



Spire Healthcare

Continued revenue growth
and efficiency improvement

Half year statement 2010



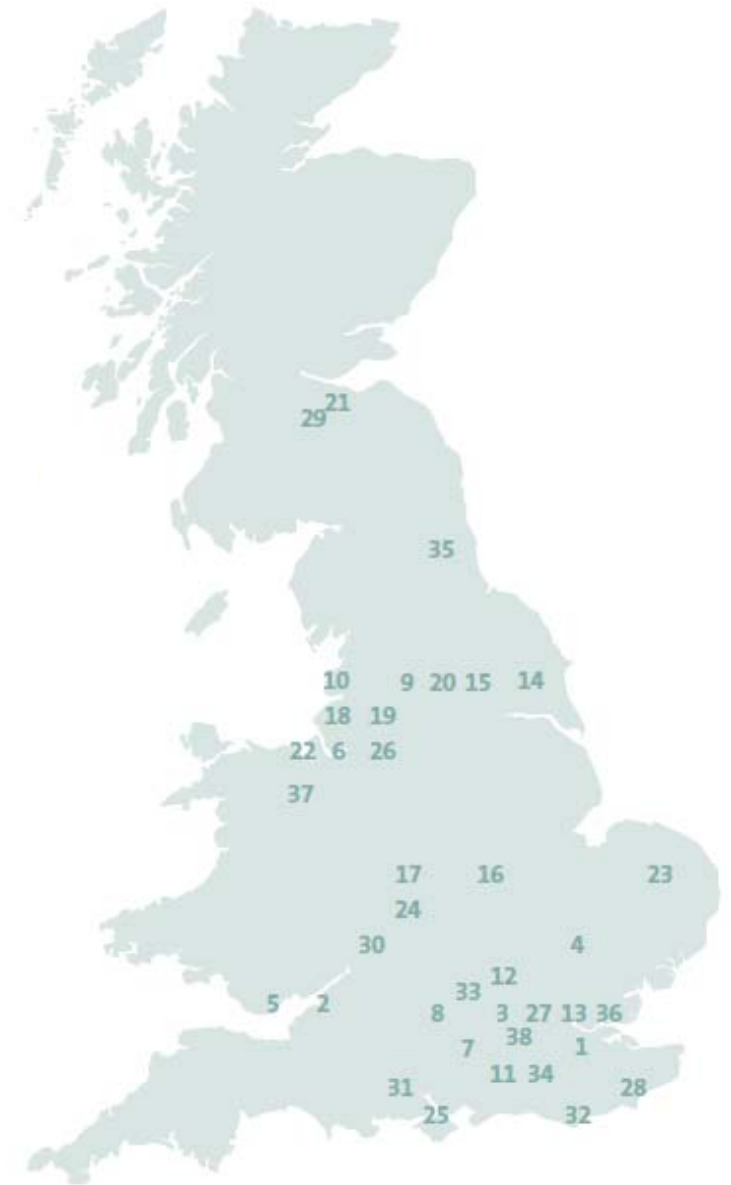
Spire Healthcare

Our mission is to be the UK's leading private provider of quality healthcare

- > for patients and GPs to trust and recommend us
- > to be the first choice for consultants
- > for our staff to say Spire is a great place to work
- > for every premium private medical insurer to have us in their network

37 hospitals across the UK*

1,935 total beds



Highlights

Investing for quality

Spire Healthcare consistently strives to improve clinical outcomes and standards of safety for patients. We believe that transparency is important to patient choice and are proud to publish our results by hospital on our website.

In the first half of 2010 unplanned returns to theatre, unplanned readmissions and transfers to a higher level of care all remained lower than the private sector benchmark*, and infection rates (surgical site infection after hip and knee replacement, MRSA bacteraemia and Clostridium Difficile infection) continue to be better than the NHS average†.

Spire won two awards at the 2010 Laing & Buisson Independent Healthcare Awards 2010 for Nursing Practice and Excellence in Risk Management. We were also nominated for Best Use of Technology, Innovations, Management Excellence and Healthcare Outcomes.

