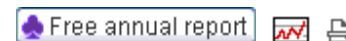


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|-----------------|--|
| Company | Company Health Group PLC |
| TIDM | CHT |
| Headline | Half Year Results |
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Company Health Group PLC
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COMPANY HEALTH GROUP PLC

("Company Health" or "the Group")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

Company Health Group plc (AIM: CHT), an established provider of healthcare services including occupational health, ergonomics, recruitment, physiotherapy and medical evidence collection and testing for financial service companies today announces interim results for the six months ended 30 June 2007.

Highlights:

- Turnover almost doubled to £4.16 million (2006: £2.26 million)
- Gross profit up to £1.56 million (2006: £0.98 million)
- Profit before tax more than doubled to £123,000 (2006: £56,000)
- Full six months contribution from Cheviot Recruitment and Cheviot Artus Skipton
- Appointment of new Chief Executive - George Gonzalez, formerly Finance Director
- Significant expansion of geographical coverage resulting in enhanced ability to tender for national contracts
- New option schemes put in place - at exercise prices above the current share price - to incentivise management and staff
- Admission to PLUS Markets to help improve liquidity for shareholders

Commenting on the results Ralph Gough, Chairman, said:

"I am pleased to report on a period of excellent progress for Company Health Group. We have spent the period of six months under review consolidating our acquisitions made at the end of 2006 and extending our client base. These interim results include a full six months of contribution from Cheviot Recruitment and Cheviot Artus Skipton, our acquisitions of December 2006. The successful integration of these two complementary businesses is evidence of the success of our strategy for growth which we believe will deliver substantially increased revenues and profitability and thus shareholder value."

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CHAIRMAN'S STATEMENT

I am pleased to report on a period of excellent progress for Company Health Group. We have spent the period of six months under review consolidating our acquisitions made at the end of 2006 and extending our client base. These interim results include a full six months of contribution from Cheviot Recruitment and Cheviot Artus Skipton our two acquisitions of December 2006. The successful integration of these two complementary businesses is evidence of our outlined strategy for growth delivering shareholder value with substantially increased revenues and profitability

FINANCIAL OVERVIEW

Turnover in the period was £4.16 million (2006: £2.26 million). This substantial lift on the equivalent figure for last year's interim results reflects both organic growth of the existing Group companies as well as the impact that the Cheviot acquisition has had on the business. Gross profit was £1.56 million (2006: £0.98 million); profit on ordinary activities before taxations was £0.12 million (2006: £56,000). Retained profit after tax was £118,000 (2006: £56,000). Earning per share improved to 0.25 pence (2006: 0.14 pence) despite a significant increase in the number of shares in issue.

Net assets rose to £4.8 million (2006: £3.9 million) following the recent acquisitions. The Group's bank facilities were renewed in February comprising a three-year loan of £0.375 million and an overdraft facility of £0.35 million. The Group also acquired an invoice discounting facility for Cheviot Recruitment, which had a balance at £0.221 million at the 30 June 2007. The reserve for the Cheviot earn out was reduced to £0.86 million at the 30 June 2007.

In April this year two redeemable convertible loan notes were issued, the first for £0.6 million due at the end of October 2007 and the second for £0.3 million due at the end of December 2007 to fund the Cheviot acquisition. In June 2007 the earn out due in respect of the Milligan & Hill acquisition of £0.67 million was satisfied by a payment of £0.23 million cash and the issue of 6,579,044 shares at 6.6p. At the same time we raised £0.53 million with a placing of 9,545,455 shares in the market.

During the coming months it is the Board's intention to raise additional funds through the issue of equity and debt. This financing will be used to cover the deferred consideration for the Cheviot acquisitions. It will also provide further acquisition capital. The Board are confident of achieving the funding

and will make appropriate announcements in due course.

DIVIDEND

It is the Board's intention to follow a progressive dividend policy as soon as practicable. As Company Health is still in its growth phase and we have an aggressive acquisition strategy to complete this growth, we are not declaring a dividend at this time.

OPERATING REVIEW

The Group has performed well in the past six months with significant increases in sales and additions to our customer portfolio. We have consolidated our position in the North with the successful development of our Gateshead office at Team Valley. We have recently opened a new office in Andover, continuing our effort to extend our national coverage.

Also during the period the Company became listed on London's PLUS Markets. PLUS is an independent London-based equity market service, provided by PLUS Markets Group plc, based on a quote-driven trading system. Company Health continues to be AIM quoted and traded but the PLUS Markets facility is intended to enhance investor choice, improve liquidity for shareholders and provide greater access to investors.

