

RESONANCE HEALTH LIMITED

ABN 96 006 762 492

Appendix 4D

Half year report for the half year ended 31 December 2013

(previous corresponding period to 31 December 2012)

Results for announcement to the market

	Change	31 Dec 2013 \$'000	31 Dec 2012 \$'000
Revenues from ordinary activities	Up 61%	1,061	658
Loss from ordinary activities after tax attributable to members	Down 67%	(148)	(454)
Loss for the period attributable to members	Down 67%	(148)	(454)
		31 Dec 2013	31 Dec 2012
Net tangible assets per security (cents)		0.16	0.21

Comments

The Company is pleased to report that sales revenue increased by 65% compared to the corresponding half-year and that the FerriScan services business segment has reported a profitable half-year. The consolidated loss was considerably lower at \$147,747. The Company is moving to profitability and positive cash flow with a lower cash burn forecast for the remainder of the financial year.

Twenty seven new FerriScan sites were setup in the July-December 2013 period including four in Africa, three in China, two in Vietnam and one in Israel, increasing the revenue base for the Company.

The volume of image analysis services provided by the Company in the 6 month period was 35% higher than in the corresponding half-year, resulting in an increase in sales revenues to \$1,048,869 for the half-year.

Total research and development expenditure was \$135,676 being focused on HepaFat-Scan[®] and the development of a liver fibrosis test. HepaFat-Scan[®] was cleared for marketing by the FDA on the 19th December 2013 and the Company is currently investigating a number of commercialisation paths for the test. HepaFat-Scan[®] is now available to specialist clinicians and pharmaceutical companies developing therapies to address fatty liver disease using the same service delivery model as FerriScan. Resonance Health has a strong track record in providing imaging services to the clinical trial market and pharmaceutical industry over the past ten years with its FerriScan product and is in dialogue with pharmaceutical companies currently in trials for drugs that are using liver biopsy as a gold standard. We are also exploring the use of the test by liver surgeons who would like to risk stratify patients undergoing liver surgery where there is a known increase in morbidity and mortality for patients with hepatic steatosis (fatty liver).

The Company is also investigating cloud based solutions to enable radiology facilities around the world to use the HepaFat-Scan[®] product at an affordable price and generate an ongoing income stream, whilst maintaining protection of the IP. The size of the fatty liver market is substantial and the growing obesity problem facing the developed world makes the commercialisation of HepaFat-Scan[®] an exciting opportunity for the Company. Currently 60% of Australian adults are classified as overweight with 25% classified as obese. These numbers are expected to keep growing with an estimated 83% of Australian men and 75% of Australian women predicted to be overweight or obese by 2025.

Research and development work continues on an MRI based test that can accurately distinguish between the presence and degree of liver fibrosis. The most recent work has focused on the development of image analysis algorithms to measure liver fibrosis using magnetic resonance images which have not been enhanced by a contrast agent. The first visit results of the cohort of subjects are very encouraging, however, the second visit images have been confounded by residual contamination from the MRI contrast agent that requires further investigation to eliminate its effect.

A liver fibrosis test would complement the Company's FerriScan and HepaFat-Scan[®] products, providing a compelling service for treating clinicians and pharmaceutical companies specialising in liver disease.

For informational purposes the twenty largest shareholders is supplied at 25 February 2014.

Twenty Largest Shareholders of quoted Ordinary Shares

	Name	Number of Ordinary Shares	Percentage of Total
1	Southam Investments 2003 Pty Ltd	65,414,622	18.12%
2	Mrs M Watkins-Saxon and Mr S Saxon <Saxon Family Super Fund A/C>	9,488,636	2.63%
3	The University Of Western Australia	9,078,750	2.51%
4	Timothy Guy St Pierre <The St Pierre A/C>	9,078,750	2.51%
5	Wanida Chau-Anusorn <The Medta A/C>	7,520,000	2.08%
6	Mr Kevin Deeves and Mrs Pauline Deeves	6,500,000	1.80%
7	Mr Helmut Rucker	6,000,000	1.66%
8	Mr William Grove	4,838,401	1.34%
9	Walker Trusco Pty Ltd	4,494,844	1.25%
10	Dr Martin Peter Blake	3,798,590	1.05%
11	Mr Harry Basle	3,671,359	1.02%
12	Mr Robert Panton	3,640,824	1.01%
13	Mr Jeremy Hussein Rishani	2,638,699	0.73%
14	ABN AMRO Clearing Sydney Nominnees Pty Ltd	2,600,881	0.72%
15	Blake Nominees Pty Ltd	2,426,087	0.67%
16	Anahein Pty Ltd	2,408,478	0.67%
17	Mr Thomas Psarakis	2,375,000	0.66%
18	Dr Michael Francis Leahy & Dr Joanna Mary Dewar	2,227,436	0.62%
19	Mr Russell Mackenzie	2,160,000	0.60%
20	Mr Malcolm Douglas McDowell & Mrs Angela McDowell	2,083,333	0.58%
		152,444,690	42.23%

