



The small company specialists

COMPANY INFORMATION

Oasis Healthcare PLC (LSE:OSH)

Info Sheet Compiled December 2006

Company Eye Ranking

33/50

EDITOR'S NOTE

The current year has started strongly with a number of ongoing NHS tender opportunities and Oasis anticipate further new practice start-ups over the next 12 months which will be predominantly funded through cash flow.

The company strategy of providing patients with a full complement of dental services should continue to deliver growth in its private income streams, with continued improvements in surgery utilisation and

operating performance.

The UK dentistry market is worth GBP2.6 billion and growing at 13-14% annually but is highly fragmented and under-developed. There is also increasing demand for speciality dental services such as orthodontics, endodontics, implantology, etc.

We believe Oasis Healthcare Plc has potential for growth as a medium term investment.

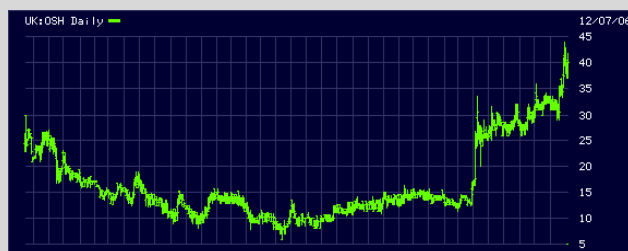
KEY POINTS

- 1999** Oasis made up of four practices
- 2000** Growth to 12 practices and listed on AIM
- 2001** Acquisition of a further 23 practices
- 2002** Growth to 65 practices
- 2002** Acquisition of Ora Dental Group Ltd with a further 10 practices
- 2003** Acquisition of Dencare Management Group Ltd with a further 36 practices
- Today** Total estate of over 120 practices

FUNDAMENTALS

Company Name	Oasis Healthcare PLC
Current Price	41
Status	AIM
Market Cap	33.78 m.
Shares in Issue	82,43 m.
Price-To-Book Ratio	3.7
Activities	operation of dental practices in the United Kingdom
Sector	Health care equipment & Services
Corporate advisor	Oriel Securities
Registrar	Capita Registrars

3 YEARS CHART



3 YEARS ROLLING EPS



THE BUSINESS

Oasis has acquired well-established, dental practices with potential for expansion which satisfy specific criteria in terms of size, operating performance and clinical capability. Through investment in new surgeries, practice refurbishment and marketing, supported by the introduction of specialist services, such as Orthodontics and Implants, and increased

focus on customer service and higher quality private treatment, the Company expects to achieve significant growth in practice turnover and profitability.

Oasis has undertaken a period of rapid growth since it was established in 1996.



The small company specialists

COMPANY INFORMATION

ACTIVITIES

Oasis Healthcare Plc is an owner and operator of dental practices in England and Wales through its wholly owned subsidiary, Oasis Dental Care Ltd. The Company operates from a national estate comprising over 120 dental practices, predominantly under the Oasis brand. The Company provides services, including cosmetic treatments, such as whitening, white posterior fillings and dental implants.

It also provides oral health products, print, stationary, dental consumables and insurance services. As of March 31, 2004, the Company operated from a national estate comprised of 130 general and specialty dental practices, predominantly under the Oasis brand. Oasis Healthcare conducts its business predominantly in the United Kingdom.

DEVELOPMENTS

Company's strategy of being able to provide patients with all their oral health needs in their local community. Oasis continues to improve its specialist service provision with the objective of each geographic cluster being self sufficient. This approach not only provides much better customer service but also minimises external referrals and the associated loss of income.
To support internal referral infrastructure the

company is transitioning its practices over the next fifteen months to a new enterprise based clinical IT system. This system, which Oasis developing with Kodak, enables the viewing of patient records by both the referring dentist and the relevant specialist, irrespective of geography. This innovative system will further enable Oasis to monitor treatment patterns and provide superior management information.

EXPANSION

With the addition of the 8 new practices in Wales, the Group remains the leading corporate provider of dentistry in the United Kingdom. Given the fragmented nature of the market with a high volume of small and geographically restricted providers, the corporate risk and exposure to competition is limited. The company anticipate that there is a competitive opportunity for the Group arising from the change to the contractual arrangements for the provision

of NHS dentistry from 1 April 2006. The business has worked closely with the Primary Care Trusts to ensure that Oasis has secured an increase in its provision of dental services. It is expected that additional NHS contracts will be available as independent practices continue to convert to private dentistry and Oasis is well placed to secure a significant share of these.

