

HEALTHCARE ENTERPRISE

G R O U P P L C

March 2004

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• Company

- **A strategically-led healthcare products distribution and services business**
- Growth through acquisitions and organic development
- Substantial consolidation opportunities in occupational healthcare and healthcare supply and distribution
 - UK, Germany and US
- Exploiting synergies
- Commercialise pipeline of innovative new technologies



• Overview

Two synergistic divisions:

- Products and Distribution Division
 - Supply to medical, dental, veterinary and retail sectors
 - Three markets: UK, USA and Germany
- Advisory and Healthcare Services Division
 - Specialised commercial advisory, market research and management services to the healthcare sector focussed on healthcare products and their distribution



• History

March 2003

- Reversal of health business into AIM listed cash shell
- Rationalisation of the 13 clients/minority equity interests

November 2003

- Fund raising: £10.5m equity, £3.5m debt, £2.5m vendors
- Acquisitions of SAFA, IPS & SafaTec, providing:
 - Entry into product distribution sector via profitable, cash positive co.
 - Secured pipeline of new medical devices targeted at high value markets
 - Recruitment of experienced management team

January to March 2004

- Execution of business plan



• 2004 Newsflow

- Disposal of selected portfolio companies for \$2.65 million plus carried interest and alliance with Empire Group
- Board reconfiguration – Ken Denos
- Acquisition of Medical Development Specialists Inc
- Increased stake in Ebiox to 49% with option to acquire 100%
- Ebiox NHS laboratory results
- N Wray Group / Prestbury increases shareholding
- Ebiox US EPA approval
- Ebiox NHS Contract – cleaning wipes



• Directors

Stuart Bruck, Executive Chairman

- CEO Barbican Healthcare PLC - £25m sale to BUPA (1997 - 1999)
- Directed development of AHI Healthcare Systems, Inc. (1992 - 1997)
- Healthcare development director of several companies

Michael Low, CEO Advisory and Healthcare Services Division

- AHI Healthcare Systems, Inc. strategic development
- Co-founder of Medical Development & Technology, Inc. (1990 - 1993)
- National Medical Enterprises, Inc. international hospital acquisition

Dr Gordon Wood, CEO Products and Distribution Division

- M.D of The S.A.F.A. Group Limited – lead MBO from Intercare plc (1996-2003)
- Established SafaTec in Israeli Incubator system (2000)
- Established medical devices manufacturing facility in South East Asia (2000)
- Former board member Intercare plc, and Lloyds Chemists plc (1994-1997)



• Directors (cont'd)

Lyndon Gaborit, Finance Director

- CEO Infoshare Europe Limited (1999 - 2001)
- M&A advisor to ConAgra Foods, Inc. (1991 - 1997)
- MD strategy and acquisitions Elders IXL Limited (1988 - 1990)

Kenneth Denos, General Counsel

- Law background gained in most aspects of corporate finance with an M&A specialisation
- Background includes executive level experience in venture capital and emerging growth companies

Nicholas Brigstocke, Non Executive Director

- Formerly Chairman UK Equity Capital Markets for CSFB
- Member of numerous growth company boards
- Extensive experience in banking and corporate finance

Mark Tompkins, Non Executive Director

- Extensive international corporate finance background
- Non-executive director of Sodexho Alliance SA (France) and formerly non executive director of Bioprojects International PLC (UK) and Apria Healthcare Group, Inc. (USA)



• Advisory & Healthcare Services Division

- Fee based advisory services to companies
- Application of management expertise focussed on healthcare products and their distribution
- Helps drive internal company sales
- MDS acquisition – a US healthcare advisory company
 - Provision of immediate revenues
 - Significant network of business relationships
 - Platform to expand services
- Empire Group Portfolio Joint Venture
 - Retention of future interest in the companies
 - Provision of potential capital returns



• Products & Distribution Division

Distribution

- Occupational healthcare market leaders
- Supply of own label products to third party healthcare companies
- Exclusive manufacturing partners in Asia – pricing advantage
- Blue Chip customer base (50+ of the FTSE 100 companies)
- Well established, cash positive, profitable businesses



• Products & Distribution Division

Distribution - Strategy

- Occupational health market consolidator
- Establish distribution platforms in Europe and US
- Platform for distribution of products from incubator system
- Increase existing distribution network world-wide
- Position as a “master distributor” for third parties seeking outlets for new products and technologies



• Products & Distribution Division

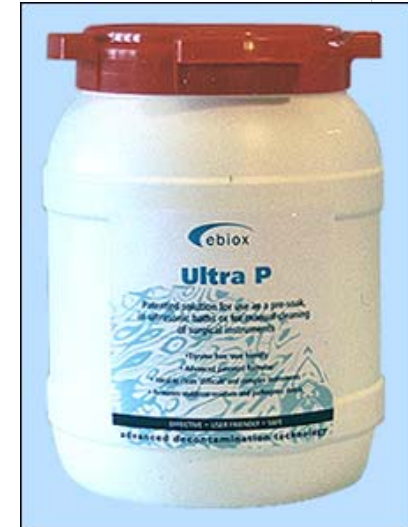
Products

- Proprietary, market leading technologies
- Substantial prospects, high margins
- High market value product pipeline
 - Ebiox (49% plus options)
 - Optiscope (25% plus options)
- Right of refusal on large range of other products being developed in Israeli Incubator system



• Ebiox – Advanced Decontamination Technology

- Patented decontamination and disinfectant products
- Alcohol-free, safe and user friendly
- Removes the germ laden Biofilm
- Cleans to molecular level
- Unique action by oxidation
- No resistant strains enables constant use



