



Image Scan Holdings plc

Advanced X-ray Imaging Solutions

FY 2008 Preliminary Results





Financial Results

Income Statement

	<u>2005</u>	<u>2006</u>	<u>30 September 2007</u>	<u>2008</u>
Revenue (£'000)	843	1,422	1,541	2,005
Gross margin (%)	47%	50%	46%	45%
Overheads (£'000)	1,116	1,220	1,522	1,360
Profit/(loss) (£'000)	(692)	(470)	(761)	(331)
EPS (pence)	(2.7)	(1.3)	(1.9)	(0.6)



Financial Results

Balance Sheet

	30 September			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
	(£'000)	(£'000)	(£'000)	(£'000)
Total assets	763	822	2,392	2,028
Net cash	137	(36)	1,531	1,535
Total liabilities	(448)	(965)	(515)	(418)
Total net assets/(liabilities)	315	(143)	1,877	1,610
Accumulated losses	(4,693)	(5,164)	(5,925)	(6,251)



Financial Results

- Revenue at £2.0m - increase of 30% on FY07
- Comparable gross margin at 45% (FY07: 46%)
- Overheads cut by £162k to £1,360k
- Loss after tax reduced to £331k (FY07: £824k)
- Year end net cash at £1.5m
- New industrial customer in a new segment with further market opportunities



Post Year End Events

- New order of £141k from Johnson Matthey in Japan
- Confirmation of Chinese contract valued at £630k
- Current order book of £800k
- Current bank balance at £1.2m following slow start in Q1



Company Re-organisation

- Reduction in headcount of 3 staff with a net annualised saving of £168k
- Restructuring of Board to allow Nick Fox to take the technical and business development lead
- Appointment of Louise George as CEO to introduce a more commercial-oriented and disciplined strategic focus to the Company
- Promotion of Vince Deery to Sales and Marketing Director of the subsidiary trading company, 3DX-RAY Ltd
- Actively recruiting to strengthen the sales team



Security

AXIS-3D®

- 5 units sold into China in FY08
- Successful conclusion to lengthy trial of second generation AXIS-3D®
- Confirmation of £630k order dependent on approval of first system

Flatscan-TPXi

- New Flatscan-TPXi 'stop & search' screening cabinets supplied to the British Transport Police
- Sales of £425,000 through distributor iCM



Industrial

- Successful completion of £1m contract for British Nuclear Group with £400k revenue in H1
- Boston Power contract awarded in H2 against international competition; follow-on orders within same sector anticipated
- £141k order received from Johnson Matthey for their plant in Japan with delivery scheduled for H1 FY09



Security

- Slower take-up of Flatscan-TPXi sales, although impetus can be event-driven
- Strengthening the sales team with a view to generating more direct sales and improving control of existing sales channels
- Opportunity to capitalise on long term prospects for security products in China and India
- Evaluating the possibility of offering a 2D baggage screening system to complement existing 3D system



Industrial

- Difficult economic conditions have seen some sales to the automotive sector delayed
- Looking to secure follow-on order from Boston Power building upon success of first battery inspection system
- Opportunity to exploit battery inspection technology further within Taiwan, Japan and China
- Assessing application of MDXi technology to other segments within the catalytic converter market

Company Strategy



- Company changes targeted at maintaining tight cost control and effective management of resources towards marketing and project priorities
- Strengthening of technical lead to assess wider commercial applications for existing technology
- Continuation of change in emphasis from R&D towards a more commercially-aware workforce
- Wider strategic solution sought to recover shareholder value



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