Resonance Health Limited

(ABN 96 006 762 492)

Half-Year Financial Report

31 December 2013

Corporate Directory

Directors

Dr Martin Blake
Chairman/Non-executive Director

Ms Liza Dunne
Executive Managing Director

Mr Simon Panton
Non-executive Director

Dr Timothy St. Pierre
Executive Director

Dr Jason Loveridge
Non-executive Director

Company secretary

Mr Adrian Bowers

Website and e-mail address

www.resonancehealth.com
Email: info@ferriscan.com

Postal address

PO Box 1135
Nedlands WA 6909

Stock exchange listing

Resonance Health Limited
shares are listed on the
Australian Securities
Exchange.
ASX Code: RHT

Share registry

Advanced Share Registry Ltd
150 Stirling Highway
Nedlands WA 6009
Tel: +61 8 9389 8033
Fax: +61 8 9389 7871

Auditors

HLB Mann Judd
Level 4
130 Stirling Street
Perth WA 6000

Registered office and Principal place of business

278 Stirling Highway
Claremont WA 6010
Telephone: 61 8 9286 5300
Facsimile: 61 8 9286 1179

Bankers

National Australia Bank Limited

Solicitors

Cole Legal
Unit 9
569 Wellington Street
Perth WA 6000

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DIRECTORS' REPORT

The directors submit the financial report of the Group for the half-year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Dr Martin Blake	Non-executive Director – Chairman
Ms Liza Dunne	Executive Managing Director
Mr Simon Panton	Non-executive Director
Dr Tim St Pierre	Executive Director
Dr Jason Loveridge	Non-executive Director

Review of Operations

Resonance Health is a medical device company developing innovative imaging technology for the assessment of human disease. The Company's expertise is in providing quantitative measurements using MRI technology replacing the need for invasive procedures such as a biopsy.

Resonance Health's lead product on market generating revenue is FerriScan[®], for the measurement of iron overload. FerriScan is provided to the market as an image analysis service where radiology facilities in over 20 countries upload data to a secure web facility for analysis and reporting by Resonance Health.

Resonance Health gained FDA clearance for its new product HepaFat-Scan[®] in December 2013, for the measurement of fatty liver to address the sizable fatty liver disease market. Resonance Health is now embarking on commercialisation activities for the product with the immediate focus on providing services to the pharmaceutical industry conducting clinical trials of therapies for the increasing number of patients with fatty liver related conditions.

Research and development work continues on developing an MRI based test to quantify liver fibrosis.

The principal activity of Resonance Health during the period was the delivery of FerriScan[®] image analysis services for the clinical management of patients with iron overload conditions. This also includes cardiac iron overload assessments in some countries. Our central image analysis facility provides a range of services to the pharmaceutical industry requiring imaging core lab services for their clinical trials.

Financial and Operational Summary:

