

HEALTHCARE ENTERPRISE

GROUP PLC



Annual General Meeting of Shareholders

1 August 2007

• Overview



- Group stabilised but still in loss
- Costs further reduced (down 28% YOY)
- Crest slowly gaining traction
- Ebiox main focus is US market
- Optiscope discussions underway
- Fertiligent financed
- CICS for sale
- Ridgecrest being negotiated

• Financials



£ millions	Full Year Feb 07	Full Year Feb 06	% change
Sales	12.7	16.4	-23%
Gross Profit	5.5	6.5	-15%
Expenses	7.8	10.9	-28%
Op Profit /(Loss)	(2.3)	(4.4)	-47%
Exceptional	(1.7)	(13.8)	
Interest	(0.1)	(0.3)	
Goodwill	-	-	
Loss pre tax	(4.1)	(18.5)	-78%

• Divisions



Year ended 28 Feb 07				
£000's	Crest	Brands	Corp	Total
Turnover	11,717	950		12,667
Gross profit	4,963	555	-	5,518
Expenses	(5,821)	(709)	(1,320)	(7,850)
Operating loss	(858)	(154)	(1,320)	(2,332)
Exceptional	(809)	(1,058)	179	(1,688)
Interest	(11)	(1)	(101)	(113)
Taxation	-	13	(18)	(5)
Minority interest	-	7	-	7
Profit / (Loss)	(1,678)	(1,193)	(1,260)	(4,131)

• Balance sheet



At 28 Feb	£m	2007	2006	Movement
Intangible assets		21.8	21.9	-0.1
Tangible assets		0.4	0.6	-0.2
Other investments		0.7	1.5	-0.8
Assets		22.9	24.0	-1.1
Stocks		1.8	2.1	-0.3
Debtors		3.3	3.2	0.1
Trade creditors		-1.8	-1.7	-0.1
Working Capital		3.3	3.6	-0.3
Cash		0.7	0.5	0.2
Invoice discounting facility		-0.6	-0.9	0.3
Bank debt		-1.5	-2.6	1.1
Net Debt		-1.4	-3.0	1.6
Other creditors		-1.5	-3.3	1.8
Deferred shares/warrants		-1.1	-1.1	-
Net assets		22.2	20.2	2.0

• Crest Medical



Action taken:

- New sales initiatives
- Focus on purchasing cost efficiencies
- New appointments

Next phase:

- New systems
- Alternate/additional suppliers
- New products and markets
- Add-on businesses



• Ebiox



Advanced Decontamination Technology

Action taken:

- Reduced costs
- Sultan deal commenced
- Outsourced representation outside UK
- EPA approval, commence US state approvals

Next Phase:

- Negotiate sector/geographic licences
- Drive UK sales via Crest
- Structure long term value realisation plan



• Optiscope



Action taken:

- Expert appointed
- Burnham efforts suspended
- Additional £60K investment
- Three month programme to achieve improvements

Next Phase:

- Independent evaluation
- Receive initial indications of interest
- Consider sale of part/all stake



• Fertiligent

Slow release insemination IQI device
(disposable sperm pump + catheter)

Action taken:

- Testing in Turkey underway
- New style product shape
- PIHL/N Wray co-investor \$100,000
- Option to purchase up to 80% for \$2m valuation (approx 10/07)

Next Phase:

- Test 8 hour version
- Negotiate with major distributors
- Realise value



• Other Investments



CICS

- CIM being prepared
- Realise value

Ridgecrest

- In active discussions
- Realise value

• Summary



- Crest regaining momentum
- Ebiox focused on US state approvals
- Costs further reduced
- Fertiligent funded
- Realise value
 - Optiscope
 - CICS
 - Ridgecrest