6 MONTHS RESULTS

Group turnover grew by £3.6m to £44.3m (2005: £40.7m). This represents a 9% increase reflecting the success of its growth initiatives.
Operating profit was £3.3m (2005: £2.3m) an increase of 42%.
Profit after taxation was £1.6m (2005: £0.6m) and fully diluted earnings per ordinary share were 1.8p (2005: 0.8p).
The underlying performance of the Group resulted in a net inflow of cash from operating activities

(excluding interest) of £5.8m (2005: £2.5m) of which £2.8m (2005: £0.9m) has been invested in capital expenditure. The net debt (excluding fair value movements on the derivative financial instruments) of the Group over the six months to 30 September 2006 has been reduced by £1.7m to £35.4m (2005: £39.8m). The Group strong cash generation position is underlined by a net increase in cash of £1.4m even with the increased levels of investment in its practices.



The small company specialists

COMPANY INFORMATION

DIRECTORS

Ron Trenter Non-Executive Chairman

Ron Trenter, aged 62, has nearly 30 years' experience in the retail sector and has held a number of key positions during his career in the UK, America and Europe. He was previously Executive Chairman of Upton and Southern Holdings plc and prior to this, he spent 22 years at Texas Homecare where he was appointed Managing Director in 1980 and Chairman and Chief Executive Officer in 1991. His previous Directorships include Home Charm Group Plc and Ladbroke Retail Parks Limited, a division of Ladbroke Group Plc (now Hilton Group Plc). He is also Chairman of CVS (UK) Limited and Laurel Management Services Limited. He is acting Chairman of the Remuneration Committee.

Stephen Lambert Chief Executive Officer

Stephen Lambert, aged 54, is a Chartered Accountant with a background in retail, customer service and regional networks. From 2000 to 2002 Stephen was Chief Executive Officer of Punch Taverns Plc, where he led the successful integration of three businesses acquired from Bass, Allied Domecq and Inn Business. Prior to Punch, Stephen was Chief Executive Officer at Inn Business Group Plc, a business he joined in 1994 as Finance Director.

Michael Frank Non-Executive Director

Michael Frank, aged 63, qualified as a Chartered Accountant in 1967 and has a wide range of experience in fundraising, flotations, mergers and acquisitions as well as in business development. Until 1997, he was a Director of NatWest Markets Corporate Finance Plc, a position he held for nine years. Michael is Deputy Chairman of Information Dynamics Plc, a Non-Executive Director of MacArthur & Co Limited and Chairman of the Foundation Dynamics Group Limited. He is also Chairman of the Audit Committee, and is the senior independent Non-Executive Director of Oasis Healthcare Plc.

David Phillips OBE Non-Executive Director

David Phillips, aged 63, has a wide range of experience in dentistry, having worked in general practise and until 1999 he was the Secretary and Dental Director of Dental Protection. He is an elected member of the General Dental Council and a medico-legal adviser to the World Health Organisation. He is also currently Chairman of 2-10 Health, a dental computer company, and Denplan Limited. He is a former Chairman of the Wellhouse NHS Trust, and former Chairman of The Dencare Management Group Limited. After Dencare was taken over by Oasis in 2003 he became Chairman of Oasis Dental Care Limited.

Guy Blomfield Operations Director

Guy Blomfield, aged 38, joined the Company on 8 June 2005. Before appointment as a Director of the Company, Guy worked as a change management consultant for Oasis Healthcare Plc since September 2004. As a change management consultant he has advised a number of major UK Plcs. He led the consultancy element of the integration of the Punch Taverns Plc's acquisition of Pubmaster in 2004, as well as Punch Taverns Plc's purchase of the Allied Domecq pubs in 2001. He also has significant retail experience, working with companies such as Marks & Spencer Plc.

Andy Holdcroft Finance Director and Company Secretary

Andy Holdcroft, aged 36, joined the Company on 14 November 2005 and was appointed as a Director on 1 December 2005. Andy is a KPMG-trained Chartered Accountant who has spent the majority of his career working in commercial and business development roles in the energy industry. Blue chip corporate experience gained at TXU Energy Limited is balanced with small company senior management in his role as Managing Director of Your Energy Limited - a private equity funded renewable energy company that Andy set up, grew and successfully sold.

