



# Image Scan Holdings plc

## *Advanced X-ray Imaging Solutions*

### *2008 Interim Results*





# Financial Results

## Income Statement

Year end 30 September

	<b>2008</b>	2007	2007
	<b>HY</b>	HY	FY
Revenue (£'000)	<b>1,122</b>	1,133	1,542
Gross margin (%)	<b>46%</b>	50%	46%
Administrative Expenses (£'000)	<b>691</b>	614	1,522
Profit/(loss) (£'000)	<b>(136)</b>	(60)	(761)
EPS (pence)	<b>(0.24)</b>	(0.17)	(1.9)



# Financial Results

## Balance Sheet

	<b>2008</b>	2007	2007
	<b>HY</b>	HY	FY
	<b>£'000</b>	£'000	£'000
Net cash	<b>1,337</b>	(542)	1,531
Total assets	<b>2,355</b>	863	2,392
Total liabilities	<b>(552)</b>	(1,066)	(515)
Net assets/(liabilities)	<b>1,803</b>	(203)	1,877
Retained earnings	<b>(6,059)</b>	(5,223)	(5,925)



# Financial Results

- Revenue of £1.1m comparable to H1 FY07, but improvement on H2 FY07
- 46% gross margin reflecting change in sales mix
- Loss of £71k before redundancy costs of £65k
- Repeat sales from four customers endorsing technology
- Bank balance currently stands at £1.4 million

# Restructuring of Management



- **Senior Management**
  - Appointed Gilbert Chalk as Chairman who brings strong financial, strategic and corporate experience
  - Appointed Jerry Horwood as NED who has a proven track-record in sales and marketing
  
- **Middle Management**
  - Recruited Sales & Marketing Manager with international experience
  - Appointed Operations Manager with extensive experience of project management and managing sub-contractors
  - Developed the Applications Team Manager's role to focus on supporting the sales and marketing activity
  - Intending to appoint another salesman to focus on security sales in the UK



# Overview

## Security

### AXIS-3D®

- Repeat sales to SRA in the US
- 5 units in use at the Beijing Olympics
- First sale of second generation AXIS-3D®
- Conditional order of £630k dependent on approval of first system

### TPXi

- Repeat sales to the British Transport Police
- Orders of £425,000 through distributor iCM



# Overview

## Industrial

- Successful completion of British Nuclear Group contract
- Repeat sale to Johnson Matthey in the US for MDXi
- Renewal of all Johnson Matthey support contracts valued at £110k plus spares
- Breakthrough in x-ray imaging of catalytic converters



# Sales Focus

- Invited by USA's Oak Ridge National Research Laboratory to present a joint conference paper in Detroit on inspecting catalytic converters
- Invited to present SVXi and TPXi developments to this years Transec conference in Amsterdam with the Home Office
- Development of routes to market through distributors and representation including China, India, South Africa, Kuwait and USA

# Growing the Company



- Growth in security sales is encouraging
- Closer relationship with iCM resulting in greater visibility on their TPXi sales pipeline
- New TPXi-based security system devised for the BTP for use in London. Possible extension to all mainline stations
- Renewed interest in AXIS-3D<sup>®</sup> following TSA report on multi-view and 3D
- Further sales stream expected from China assuming conditional order is confirmed

# Growing the Company



- Trial scheduled in July with HMRC at Dover of a small vehicle x-ray inspection system (SVXi)
- Recent advances in the Company's technology has widened opportunities from just diesel to now include petrol catalytic converters and substrates
- Recent development work with Crown has resulted in new instrumentation opportunities with the can manufacturing industry

# Growing the Company



- Scope to accelerate Company growth through add-on acquisitions being actively researched
- Reviewing strategic options