

# Resonance Health Limited

ACN 006 762 492

Annual General Meeting  
26 November 2008





# Summary

<b>Our Business:</b>	Resonance Health provides core laboratory and MRI analysis services using advanced, patented technology to assist with the diagnosis and management of disease
<b>Lead Product:</b>	FerriScan <sup>®</sup> – accurate assessment of liver iron
<b>Revenue lines:</b>	FerriScan image analysis services Core laboratory services
<b>Regulatory Approvals:</b>	FDA, TGA, CE, Health Canada, NZ
<b>Reimbursement:</b>	NZ, parts of Canada and UK
<b>R&amp;D:</b>	MRI fibrosis scoring test for early stage fibrosis detection
<b>Cash:</b>	\$2.498M (30 Sept 2008)
<b>Staff:</b>	10
<b>Location:</b>	Perth, Western Australia
<b>Certifications:</b>	ISO:9001, ISO:13485



# Year in Review

- 
- Aug 07 Terminated US Pathology acquisition strategy, reduce board size, terminated employment of US CEO
  - Sept 07 Renegotiated long term contract with customers (contract values >\$4m 2008-2011)
  - Sept 07 Commenced FerriScan services to MDS (myelodysplasia) market
  - Oct 07 FerriScan available in Japan
  - Oct 07 Commenced FerriScan services to iron overload patients in Australian clinical study
  - Nov 07 Clinical study approved for patient outcome assessment
  - Dec 07 International Thalassaemia Society recommends FerriScan
  - Dec 07 Successful ISO:9001 audit
  - Mar 08 FerriScan available in Poland
  - Apr 08 Study results suggest the use of FerriScan improves patient outcomes
  - May 08 Italian Patient Management Guidelines recommends FerriScan
  - June 08 Australian reimbursement application lodged
  - June 08 Initial UK Hospitals gain reimbursement for FerriScan
  - June 08 Closed year with \$2.4m cash on hand
  - June 08 35 new MRI facilities setup for FerriScan throughout the year
  - July 08 EU Reimbursement consultants engaged
  - July 08 Ontario MOH reimbursement of FerriScan
  - Sept 08 FerriScan available in Brazil
  - Sept 08 End of quarter cash on hand \$2.5m
  - Oct 08 Displayed at International Thalassaemia Conference in Singapore
  - Oct 08 FerriScan available in Columbia and Sri Lanka
  - Oct 08 Gained approval for Fibrosis study to proceed
- 

# FerriScan Market

- Transfusional Iron overload:
  - Thalassaemia
  - Sickle Cell Anaemia
  - Myelodysplasia
- Primary Iron overload
  - Hemochromatosis
  - Excess iron absorption from the diet
- A patients liver iron concentration value is the best measure of total body iron stores.

# FerriScan Market

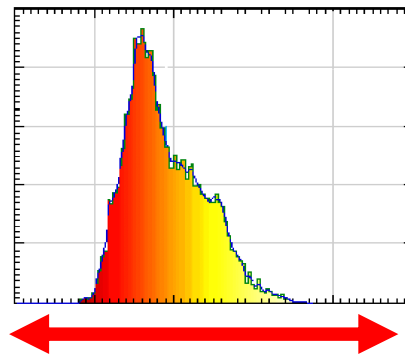
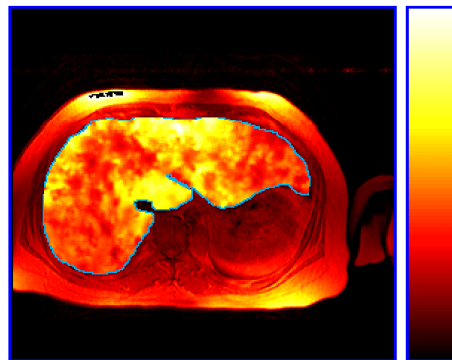
- Hereditary Haemochromatosis
  - Approx 1 in 20 in populations from Northern European descent
- Thalassaemia Major
  - Over 100,000 new severe cases born every year in belt stretching from Middle East through to SE Asia
  - Affects over 1m people world wide
- Sickle Cell Anaemia
  - 72,000 cases in USA
  - Prevalent in Africa
- Myelodysplasia
  - Ave haematologist has 10-20 patients at any one time

# FerriScan

- Non-invasive MRI based technique
- Analysis of the image data is performed by Resonance Health at an ISO:9001 quality assured analysis centre
- No special MRI hardware or software required
- Provides clinicians with accurate information required for managing the treatment of patients
- Core laboratory services provided to Pharma companies conducting clinical trials for iron chelators

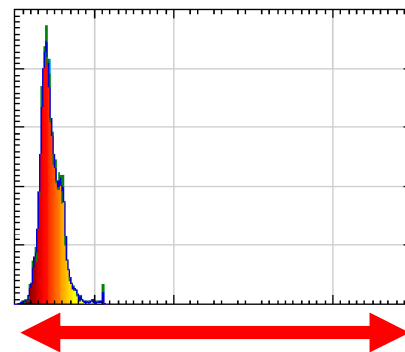
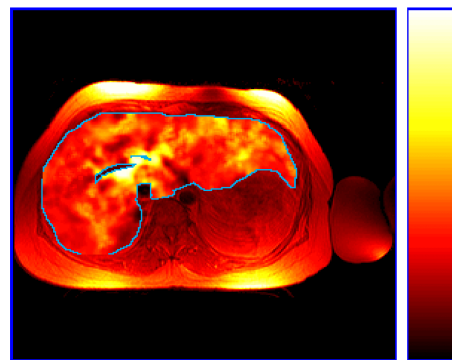