- Net loss reported for the half-year was \$147,747 compared to a loss of \$453,850 in the previous corresponding half-year, a decrease in the loss of 67%. This was due to an increase in sales revenue of 65% to \$1,048,869 from \$635,954 in the previous corresponding half-year.
- The increase in sales revenue was due to:
 - A 91% increase in revenue associated with the use of FerriScan in clinical trials.
 - A 47% increase in revenue associated with the routine use of FerriScan in managing patients with iron overload outside of clinical trials.
- Sales volumes attributed to routine clinical use comprised +80% of total sales volumes for the six months ended December 2013. 27 new FerriScan sites were established in the half-year December 2013.
- Research and Development expenditure for the half-year was \$135,676, of which \$84,972 was capitalised, \$39,764 was R&D expenses and \$10,818 was R&D Employee expenses. Research and development expenditure was primarily associated with the development of a liver fibrosis imaging test and a liver fat imaging test.
- Intangible assets, representing capitalised development expenditure, totalled \$1,510,165 at the end of the half-year, compared to \$1,462,204 at the end of the financial year 30 June 2013.
- Resonance Health has no debt and \$744,634 in cash and equivalents at the end of the half-year, compared to \$1,092,943 at 30 June 2013, a decrease of \$348,309 over the six month period. The cash burn is expected to be significantly less for the remainder of the financial year.
- The reported cash used in operating activities was higher than in the previous year, partly due to the fact that the Company is no longer eligible to receive the Export Marketing Development Grant. Cash of \$165,314 was received in the prior year under the EMDG program.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2013.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

A handwritten signature in cursive script that reads "M. P. Blake".

Dr Martin Blake
Chairman

Dated this 27th day of February 2014.



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Resonance Health Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'L Di Giallonardo'.

Perth, Western Australia
27 February 2014

L Di Giallonardo
Partner, HLB Mann Judd

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Notes	Consolidated	
		31 December 2013 \$	31 December 2012 \$
Sales revenue	2	1,048,869	635,954
Other income	2	12,213	21,764
Revenue		1,061,082	657,718
Employee benefits expense		(721,294)	(699,525)
Consulting and professional services		(46,821)	(37,206)
Research and development		(39,764)	(32,092)
Depreciation and amortisation		(47,297)	(8,547)
Marketing and travel		(96,726)	(89,784)
Statutory and compliance		(75,059)	(81,580)
Foreign exchange loss		(3,745)	(14,724)
Other expenses		(178,123)	(148,110)
Loss before income tax		(147,747)	(453,850)
Income tax benefit		-	-
Net loss for the half-year		(147,747)	(453,850)
Other comprehensive income			
<i>Items that may be reclassified to profit and loss</i>			
Exchange differences arising on translation of foreign operations		24,687	11,053
Exchange differences arising on translation of foreign loan		(24,109)	11,516
Other comprehensive income for the half-year, net of tax		578	22,569
Total comprehensive loss for the half-year		(147,169)	(431,281)
Basic loss per share from continuing operations (cents per share)		(0.04)	(0.13)

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

		Consolidated	
	Notes	31 December 2013 \$	30 June 2013 \$
Assets			
Current Assets			
Cash and cash equivalents		744,634	1,092,943
Trade and other receivables		334,193	388,631
Other assets		64,231	24,524
Total Current Assets		1,143,058	1,506,098
Non-Current Assets			
Plant and equipment		34,315	44,302
Intangible assets	3	1,510,165	1,462,204
Other financial assets		3,004	3,004
Other assets		59,099	59,099
Total Non-Current Assets		1,606,583	1,568,609
Total Assets		2,749,641	3,074,707
Liabilities			
Current Liabilities			
Trade and other payables		387,230	407,985
Current tax liability		31,734	31,734
Provisions		83,175	-
Other liabilities		153,710	313,805
Total Current Liabilities		655,849	753,524
Non-Current Liabilities			
Provisions		-	80,222
Total Non-Current Liabilities		-	80,222
Total Liabilities		655,849	833,746
Net Assets		2,093,792	2,240,961
Equity			
Issued capital	4	67,534,039	67,534,039
Reserves		(105,066)	(105,644)
Accumulated losses		(65,335,181)	(65,187,434)
Total Equity		2,093,792	2,240,961

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Consolidated				
	Issued Capital	Foreign Currency Translation Reserve	Option Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2012	67,534,039	(51,354)	66,284	(64,982,953)	2,566,016
Net loss for the half-year	-	-	-	(453,850)	(453,850)
Other comprehensive income for the half-year, net of tax	-	22,569	-	-	22,569
Total comprehensive loss for the half-year	-	22,569	-	(453,850)	(431,281)
Balance at 31 December 2012	67,534,039	(28,785)	66,284	(65,436,803)	2,134,735
Balance at 1 July 2013	67,534,039	(171,928)	66,284	(65,187,434)	2,240,961
Net loss for the half-year	-	-	-	(147,747)	(147,747)
Other comprehensive gain for the half-year, net of tax	-	578	-	-	578
Total comprehensive loss for the half-year	-	578	-	(147,747)	(147,169)
Balance at 31 December 2013	67,534,039	(171,350)	66,284	(65,335,181)	2,093,792

