



Interim Report  
September 2012



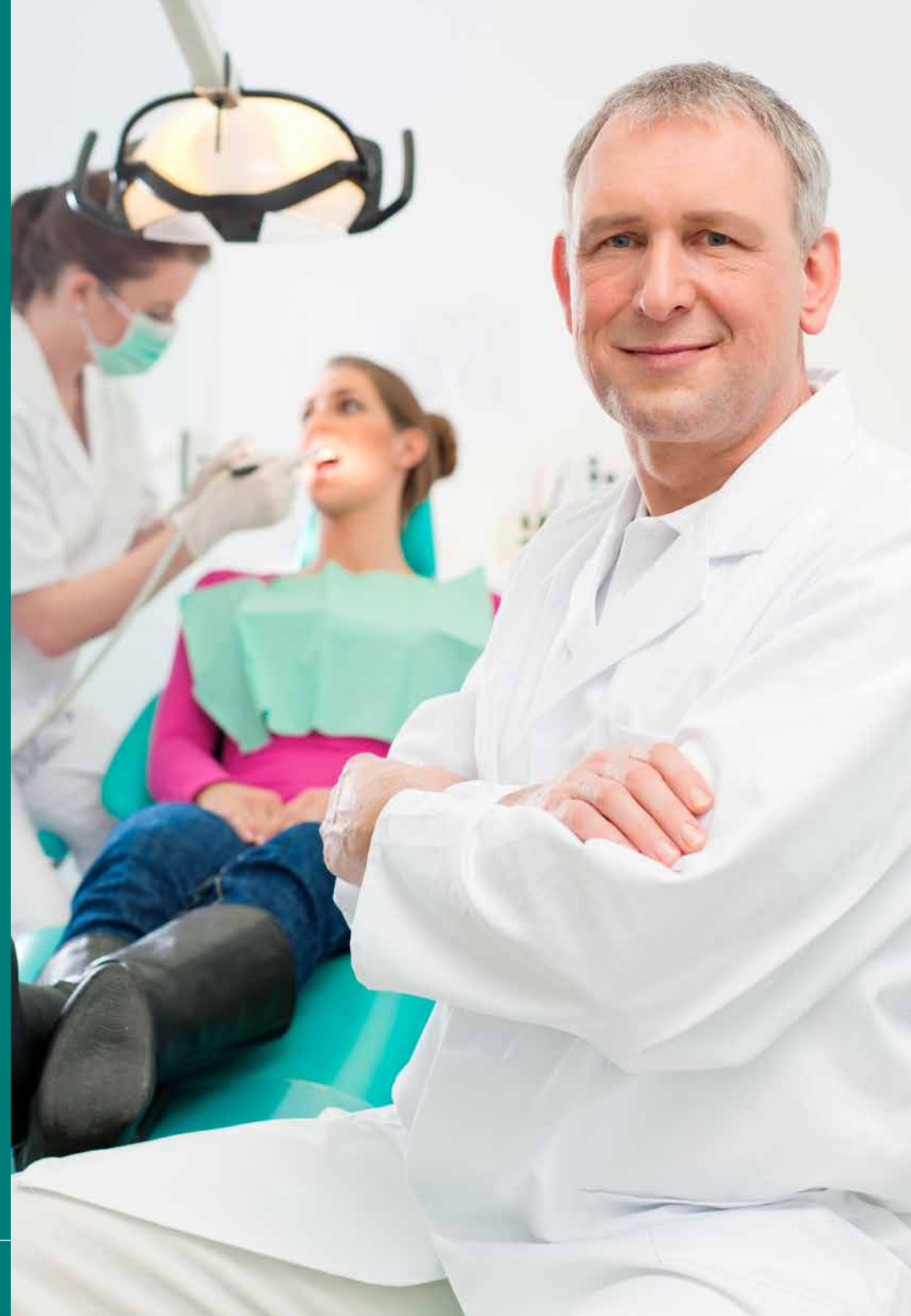
# Summary

**A**s the country's largest dental provider we have continued to focus on maintaining the highest clinical standards and customer service. We seek to provide consistent, high quality affordable care as well as convenient access to our 5 million plus patients.

In a challenging economic environment for both our patients and NHS Primary Care Organisations, we have continued to grow our practice

network as well as our revenues and Earnings Before Interest Taxation Depreciation and Amortisation ("EBITDA"). Trading is in line with our expectations.

The IDH management team remain dedicated to delivering quality care to our patients through investing in our people and maintaining high standards of safety, quality and compliance across our network.



# Major Developments

Since the March 2012 year-end, we have completed the development of our Senior Executive team with the appointment of Ian Parpworth as our Chief Operations Officer and Debra Lee as our Growth and Acquisitions Director. Debra has responsibility for driving the IDH practice acquisition programme as well as developing other business opportunities in dentistry.

We are approaching the completion of the rollout of a single Practice Management System across all of the IDH practices. Once completed and

with further software development now approaching completion, the new system will enhance communication with our patients as well as enabling us to deliver customised reporting to our clinicians and managers.

In November we received planning permission for our new state-of-the-art Academy in Manchester which will open towards the end of the financial year. This will be the first major private post-graduate dental training facility in the UK and we are seeking to extend this to other locations.

# Market & Economic Climate

The economic climate in the UK (IDH's main market) continues to be very challenging for our patients with the continuing austerity measures putting pressure on their disposable income. Our other main customers, the NHS Primary Care Organisations are continuing with the major reorganisation envisaged as part of the Health and Social Care Act.

These changes aim to produce nearly

£20 billion of savings across all its services by 2015. We continue to work in close partnership with the NHS and the Department of Health through this period of unprecedented change.

Despite these pressures, we have successfully developed a number of initiatives that have already grown our private revenues year on year as well as maintaining our NHS revenues in line with last year.





# Performance

During the period the IDH Group has achieved improved financial performance through increased sales revenues (up c. 3%) and EBITDA (up c. 8%) against the equivalent period last year.

This improvement has been delivered in part through the continued growth of the practice network and we continue to make good progress in identifying

practices for potential acquisition. We remain confident that further practices will be acquired in the second half of the financial year.

The Group seeks to be as efficient as possible in its use of working capital and continues to be strongly cash generative. The business continues to operate comfortably within the covenants on its bank loans.