

Spire has successfully grown and transformed  to become one of the UK's leading private providers of quality healthcare  consistently recommended by both GPs and patients  while providing a great place for people to work 

Spire Healthcare

We aim 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 and for every premium private medical insurer to have us in their network. We measure our performance against four areas that are reported throughout this document:



Service quality



Reputation



People



Shareholder value

Our business began in August 2007 with 25 hospitals, and has since expanded to 37 hospitals, London Fertility Centre, The Insight Network and eight satellite clinics across the UK. We will open our 38th hospital in 2012.

Scotland

Spire Livingston Clinic
Spire Murrayfield Hospital (Edinburgh)
Spire Shawfair Park Hospital

North West

Spire Cheshire Hospital
Spire Fylde Coast Hospital
Spire Liverpool Hospital
Spire Manchester Clinic Hale
Spire Manchester Hospital
Spire Murrayfield Hospital (Wirral)
Spire North Manchester Clinic
Spire Regency Hospital

Midlands

Spire Droitwich Clinic
Spire Leicester Hospital
Spire Little Aston Hospital
Spire Parkway Hospital
Spire South Bank Hospital

Wales

Spire Abergele Consulting Rooms
Spire Cardiff Hospital
Spire Yale Hospital

South West

Spire Bristol Hospital

North East and Yorkshire

Spire Elland Hospital
Spire Hull and East Riding Hospital
Spire Leeds Hospital
Spire Longlands Consulting Rooms
Spire Methley Park Hospital
Spire Newcastle Clinic
Spire Washington Hospital

East of England

Spire Cambridge Lea Hospital
Spire Harpenden Hospital
Spire Hartwood Hospital
Spire Norwich Hospital
Spire Wellesley Hospital

London

London Fertility Centre
Spire Bushey Hospital
Spire Gatwick Park Hospital
Spire Roding Hospital
Spire Thames Valley Hospital
Spire Windsor Clinic
The Insight Network

South East

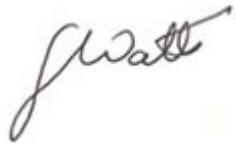
Spire Alexandra Hospital
Spire Clare Park Hospital
Spire Dunedin Hospital
Spire Portsmouth Hospital
Spire Southampton Hospital
Spire St. Saviour's Hospital
Spire Sussex Hospital
Spire Tunbridge Wells Hospital

Outlook

“I’m pleased that the first half of 2011 has seen another period of positive growth for Spire Healthcare, with revenues up 4.5% and EBITDA up 10.4%

I was appointed Chairman in May of this year, at the same time Rob Roger became Chief Executive Officer. We have continued Spire’s successful strategy of expanding the range and volume of premium private services we offer in our hospitals, working collaboratively with consultants and investing in our staff and facilities. We have maintained our focus on these aspects of our business to ensure we continue delivering consistently high quality healthcare.

I would like to welcome Simon Gordon, who was appointed in July to take on the role of Chief Financial Officer, as well as three new Directors for National Operations, Commercial and Business Development respectively. I am confident these individuals will make a significant contribution to Spire’s strong growth in the coming years.



Garry Watts, Chairman

30 September, 2011



Business performance



“Our performance in the first half of the year has remained strong. Despite a challenging trading environment, we have seen good private growth over the first half of 2010 and we expect this to continue to into 2012 in light of increasing NHS waiting lists.

As anticipated, with PMI providers covering fewer lives due to the recession, the private medical insured (PMI) market has been tough. However our continued investment in new services, our strong consultant and GP relationships and our excellent patient care has enabled us to grow our private activity over 2010.

We have also been able develop the level of acuity carried out our hospitals with investments in ITU and HDU leading to further growth in cardiac, neurosurgery and bariatric care.

We have continued to achieve our strategy of maintaining a steady level of NHS work, which is a supplementary revenue stream to our core private business and generally reflects growth in Choose and Book, which we implemented successfully as an early adopter. At the same time we have managed successful local contracts where we have helped local acute trusts reduce waiting lists in areas such as cardiac surgery

At the half year point revenues were up 4.5% and EBITDA was up 10.4% on prior year and we are trading in line with our full year plan.”

A handwritten signature in black ink, appearing to read 'Robert Roger'. The signature is fluid and cursive, with a large initial 'R' and 'R'.

Robert Roger, Chief Executive Officer
30 September, 2011

Highlights



Service quality

In the first half of 2011 Spire's hospitals continued to deliver high quality clinical care and excellent performance against key clinical standards. We are proud to publish these results by hospital on our website.

Unplanned returns to theatre, unplanned readmissions and transfers to a higher level of care all remain very low 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*. Agency staff use also reduced significantly, helping to improve consistency of care to patients and the services delivered to consultants.

Provisional data from the NHS Patient Reported Outcomes programme for April 2010 to March 2011 indicates that NHS-funded patients treated at Spire hospitals generally report better outcomes than the national average for both hip and knee replacement surgery.

We were very pleased to win the award for Innovation at the 2011 Lang & Buisson Independent Healthcare Awards. Spire was also a 2011 finalist for the Management Excellence and Hotel Services awards.