OCCUPATIONAL HEALTH

Company Health our occupational health business has continued to grow strongly this year. We have seen an increase in demand for services as more and more employees seek out occupational health services. We have seen an excellent contract retention rate of 98% and new contracts are continuing to be won. A number of exiting opportunities are in the tender process and as our UK coverage grows we anticipate receiving more tenders for contracts. Thanks to our Cheviot acquisitions we now have a greater national reach and a database of occupational health specialists that we can call upon. This enhanced functionality now enables us to apply for large tenders, which previously would have been beyond our scope.

We remain focussed upon a consistent acquisition policy to improve our coverage within the UK and substantially increase our market share.

PHYSIOTHERAPY, ERGONOMICS AND SPORTS INJURY

Despite the real progress made operationally by Milligan & Hill (M&H) in the first half, increased costs from the doubling up of senior management during the handover from the vendors, together with reduced margins in respect of one significant client company caused a dip in the contribution to the Group. Lindsay Flower, Milligan & Hill's (M&H) new Clinical Services Director has grown the business with some important new blue chip customer wins in the City of London whilst also adding to the business's occupational health offering. M&H has also successfully enlarged the sports injury practice, a vital area of business in a locality dominated by office workers with keen sports interests. More particularly, the M&H ergonomics offering has been significantly broadened. M&H uses a software programme called ErgoPro which identifies workplace inefficiencies and problems, whilst also demonstrating how environmental design can enhance health and prevent injuries such as eye strain and back ache.

COLLECTION OF MEDICAL INFORMATION FOR THE LIFE ASSURANCE MARKET

Company Health Group's Diagnostic Technologies has had another pleasing six months of performance. The paramedic examinations service is doing well, with the inclusion of its new electronic pen for the electronic transfer of a patient's information as soon as it is acquired.

CURRENT TRADING AND OUTLOOK

The second half of this year continues well. We remain on the look out for suitable acquisitions to continue the Group's growth strategy and build on our geographic coverage. Post-period end we announced the appointment of George Gonzalez as our new Chief Executive. George has worked with the Company for a number of years as Finance Director and knows the business well. I am delighted by George's appointment and am looking forward to working with him on a more strategic level in the coming months.

In addition to this we have been furthering our drive to maintain momentum in building our customer base through organic growth, with the provision of new or more services to existing customers as well as acquiring new customers through tenders. We are operating in a market where ever increasing focus on health and safety issues and the regulation of these issues only supports and furthers the Group's growth potential and it is for these reasons that I am optimistic about our growth prospects as the year progresses.

Finally, I am pleased to announce the introduction of an employee share option scheme under the Enterprise Management Incentive (EMI) rules to provide the ability to attract, retain and motivate staff and management. Under this scheme, options on a total of 402,143 ordinary shares are being issued to all employees with over one year's service at an exercise price of 7.5 pence and are exercisable after three years of continuous service. In addition, the Remuneration Committee has awarded options on 3,050,000 ordinary shares to key management - half at an exercise price of 7.5 pence and half at an exercise price of 10 pence.

I look forward to a positive outcome for the rest of the year and to achieving our full year expectations. We are maintaining the growth in revenues we have seen this half. We have a comprehensive management team in place and with the full integration of the Cheviot brands we bring renewed vigour to our development of Company Health Group.

RALPH GOUGH

Chairman

27 September 2007

Consolidated income statement
for the six months ended 30 June 2007

| | | |
|-------------------|-------------|-----------|
| | 6 months to | |
| | June 2006 | Period to |
| 6 months to | (unaudited | Dec 2006 |
| June 2007 | as | - |
| Notes (unaudited) | restated) | (audited) |

| | | £'000 | £'000 | £'000 |
|--|---|---------|---------|---------|
| Turnover | 2 | 4,155 | 2,260 | 4,350 |
| Cost of sales | | (2,591) | (1,279) | (2,331) |
| Gross profit | | 1,564 | 981 | 2,019 |
| Operating expenses | | (1,389) | (899) | (1,841) |
| Operating profit | | 175 | 82 | 178 |
| Net interest payable | | (52) | (26) | (58) |
| Profit / (loss) on ordinary activities before taxation | | 123 | 56 | 120 |
| Taxation | 3 | (5) | - | 1 |
| Profit for the period | | 118 | 56 | 121 |
| Earnings per share (pence) | | | | |
| - basic | 4 | 0.25 | 0.15 | 0.28 |
| - diluted | 4 | 0.22 | 0.11 | 0.24 |

There are no recognised gains or losses other than those stated in the above profit and loss accounts.