FINANCIAL SYNOPSIS

For the fiscal year ended 31 March 2006, Oasis Healthcare plc's turnover increased 10% to £82.5M. Net loss decreased 97% to £73K. Turnover reflects growth in both private fees & NHS practices entering into arrangements with their local Primary Care

Trusts. Lower loss reflects an increase in operating margins, a sufficient decrease in exceptional items and an increase in the tax benefits on ordinary activities.



The small company specialists

COMPANY INFORMATION

SHAREHOLDINGS

	Number	%
Foresight Venture Partners	8,181,774	10.02
Advent VCT		9.2
BLS		8.3
Singer & Friedlander Investment Management		8.1

	Number	%
Joseph King		5.70
The Goldman Sachs Group Inc	2,855,500	3.50
Ronald Trenter		1.90
Stephen Lambert	1,450,000	1.75

FINANCIAL HISTORY

Profit and loss account for the 6 months ended 30th Sept 2005

£000	6 months ended 30 th Sept 2006	Year ended 31st March 2006
Revenue	44,264	82,486
Cost of sales	(25,586)	(49,704)
Gross profit	18,678	32,782
Administrative expenses	(15,355)	(28,285)
Operating profit	3,323	4,497
Other finance costs	(1,292)	(2,761)
Fair value adjustments in respect of financial assets and liabilities	263	(269)
Total finance costs	(1,029)	(3,030)
Profit before taxation	2,294	1,467
Taxation	(731)	644
Profit for the period	1,563	2,111
Earnings per share Basic	1.90p	2.59p
Earnings per share Diluted	1.84p	2.57p

Balance Sheet at 31 March 2006

£000	As at 30 th September 2006	As at 31 st March 2006
Goodwill	36,747	36,761
Intangible assets	137	87
Property, plant and equipment	15,434	14,426
Deferred tax assets	1,425	1,553
Non-current assets	53,743	52,827
Inventories	1,645	1,494
Trade and other receivables	5,045	5,087
Financial assets - derivative financial instruments	17	13
Cash and cash equivalents	1,297	772
Current assets	8,004	7,366
Financial liabilities - Borrowings	(2,750)	(2,602)
Financial liabilities - Finance leases	(701)	(599)
Financial liabilities - derivative financial instruments	(23)	(282)
Trade and other payables	(10,024)	(9,953)
Current tax liabilities	(614)	(263)
Provisions	(333)	(422)
Current liabilities	(14,445)	(14,121)
Net current assets	(6,441)	(6,755)
Financial liabilities - Borrowings	(31,799)	(33,643)
Financial liabilities - Finance leases	(1,434)	(1,054)
Other payables	(925)	(200)
Provisions	-	-
Deferred tax liability	(30)	-
Non-current liabilities	(34,188)	(34,897)
Net assets	13,114	11,175
Shareholders' equity		
Ordinary shares	824	816
Share premium	13,639	13,569
Retained deficit	(1,349)	(3,210)
Total shareholders' equity	13,114	11,175

GROWTH POTENTIAL AND RETURNS

The dental market is going through significant change. The new nationwide NHS contracting structure will benefit Oasis, as local commissioners progressively demand larger scale and modern community based NHS dental practices. Corporate bodies are well placed to service this need and recent experience of winning four tenders for eight new practices in Wales is very encouraging.

The company anticipates that when these new Welsh practices are fully operational that over £5.5m of additional revenue will be generated per annum representing some 6.7% growth on the 2006 results. The capital expenditure to fund these practices is in the order of £3.2m, for which Oasis has secured partial funding from the Local Health Boards.

RISK FACTORS

In addition to the other relevant information, the following specific factors should be considered

carefully when evaluating whether to make an investment in the Company. The investment offered



The small company specialists

COMPANY INFORMATION

in this document may not be suitable for all of its recipients. Before making an investment decision, prospective Investors should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. A prospective Investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her. There are various risk and other factors associated with an investment of the type described in this document. In particular: the value of an investment in the Company is largely dependent upon the expertise of the Directors and their ability to identify

and acquire or invest in suitable companies or businesses.