MRSA



C. Diff



● Spire

● NHS

**Independent
Healthcare
Awards 2010**
finalist



Highlights

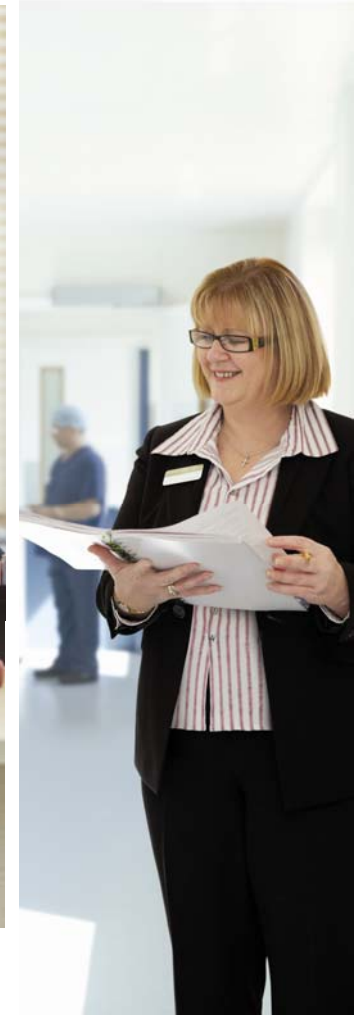
Investing in people

Two management training programmes were run in 2010. 'Management Fundamentals', piloted in 2009, aims to accelerate the performance of managers early on in their career and 'Leadership Essentials', launched this year, teaches experienced managers about inspiring leadership and how to lead a successful team to deliver strong business results. More than 100 managers attended in the first half of 2010.

Spire remains the only private hospital group to offer its own degree (BSc) programme. Modules are clinically based and relate to the clinical and business needs of the hospital – helping us introduce new ways of working and new services, while increasing the quality of our services to patients and consultants.

Spire continues to offer National Vocational Qualifications (NVQs) to enable staff to develop new skills and qualifications.

Additionally, an innovative e-learning platform was launched in January to allow Spire staff to access online training modules, including Child Protection, Infection Control, Protection of Vulnerable Adults and Safe Blood Transfusion. By the end of June, 18,491 modules had been completed.



Highlights

Investing for growth

More complex care

We opened two new critical care units at Spire Cardiff and Parkway hospitals. This allows for more complex clinical services, like cardiac surgery and neurosurgery.

Cancer services

Following the opening of the first dedicated image guided radiotherapy centre on the site of Spire Portsmouth Hospital in August 2009, CancerPartners UK has opened a further two centres, one in Spire Southampton Hospital in January this year and the first stand-alone centre close to Spire Bushey Hospital in August. A fourth centre is now under development on the site of Spire Little Aston, which is due to open in March 2011.

Fertility services

The base of our strategy to become the major national private provider of fertility services in the UK was formed with the acquisition of Harley Street's London Fertility Centre in March.

Hospital expansion

Our hospital investment programme continued, including the opening of Spire Shawfair Park Hospital in Edinburgh (£24m) and Spire Windsor Diagnostic and Consulting Clinic (£1m), a fifth theatre at Spire Bushey (£5m) and development of six new MRI and CT scanners at Spire Cambridge Lea, Hartswood, Parkway, Roding, Wellesley and Wirral hospitals (£6m).



Corporate social responsibility

Carbon reduction

2010 has seen the development of Spire Healthcare's 'Carbon Policy', which aims to strengthen Spire's programme of carbon reduction. Innovative projects to reduce emissions include trialling a new energy-saving technology called 'Force' at our all-electric site in Tunbridge Wells, which could reduce electricity consumption by 7%.

Charitable donations

We continued our programme of charitable donation, beginning in January with medical supplies totalling £103,000 to support the earthquake disaster relief effort in Haiti. This included everything from protective gloves to essential theatre equipment needed to perform life and limb-saving operations.



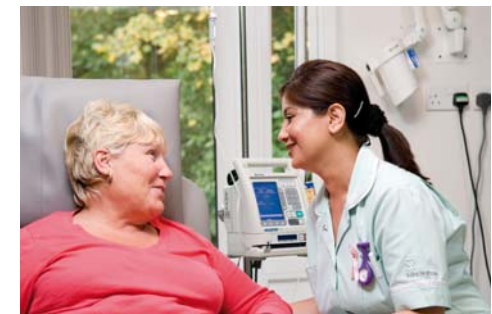
Trading performance

As expected, Private Medical Insured (PMI) hospital activity contracted slightly in the first half of the year, consistent with fewer lives being covered by insurers during the recession. We forecast demand from PMI patients to recover into 2011.

Self-pay patient volumes began to increase year-on-year from late 2009 and this positive trend has continued in the first half of 2010, in line with the improving economy and consumer confidence.

NHS activity continues to be a useful source of additional volume, however, we are careful to manage the capacity we offer to the NHS so as not to undermine our core service to private patients.

At the half year point revenues were up 4% on prior year and we are trading in line with our full year plan.



Outlook

Spire's financial results and clinical quality remains of a high standard, demonstrating the quality of our assets, our staff and our capacity to deliver ongoing improving performance.



Robert Cooke
Chairman

30 September 2010