MRSA infection cases per 10,000 bed days*

0.0 Spire Healthcare

NHS average

0.39

C. Difficile infection cases per 10,000 bed days*

0.73 Spire Healthcare

NHS average

2.89

Highlights



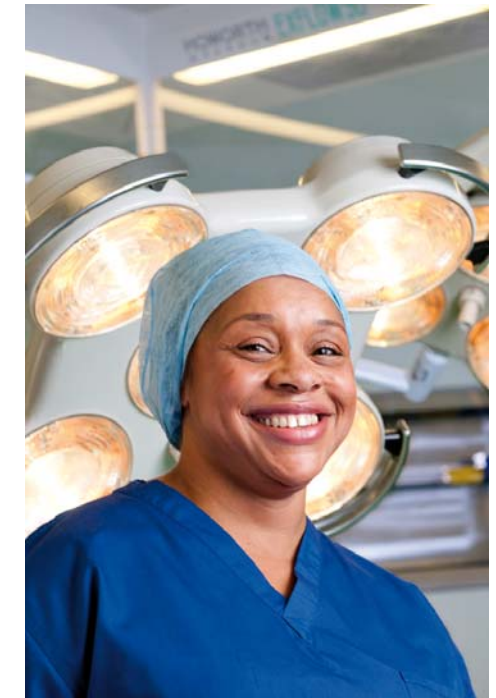
In the first half of the year over 18,000 online training modules were completed by Spire staff using our innovative e-learning programme. This programme improves access to training, supporting learning anytime and anywhere a PC is available. Modules include Child Protection, Infection Control, Protection of Vulnerable Adults and Safe Blood Transfusion.

The number of National Vocational Qualifications (NVQs) completed by Spire staff also increased significantly, with 48 staff gaining their qualification in the year to date. NVQs enable staff to develop new skills and play a key role in ensuring patients receive excellent clinical care and in maintaining our healthcare standards.

The “Spire way” of developing our people has been through investing in them to help them realise their potential. More than 100 managers attended three development programmes between January and June 2011:

- ‘Management Fundamentals’ aims to accelerate the performance of managers early on in their career
- ‘Leadership Essentials’ teaches experienced managers about inspiring leadership and how to lead a successful team to deliver strong business results
- ‘Coaching for Performance’ helps managers learn coaching techniques to improve a team’s performance.

These programmes are vital for the development of our future leaders.



Highlights

Reputation

A significant increase in traffic to Spire's website indicate that our reputation amongst the general public is growing. Traffic for the period January to June increased 28% year-on-year and we also saw a 30% increase in traffic from people searching directly for 'Spire'.

Each year, Spire carries out independent surveys to measure the satisfaction of our patients and the consultants who work with us. In 2010 we achieved record scores, with 90% of patients rating our overall service 'excellent' or 'very good' (up three percentage points year-on-year) and 71% of consultants rating us 'excellent' or 'very good' (up six percentage points year-on-year). Our next satisfaction surveys will be conducted in the second half of 2011.

We successfully renewed our elective NHS contracts under the new 'Any Qualified Provider' procurement process and were recognised by the Audit Commission for our excellent data quality and accuracy of billing. Our established relationships with commissioners mean we are well placed to support Clinical Commissioning Groups through times of rapid and significant public sector change.



Highlights

Shareholder value

Our passion in building a strong premium–private proposition has enabled us to grow further in 2011. Our shareholders have confidence in our strategy and have continued to invest in us and our wider clinical community.

We have grown through collaboratively working with consultant surgeons and the wider GP audience in helping them develop their business at the same time as growing our own. Our ideas for development often come from our consultants through identifying an opportunity to develop a new service and working with them to achieve it together.

Spire's partnership with CancerPartnersUK continued with a fourth dedicated image-guided radiotherapy centre opened on the site of Spire Little Aston Hospital in March 2011. This follows the earlier launch of cancer centres on the site of Spire Portsmouth Hospital, within Spire Southampton Hospital and a stand-alone centre close to Spire Bushey Hospital.

In April, we announced a £25m project to build our 38th hospital in Brighton and Hove. The Montefiore Hospital will be completed in summer 2012, offering patients some of the most up-to-date clinical care in the country, from MRI scans and detailed diagnostic investigations to minor procedures and more complex surgery.

We have continued our programme of investment to upgrade facilities and introduce new services to hospitals. This has included developments for new theatres, MRI scanners and sterile service departments (SSD).



Corporate social responsibility

Carbon reduction

In 2010, Spire committed to reducing carbon emissions by 10% CO₂e (per pound revenue) by 2015. We are pleased to report we are on track to reach our reduction target for 2011.

Carbon reduction guidance has been made available to Spire sites, carbon champions are being appointed and local action plans are being formulated to embed the carbon reduction culture throughout the business.

Monthly energy reports are circulated to all Hospital Directors to enable hospitals to benchmark and improve the energy performance of their buildings.

Our Carbon Reduction Strategy and Carbon Action Plan are managed by the Carbon Management Group, who meet quarterly. Carbon reduction goals are also supported through an Environmental Policy, which encompasses energy, waste, water and procurement.

Waste management

Spire collected and processed more than 157 tonnes of cardboard and almost three tonnes of plastic for recycling between January and June.

Waste brokers (Waste Check) were appointed in April 2011, which has resulted in an increase in general waste being recovered for recycling.