# Example: FerriScan measurements to monitor iron chelation therapy



Before chelation therapy intervention

Mean LIC = 16.0



After 12 months of chelation therapy intervention

Mean LIC = 1.6

LIC map

Low iron

High iron

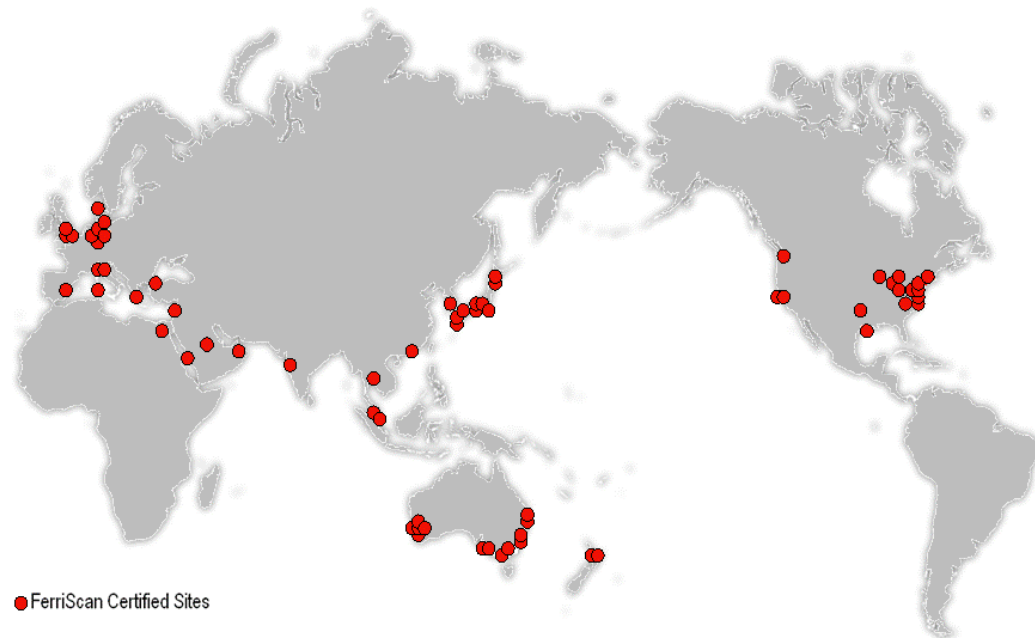


# Market Acceptance

- FerriScan aims to replace liver biopsy as the new **‘gold standard’** for measuring liver iron concentration.
- Recently published patient management guidelines recommend FerriScan for the management of patient with iron overload:
  - Thalassaemia International Federation: ***Guidelines for the Clinical Management of Thalassaemia***
  - Italian Society of Haematology: ***Clinical Practice Guidelines for the Management of Iron Overload***
  - UK Thalassaemia Society: ***Standards for the Clinical Care of Children and Adults with Thalassaemia in the UK***
  - US Cooley’s Anaemia Foundation (US) stated that this technique is “one of the most important advances to come along in the treatment of individuals with thalassaemia”



# FerriScan Availability



- FerriScan works on most MRI scanners available today
- The FerriScan team provides clear instructions and on-line support to help radiologists implement the technique
- FerriScan has been successfully implemented in over 20 countries.



# Reimbursement

- Australian submission for Medicare funding for FerriScan
  - Decision expected end 2009
- Some UK reimbursement for FerriScan
  - Program to extend this to other hospitals
  - UK representative
- Ontario, Canada MOH reimbursement for FerriScan
  - Program to extend this to other provinces
- Program commenced in USA
- Sales results in Ontario:
  - 120 FerriScans in last 4 months (ave 30 per month) with reimbursement
  - 49 FerriScans in prior 4 months (ave 12 per month)
  - 29 FerriScans in the same 4 month period last year (ave 7 per month)

# FibroScreen™

- Aim to develop an accurate test for measuring liver Fibrosis at early disease stage
- Fibrosis Market:
  - Hepatitis – 5 million people worldwide
  - Fatty Liver Disease – 40 million people in the USA
- Existing tests lack sensitivity at early stage fibrosis
- 18 month project commenced
- Late 2009 - review project outcome, commercial viability and ongoing investment

# Financial Results

AUD

	2005-6	2006-7	2007-8
FerriScan #	912	1945	1605
FerriScan Revenue*	\$313,532	\$1,868,790	\$1,722,085
Expenses	(\$4,119,663)**	(\$3,071,961)	(\$2,137,015)
Net (Loss) A/ Tax	(\$3,273,957)**	(\$725,319)	(\$41,392)
Cash	\$0.6m	\$2.4m	\$2.4m

\* excludes grant and interest income

\*\* excludes impairment of goodwill on consolidation of \$12.786m in 2006

# Strategy

- Expand relationship with large Pharma
- Gain reimbursement for FerriScan and follow with marketing push
- Expand revenue base
  - Expand product offerings – cardiac iron, liver fibrosis
  - Expand core laboratory service capabilities
- Manage risks
  - Clinical trial revenue
  - Exchange Rate
  - Reimbursement delays
  - Capital