There can be no certainty that the Company will be able to identify suitable acquisition targets or complete the purchase of any identified targets at a price the Directors consider acceptable. In the event of an aborted acquisition it is likely that resources may have been expended on investigative work and due diligence, which cannot be recovered. The acquisition of other businesses can involve significant commercial and financial risks and there can be no certainty that any acquired business will not have a material adverse effect on the operations, results or financial position of the Company.

FUTURE

In the short term Oasis will focus on the continued implementation of localised clustering and optimisation of profit from the existing estate. In the longer term the company anticipate embarking on a

structured acquisition strategy. The company is confident that its vision and strategy will allow a success to be made from the corporate dentistry model.

CONTACT

69-75 Thorpe Road
Norwich
NR1 1UA
United Kingdom

RANKING

	Ranking out of 50 (50 being highest)
Business model - competitive advantage	
Competition	32
Customers	34
Low cost	30
Management	
- corporate governance	35
- quality	35
- shareholding	33
Product	29
Sector	36
Financial evaluation	
Early and profitable exit potential	35
Financial strength	
- cash flow	37
- conservative accounting	
- need for funding	
Growth at a reasonable price	35
Risk	25
Overall average rating	33



The small company specialists

COMPANY INFORMATION

FURTHER INFORMATION ABOUT THE RANKING

Competitive advantage

Companies are assessed according to their business model and how this translates into strong and sustainable competitive advantage. This can only be achieved with low cost activities and doing something different from the competition. This 'differentiation' must add value to the customer who is then prepared to pay a premium price. The differentiation is most obvious in the product but it can exist anywhere in the company's

value chain of activities, such as easy payment terms, convenient locations, superior management, and quality of suppliers. Companies that do not achieve competitive advantage because they have the same costs and/or do the same as the competition are marooned in a profitless zone. They helplessly try to compete with the one weapon left open to them, which is the disaster of cutting prices and typically leads to similar retaliation by competitors, with disastrous results.

THE FOLLOWING ELABORATES ON THE RANKING CRITERIA

Competition

How intense is the competition and are there barriers to entry?

Services tend to be more protected than products from international competition. Does the sector ride the tailwind of multi-year mega trends? Is the business well positioned in the current stage of the economic cycle? What is its resistance to a recession?

Customers

Is the company controlling its customers and therefore its revenue streams? Are customers glued to the company and providing valuable and reliable recurring revenue or are they one-off, or 'transactional', providing shaky revenue? The company should ideally have weak and numerous customers.

Profitable exit potential

What is the potential for selling the share profitably? This is more applicable to pre-flotation investments.

Low costs

Has the company achieved low cost activities thus allowing more of the top line revenue to trickle down to the profit line?

Financial strength

Does the company have strong cash flow, the lifeblood of any business? Is the accounting conservative or is there 'accounting for growth'? Does it need more funding? Is the profit margin healthy and at least equal to its sector? What has been the track record in the growth rate of profits?

Management

Is there good corporate governance? What is the quality of management, as this is crucial to any business? Are the directors' shareholdings significant but not so large that they control the company?

Growth at a reasonable price

Does the share offer growth at a reasonable price? This is commonly measured using the PEG. This is the price earnings ratio (PE) divided by the forecast growth rate in earnings per share (EPS). The lower the PEG the better and under 1.0 is considered good for a blue chip company and under 0.6 for a small growth company.

Product

Is the product different from the competition and adds value to the customer? Are there threatening substitutes? Does it have a powerful brand?

Risk

What is the risk rating of the share due to factors such as new markets, its business model and strategies?

Sector

Is the company in an attractive sector that is profitable and adds value?

This document must not be reproduced without the prior written consent of Company Eye.

Risk Warning: Should you have any doubts about the suitability of this investment please consult with a professional adviser in accordance with the Financial Services and Markets Act 2000 ("FSMA 2000"). This document is provided as information only and is not intended to act as a financial promotion without the approval in accordance with section 21 of the FSMA by an authorised and regulated company. Company Eye does not accept responsibility for the accuracy of the information contained in this document and investors should not rely on this document when contemplating an investment. The value of investments can go down as well as up and you may not get back the full amount originally invested. This document should not be reproduced without the prior consent of Company Eye.