Consolidated balance sheet
as at 30 June 2007

| | As at 30 June 2007 (unaudited) £'000 | As at 30 June 2006 (unaudited) £'000 | As at 31 Dec 2006 (audited) £'000 |
|----------------------------------|--|--|---|
| Non-current assets | | | |
| Intangible assets | 6,465 | 3,983 | 6,968 |
| Property, plant and equipment | 259 | 170 | 247 |
| Total non-current assets | 6,724 | 4,153 | 7,215 |
| Current assets | | | |
| Inventories | 100 | 88 | 125 |
| Trade and other receivables | 1,722 | 967 | 1,193 |
| Cash and cash equivalents | 849 | 1,059 | 356 |
| Total current assets | 2,671 | 2,114 | 1,674 |
| Current liabilities | | | |
| Borrowings | (1,927) | (1,500) | (1,119) |
| Trade and other payables | (1,632) | (623) | (1,954) |
| Corporation tax liabilities | (18) | (50) | (25) |
| Total current liabilities | (3,577) | (2,173) | (3,098) |
| Net current (liabilities)/assets | (906) | (59) | (1,424) |

| | | | |
|---------------------------------------|-------|-------|---------|
| Total assets less current liabilities | 5,818 | 4,094 | 5,791 |
| Non current liabilities | | | |
| Borrowings | (132) | (161) | (94) |
| Other non-current liabilities | (852) | (2) | (1,480) |
| Total non-current liabilities | (984) | (163) | (1,574) |
| Net assets | 4,834 | 3,931 | 4,217 |
| Equity | | | |
| Called up share capital | 628 | 371 | 467 |
| Share premium account | 3,339 | 1,944 | 2,567 |
| Shares to be issued | - | 933 | 434 |
| Retained earnings | 867 | 683 | 749 |
| Total equity | 4,834 | 3,931 | 4,217 |

Consolidated cash flow statement
for the six months ended 30 June 2007

| | 6 months to June 2007 (unaudited) £'000 | 6 months to June 2006 (unaudited) - as restated) £'000 | Period to Dec 2006 (audited) £'000 |
|---|--|--|---|
| Cash generated from operating activities | | | |
| Net cash outflow from operating activities | (23) | (1) | 481 |
| Interest paid | (23) | (22) | (51) |
| Corporation tax paid | (12) | - | (34) |
| | (35) | (22) | (85) |
| Net cash flow from operating activities | (58) | (23) | 396 |
| Purchase of intangible fixed assets | (134) | - | (24) |
| Purchase of plant, property and equipment | (30) | (37) | (96) |
| Acquisition of subsidiary undertakings | - | - | (151) |
| Net debt acquired with subsidiary undertaking | - | - | (217) |
| Interest received | - | 1 | 1 |
| Net cash outflow from investing activities | (164) | (36) | (487) |
| | (222) | (59) | (91) |
| Cash flows from financing activities | | | |
| Repayment of borrowings | (68) | (286) | (359) |
| New loan finance received | 405 | - | - |
| Placing of ordinary shares | 499 | - | - |
| Payment of finance lease obligations | (6) | (31) | (36) |

| | | | |
|---|-------|-------|-------|
| Net cash flow from financing activities | 830 | (317) | (395) |
| Net (increase)/decrease in cash and cash equivalents | 608 | (376) | (486) |
| Cash and cash equivalents at 1 January 2007 | (370) | 116 | 116 |
| Cash and cash equivalents at 30 June 2007 | 238 | (260) | (370) |
| Reconciliation of operating profit to net cash inflow / (outflow) from operating activities | | | |
| Operating profit | 175 | 82 | 178 |
| Depreciation | 18 | 21 | 44 |
| Amortisation of intangibles | 10 | 7 | 13 |
| (Increase) / decrease in inventories | 25 | (44) | (31) |
| Decrease / (increase) in trade and other receivables | (529) | (210) | (37) |
| Increase / (decrease) in trade and other payables | 278 | 143 | 314 |
| Net cash inflow / (outflow) from operating activities | (23) | (1) | 481 |

