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Dear Shareholder,

23 February 2016

Proposed withdrawal from the ISDX Growth Market and Notice of General Meeting of the Company.

Background to and the reasons for the proposed withdrawal:-

The Company listed on the ISDX market in February 2005 (then known as OFEX) with the hope that the public offering of its shares would engender a level of interest in the Company that would gain support for its growth plans. In reality the number of shares traded over that period has been very few making it difficult for the Company to raise sufficient capital to fully fund its growth plans.

In addition, the Company has seen a decline in its turnover in the last two years, making it much harder to generate profits at the present time. The Board have taken significant steps to reduce its cost base this year, the benefit of which is beginning to show through in our management figures, but the task is being made much more difficult by the additional costs of being an ISDX growth market listed company.

The Board have already taken action to reduce corporate costs associated with being an ISDX listed company but feel that even at these reduced levels the costs are still excessive for the size of the business and more importantly do not help to generate any additional revenue or profit.

Accordingly the Board has concluded that in their opinion, it is in the best interests of the Company and its shareholders to seek a withdrawal of the trading of its shares on the ISDX Growth Market (ISDX). This will cut costs significantly, bring the Company closer to profitable trading and enhance the possibility of dividends in the future.

With this in mind the Board are proposing a resolution to approve the withdrawal from ISDX in the Notice of General Meeting included at the end of this document.

The ISDX Rules states that such a withdrawal resolution requires the consent of not less than 75 per cent of votes cast by shareholders voting on that resolution at the General Meeting.

If the resolution is approved at the General Meeting the Company's ordinary shares are expected to be withdrawn from ISDX at the close of business on Tuesday 29 March 2016.

Effect of withdrawal for shareholders

The principal effect of the withdrawal is anticipated to be a reduction in the liquidity and marketability of the Company's shares. There would no longer be a formal market *mechanism enabling shareholders to trade their shares on ISDX.*

Sutherland Health Group Plc
Registered in England no: 5255086
Registered Office: Unit 1 Rivermead
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With effect from the date of withdrawal from ISDX, the Company will cease to be obliged to announce material events, administrative changes or material transactions as they occur and will not have to announce results.

The company will also no longer be required to comply with any of the additional specific corporate governance requirements for companies trading on ISDX.

Upon the withdrawal becoming effective, Alfred Henry Corporate Finance Ltd will cease to be the Company's Corporate Adviser.

However, the Board believe it is important to be able to continue the Company's CREST facility and for the ordinary shares to remain transferable should the proposal to withdraw from ISDX be approved, so it is investigating listing on a matched bargain market to enable shareholders the possibility of trading shares in the Company in the future.

The Board have always recognised the importance of good communication with shareholders and whilst there would be no formal requirement to do so, we intend to continue our communications with shareholders after withdrawing from ISDX.

The Board of Directors believe that the withdrawal from ISDX is in the best interest of the shareholders as a whole and feel that the corporate costs it is currently having to bear would be better utilised building a stronger future for the company and its shareholders.

Notice of General Meeting

A General Meeting is to be held at 10.00 am on Tuesday 29 March 2016 at the offices of the Company, Unit 1, Rivermead, Pipers Way, Thatcham, Berkshire, RG19 4EP.

Action to be taken

You will find enclosed with this document a form of proxy for use by shareholders at the General Meeting. Whether or not you intend to be present, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon. To be valid, completed proxy forms must be received by Neville Registrars Ltd as soon as possible and in any event not later than 10 am on Thursday 24 March 2016 being 2 working days before the time appointed for holding the General Meeting. Completion of the Proxy Form will not preclude you from attending the meeting and voting in person if you choose.

Recommendation

The Directors consider the withdrawal from ISDX to be in the best interests of the Company and its shareholders as a whole and accordingly recommend that shareholders vote in favour of the resolution approving the withdrawal that will be proposed at the General Meeting. The Board of Directors intend to vote in favour in respect of their own beneficial holdings of ordinary shares amounting in aggregate to 30,156,468 ordinary shares representing 35.6 per cent of the issued share capital of the Company.

Yours sincerely

John French

Chairman