<b>Jan-Jun 2008 £000</b>	<b>Jan-Jun 2007 £000</b>	<b>Full year 2007 £000</b>
<b>Financial income:</b>			
Bank interest receivable	360	421	1,009
Foreign exchange gain	-	-	15
Other financial income	<u>9</u>	<u>-</u>	<u>3</u>
	<b>369</b>	<b>421</b>	<b>1,027</b>
<b>Financial expenses:</b>			
Bank interest payable	304	241	493
Interest on minority shareholder debt	46	32	64
Interest on convertible bond	92	85	170
Interest on financial leases	4	3	7
Foreign exchange loss	-	48	-
Other financial expenses	<u>127</u>		<u>11</u>
	<b>573</b>	<b>409</b>	<b>745</b>

## 8. Taxation

Taxation principally arises on the operations in Sweden. Deferred tax assets have been recognized in respect of certain corporate and other costs arising in Sweden and the UK.

## 9. Acquisition of subsidiaries

During the period one major acquisition has taken place:

On 16 April 2008, effective from 1 April 2008, the Group acquired 100 percent of Oradent AB (Specialistkliniken för Dentala Implantat). The acquisition was financed by the issuance of approximately 1,444,000 shares at 122 pence per share and approximately £3.6 million in cash. The acquired business contributed revenues of £1.1 and net profit of £0.2 to the Group for the period from 1 April to 30 June 2008.

	£000
Purchase consideration:	
- Cash	3,617
- Direct costs relating to the acquisition	58
- Shares issued	1,761
- Deferred consideration	464
<b>Total purchase consideration</b>	<b>5,900</b>
Fair value of net assets acquired (see below)	(1,811)
Goodwill	4,089

The goodwill is attributable to the future earning capacity of the acquired business as well as the local management team's ability to further develop the business.

The fair value of the assets and liabilities from the acquisition are as follows:

	£000
Cash and cash equivalents	499
Buildings	2,049
Property, plant and equipment	209
Other current assets	574
Other current liabilities	(294)
Deferred taxation	(586)
Borrowings	(640)
<b>Net assets acquired</b>	<b>1,811</b>
Purchase consideration settled in cash	3,675
Cash and cash equivalents of subsidiary acquired	(499)
<b>Cash outflow on acquisition</b>	<b>3,176</b>

For further information, please contact:

Per Bâtelson  
+46 (0) 705 955700

Global Health Partner PLC | 17 Cavendish Square | London W1G 0PH  
Tel: +44(0)20 7665 1830 | Fax: +44(0)20 7665 1831  
Corporate ID number: 5859431  
globalhealthpartner.com

-----ENDS-----