



# Image Scan Holdings plc

## *Advanced X-ray Imaging Solutions*

### *2009 Interim Results*





# FY09 Interim Results

Income Statement	30 September		31 March	
	<u>FY07</u>	<u>FY08</u>	<u>HY08</u>	<u>HY09</u>
Revenue (£'000)	1,541	2,005	1,122	743
Gross margin (%)	46%	45%	46%	45%
Overheads (£'000)	1,522	1,360	691	700
Profit/(loss) (£'000)	(761)	(331)	(136)	(355)
EPS (pence)	(1.9)	(0.6)	(0.24)	(0.63)



# Interim Results

Balance Sheet	30 September		31 March	
	<b>FY07</b>	<b>FY08</b>	<b>HY08</b>	<b>HY09</b>
	(£'000)	(£'000)	(£'000)	(£'000)
Total assets	2,392	2,028	2,355	1,708
Net cash	1,531	1,534	1,337	929
Total liabilities	(515)	(417)	(552)	(450)
Total net assets/(liabilities)	1,877	1,611	1,803	1,258
Accumulated losses	(5,925)	(6,251)	(6,059)	(6,604)

# Interim Results



- Revenue down 33% at £743k, reflecting fall in industrial sales
- Gross margin at 44% (FY08: 46%) due to change in sales mix
- Overheads of £700k include £50k redundancy costs
- Annualised saving of £160k effective in H2 to be mitigated by increase in sales executives
- Loss after tax of £355k (HY08: £136k)
- Period end net cash at £929k reflecting losses and working capital requirements of current contracts

# HY09 Sales Overview



## Security

- Orders secured for 16 baggage screening systems
  - 14 relate to Chinese follow-on contract
  - Others for delivery in UK and India
- 22 FlatScan-TPXi sales through distributors into Canada, Egypt, India and Thailand

## Industrial

- Sale of MDXi-NT into Johnson Matthey for their plant in Japan
- Other sales relate to spares & support



# H2 Outlook

- 2D conventional baggage screening system introduced
  - secured first sale in UK
- Good sales leads for FlatScan-TPXi expected to convert in H2
- Delayed sales into JM are now back under discussion but likely to fall into FY10
- Follow-on order for the inspection of laptop batteries is still anticipated, but also moved back into FY10
- Sales and confirmed orders for delivery in H2 at £564k

# Sales and Marketing Initiatives

- Entry level 2D baggage screening system introduced with field upgradeable path to unique 3D system
- Developing market entry strategy for India
  - in process of selecting trading partner
  - expecting to build on recent success in India
- Appointed new Sales Manager with extensive experience of selling security equipment in the Middle East
- Commenced UKTi funded market research into opportunities in China



# Board Changes

- Jerry Horwood stood down due to other business and charitable commitments
- Brian Emslie appointed to take the lead on sales and marketing strategy
- Brian brings extensive experience and a proven track record in strategic planning, analysis of customer and markets needs, contract negotiations and communications



# Strategic Review

Underway and to be presented in Autumn

- Base line current position and thinking
  - Who are we?
  - What are the key risks today?
  
- What type of business do we want to design
  - Existing markets / emerging markets
  - Financial goals
  
- Gap analysis
  - What resources do we need?
  
- Strategic action plan
  - Agreement and communication
  - Prioritisation and monitoring



# Important Notice

- This document is issued and approved for distribution within the United Kingdom by Image Scan Holdings plc (the “Company”) only to eligible counterparties and professional clients as defined in the FSA rules. It is not directed at, may not be suitable for and should not be relied upon by any other person. The information in this document is compiled from a number of sources and is believed to be correct, but cannot be guaranteed and should not be relied upon. This document does not constitute or form any part of, and is not to be construed as an offer, invitation or solicitation to buy or sell any securities issued by any of the companies referred to in it. Any opinions expressed are subject to change without notice.
- Seymour Pierce Limited and/or its associated companies and ultimate holding company may from time-to-time provide investment or other services to, or solicit such business from, any of the companies referred to in this document. In addition, they and/or their directors and employees and/or any connected persons may have an interest in the securities of any of the companies referred to and may from time-to-time add to or dispose of such interests.
- Seymour Pierce Limited is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange. Registered in England No. 2104188. Registered office: 20 Old Bailey, London EC4M 7EN.