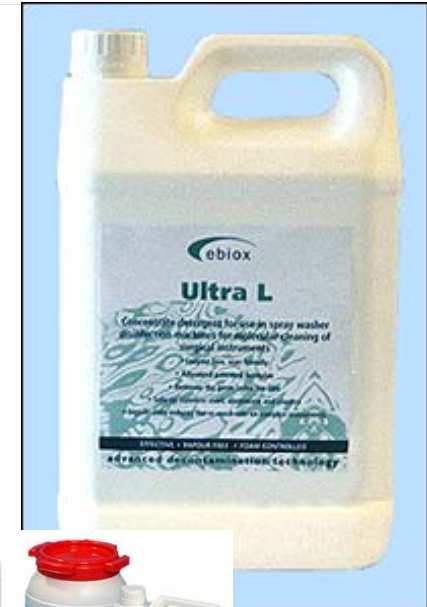
• The decontamination issue

- Over 300,000 in-patients with Hospital Acquired Infections in UK
- Costing £1 billion per annum (National Audit Office estimates)
- Serious political and human costs
- Existing cleaning and decontamination methods are not effective:
 - Existing protocols difficult in practice



• Rolling out Ebiox

- 10 years of testing, 5 years of clinical trials
- US EPA approval / NHS Lab results
- Press and lobbying campaign
- Range of applications
- Est. \$800 million global market
- Contract with Vernon-Carus in UK with others to come

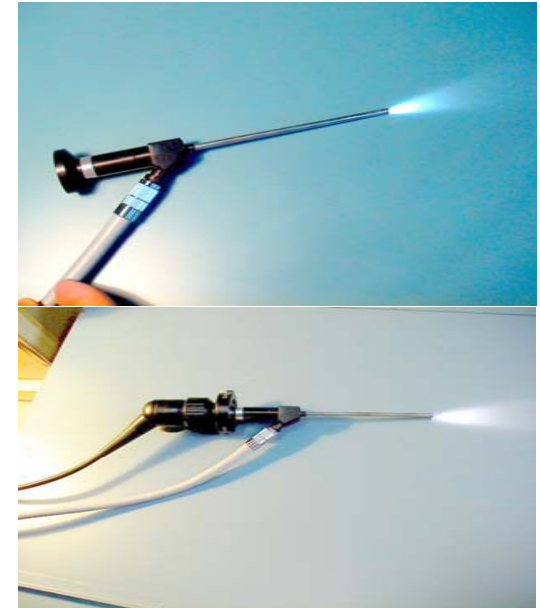


• Optiscope

- Disposable
- Patented technology/ high resolution
- No fibre-optics
- Fully disposable
- Low cost - \$3 to produce
- Clinical advantages – no cross contamination

Versus:

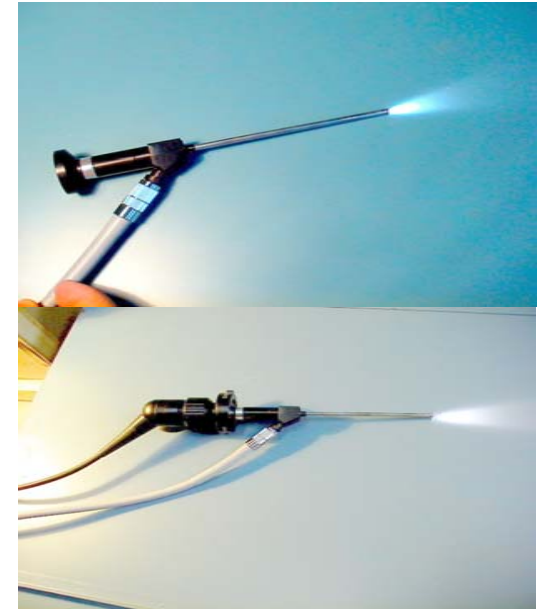
- High cost reusable (\$3,000 per instrument)
- c. 200 usages
- Cleaning and decontamination issues
- Repair issues
- Estimated real cost of c. \$40 per use



• Optiscope

- 25% stake with option to increase holding
- Marketing rights
- Final test phase
- 1-2 years from FDA approval
- Global market size estimated at \$2 billion at manufacturers prices*
- Possible licensing deal with ongoing royalty payments

* Source: Olympus Optical annual report



• Elisha

- Multi-functional airway device
- Unique 3 in 1 product solution
- Easy to use format
- New generation, anatomically correct supraglottic airways device
- Over 23 million disposable anaesthetic endotracheal tubes were sold in the USA alone in 2001
- Global market around \$200 million*
- Two years from launch

* Numis



• Bio-Silk

- Enzyme impregnated wound dressing which:
 - Decreases wound healing time by up to 60%
 - Reduces tissue granulation
 - Reduces scar tissue formation
 - Reduces existing kelletal scars
- The scar market in the US is estimated to be in the region of US\$32 million per year¹
- 4-5 years from launch

¹ Source: Company estimates based on operations/ surgery figures from US Centre of Disease Control & Prevention www.cdc.gov and a Jill Strategy Survey on scarring potential (1998)



• Summary

- Structure for growth and profitability in place
- Foundation of reliable cash flow
- Significant synergy savings from physical integration of occupational healthcare businesses
- Platform acquisitions / management teams
- 2004 newsflow to continue
 - Prelims May/June
 - Acquisitions and contracts
- **Numerous product development opportunities underpinned by profitability**