Consolidated statement of changes in shareholders' equity for the six months ended 30 June 2007

| | Share capital £'000 | Share premium £'000 | Shares to be issued £'000 | Retained Earnings £'000 | Total Equity £'000 |
|---|------------------------|------------------------|------------------------------|----------------------------|-----------------------|
| At 1 January 2007 | 467 | 2,567 | 434 | 749 | 4,217 |
| Profit from the period from the income statement | - | - | - | 118 | 118 |
| Issue of completion shares on acquisition of subsidiary | 65 | 369 | (434) | - | - |
| Issue of shares - placing | 96 | 403 | - | - | 499 |
| At 30 June 2007 | 628 | 3,339 | - | 867 | 4,834 |

For the six months ended 30 June 2006

| | Share capital £'000 | Share premium £'000 | Shares to be issued £'000 | Retained Earnings £'000 | Total Equity £'000 |
|---|------------------------|------------------------|------------------------------|----------------------------|-----------------------|
| At 1 January 2006 | 371 | 1,944 | 933 | 627 | 3,875 |
| Profit for the period from the income statement | - | - | - | 56 | 56 |
| At 30 June 2006 | 371 | 1,944 | 933 | 683 | 3,931 |

For the 12 months ended 31 December
2006

| | Share capital £'000 | Share premium £'000 | Shares to be issued £'000 | Retained Earnings £'000 | Total Equity £'000 |
|---|---------------------------|---------------------------|------------------------------------|-------------------------------|--------------------------|
| At 1 January 2006 | 371 | 1,944 | 933 | 627 | 3,875 |
| Profit for the period from the income statement | - | - | - | 122 | 122 |
| Issue of shares on acquisition of subsidiary | 96 | 623 | (719) | - | - |
| Shares to be issued on acquisition of subsidiary | - | - | 220 | - | 220 |
| At 31 December 2006 | 467 | 2,567 | 434 | 749 | 4,217 |

Notes

1. Accounting policies

The Group's interim report has been prepared in accordance with IFRS and the comparative 2006 half yearly figures have been restated on the same basis. The same accounting policies have been used in this report as adopted by the Group in its last consolidated financial statements for the year ended 31 December 2006. The results for the 2007 and 2006 half years are unaudited. The 2006 full year results have been derived from the 2006 financial statements.

The 6,579,045 New Ordinary Shares relating to the Milligan & Hill Ltd earn-out were issued on 26 June 2007 but were not admitted to trading on AIM until 2 July 2007. For the purposes of this report, these completion shares have been included in the June 2007 figures and the calculation of earnings per share has been adjusted accordingly.

2. Segmental information

| | 6 months to June 2007 (unaudited) | 6 months to June 2006 (unaudited - as restated) | Year to Dec 2006 (audited) |
|---------------------|---|--|----------------------------------|
| | £'000 | £'000 | £'000 |
| Revenue | | | |
| Insurance Medicals | 1,092 | 886 | 1,675 |
| Occupational Health | 1,366 | 899 | 1,769 |
| Recruitment | 1,290 | - | - |
| Physiotherapy | 407 | 475 | 906 |
| | 4,155 | 2,260 | 4,350 |

| | | | |
|---------------------|-------|-------|-------|
| Operating Profit | | | |
| Insurance Medicals | 163 | 145 | 284 |
| Occupational Health | 11 | (18) | (28) |
| Recruitment | 109 | - | - |
| Physiotherapy | 20 | 80 | 135 |
| Central costs | (128) | (125) | (213) |
| | ----- | ----- | ----- |
| | 175 | 82 | 178 |
| | ----- | ----- | ----- |

3. Taxation

An estimate has been made of the appropriate rate of taxation for the six months to 30 June 2007 of £5,000 (2006: £nil).

4. Earnings per share

The calculation of basic earnings per share is based on the profit for the six months ended 30 June 2007 of £118,000 (2006: £56,000) divided by the weighted average of ordinary shares in issue for the six months ended 30 June 2007 of 47,159,493 (2006: 39,245,762). This results in a basic earnings per share of 0.25p (2006: 0.14p).

The calculation of diluted earnings per share is based on the profit for the six months ended 30 June 2007 of £118,000 (2006: £56,000) divided by the weighted average of ordinary shares in issue for the six months ended 30 June 2007 of 54,196,629 (2006: 50,579,940). This results in a diluted earnings per share of 0.22p (2006: 0.11p).

5. Copies of report

Paper copies of the interim statement will be sent to shareholders upon request. Otherwise, shareholders will be able to download a copy from the Group's website www.companyhealthgroup.com. Further copies will be available from the Company Secretary, Peter Ashcroft, at Company Health Group plc, 309 New Loom House, 101 Back Church Lane, London E1 1LU.

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