



Interim Report

December 2013

Summary

As the leading provider of dental services in the United Kingdom with a network of over 560 dental practices nationwide, IDH is dedicated to providing the best possible patient care and the highest clinical standards.

Our core business is the provision of primary care dental services on behalf of the NHS. The majority of our dental practices also provide private dentistry services including general dentistry, hygienist and cosmetic services. A small number of our practices also provide specialist and advanced services such as treatment under sedation, dental implants and orthodontics. All our services have been designed to support

our patients and provide an efficient, professional yet friendly patient journey.

In a challenging economic environment for both our patients and NHS England, we have continued to grow our practice network as well as our revenues and Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") and trading remains in line with our expectations.

The IDH management team remain dedicated to delivering quality care for our patients through developing our people and ensuring the highest standards of safety, quality and compliance across our network of practices.





Market & Economic Climate

There continues to be pressure on household incomes in the UK presenting a challenge for many of our patients. In spite of this we have seen an increase in the number of NHS patients visiting our practices, in addition we have successfully developed a number of initiatives that have already grown our private revenues 6.6% year on year.

The NHS is continuing with the pilot scheme for the proposed new NHS dental contract. Currently seven IDH practices are involved with the pilot schemes, the results of which show that where patients are treated under the

pilot scheme they become much more engaged in their own oral health and the part they can play in improving their overall health.

IDH is planning ahead to ensure that we can continue to deliver the same high quality of care that our patients expect, regardless of any changes made to the dental contract. Dentistry is a vital part of the NHS and we are pleased that we are working closely with the NHS to help structure the future of Dentistry in the United Kingdom and to help ensure a strong provision of excellent patient care services.

Performance

During the period the IDH Group has achieved improved financial performance through increased sales revenues (up c. 18 %) and Earnings before Interest Taxation Depreciation and Amortisation ("EBITDA") (up c. 20 %) 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 more 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.

During the first half of the financial year, a new group subsidiary, IDH Finance plc issued £400m of £200m 6% Senior notes, £125m Floating Rate notes and £75m 8.5% Second Lien notes, with proceeds used to repay £329.3m of banking facilities and £50.0m of shareholder loans. At the end of August 2013, these notes were listed on the Global Exchange Market of the Irish Stock Exchange. These arrangements, together with a new bank revolving facility, provide the funding required for the next stage in the development of the group.



Major Developments

People

On 31 October 2013 we announced a change in our Senior Executive team with the appointment of Terry Scicluna as our new Chief Executive Officer. Terry brings nearly 35 years of UK healthcare and retail experience to IDH. In addition we have further strengthened our team with key appointments in our Procurement team, Human Resources department and in our team of Clinical experts.

Acquisitions

Since the March 2013 year-end, we have completed the acquisition of 29 practices and opened a brand new practice in Bangor, North Wales to increase our practice estate to 561 at 30 September 2013.

In addition, on 16 April 2013, a new group company, Healthcare Buying Group acquired the Dental Buying Group ("dbg"). The dbg generates revenue through the sale of materials, equipment and services including planned equipment engineering maintenance to a customer/membership base of over 50% of UK dental practices and 25% of GP surgeries.

The IDH academy

Since we successfully opened the IDH academy in May, the online Learning Management System and the academy facilities have assisted 986 dental professionals in advancing their skill sets and meeting their Continuing Professional Development obligations.

The IDH academy provides state-of-the-art training and development facilities for all dental professionals and operates alongside an online e-learning portal offering a wide range of dental specific and general personal development courses. In due course, these courses will be made available to non-IDH personnel and professionals.

As part of the British Dental Health Foundation Mouth Cancer Action month in November, IDH has developed an on-line Oral cancer module which is available to all dental professional in the

United Kingdom.

We have completed the reorganisation of our Head office into a Support Centre to reflect its focus on supporting the development of all of our practices and clinical teams across the UK.

In order to make accessing a dentist even easier for patients we are currently trialling across several of our practices an on-line booking services, enabling patients to make their own appointment at a time convenient to them. The intention is to roll out this new service across all our practices in early 2014. The on-line booking service will complement the work we have already done through our centralised telephone booking service which assists new patients in finding an NHS dentist in their area.





Europa House, Europa Trading Estate, Stoneclough Road, Kearsley, Manchester M26 1GG