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Consolidated	
	31 December 2013	31 December 2012
	\$	\$
	Inflows/(Outflows)	
Cash flows from operating activities		
Receipts from customers	907,879	795,903
Payments to suppliers and employees	(1,194,306)	(866,140)
Interest received	11,927	23,434
Net cash used in operating activities	<u>(274,500)</u>	<u>(46,803)</u>
Cash flows from investing activities		
Payments for plant and equipment	(299)	(13,160)
Payments for intangible assets	(84,972)	(87,935)
Net cash used in investing activities	<u>(85,271)</u>	<u>(101,095)</u>
Net decrease in cash and cash equivalents	(359,771)	(147,898)
Foreign exchange differences on cash balances	11,462	(1,038)
Cash and cash equivalents at beginning of half-year	1,092,943	1,180,174
Cash and cash equivalents at end of half-year	<u>744,634</u>	<u>1,031,238</u>

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These interim consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Resonance Health Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of Preparation

The half-year financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation

The accounting policies adopted and methods of computation are consistent with those of the previous financial year and corresponding half-year reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Significant accounting judgments and key estimates

The preparation of half-year financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2013.

NOTE 2: REVENUE AND EXPENSES

	Consolidated	
	Six months to 31 December 2013 \$	Six months to 31 December 2012 \$

The following revenue items are relevant in explaining the financial performance for the half-year:

(a) Sales revenue

Sales to external customers	1,048,869	635,954
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(b) Other income

Interest received	12,213	21,764
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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 3: INTANGIBLE ASSETS

	Consolidated	
	Six months to 31 December 2013 \$	Year ended 30 June 2013 \$
Development expenditure		
At cost	1,581,853	1,496,881
Less: Accumulated amortisation	(71,688)	(34,677)
Total development expenditure	<u>1,510,165</u>	<u>1,426,204</u>
Reconciliation of the carrying amounts of development expenditure is set out below:		
Carrying amount at the beginning of the period	1,462,204	1,291,544
Additions	84,972	205,337
Amortisation expense	(37,011)	(34,677)
Carrying amount at the end of the period	<u>1,510,165</u>	<u>1,462,204</u>

Development expenditure relates to costs incurred in developing MRI tools for the diagnosis and clinical management of human disease.

During the half-year this development continued to relate primarily to improvements to the FerriScan software technology and the development of liver fibrosis and liver fat assessment tools.

The recoupment of development expenditure is dependent on the successful development and commercialisation or sale of the technology developed. The directors are required to assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists an estimate is made of the asset's recoverable amount. Where the asset's carrying value exceeds the estimated recoverable amount a provision for impairment is recognised. The Directors' do not consider that there has been any indication that the asset may be impaired as at balance date.

NOTE 4: ISSUED CAPITAL

	Consolidated	
	Six months to 31 December 2013 \$	Year ended 30 June 2013 \$
<i>Ordinary shares</i>		
Issued and fully paid	<u>67,534,039</u>	<u>67,534,039</u>
Movements in ordinary shares:	Number of shares	Issue price \$
Balance at the beginning of period	360,991,365	67,534,039
Balance at the end of period	<u>360,991,365</u>	<u>67,534,039</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 5: SEGMENT REPORTING

The table below represents the revenue and profit/(loss) information regarding the segment information provided to the Chief Operating Decision Maker, which is the Board of Directors, for the half-years ended 31 December 2013 and 31 December 2012.

Business segments

The following tables present revenue and profit/(loss) information and certain asset and liability information regarding business segments for the half-years ended 31 December 2013 and 31 December 2012.

The Group's reporting segments are determined by the products and services provided.

Internal reporting to the Board focuses on the following reporting segments:

- Services – commercialisation of FerriScan technology
- Research and development – relating to MRI scanning and other technologies
- Corporate

	Services	Research and Development	Corporate	Total
	\$	\$	\$	\$
31 December 2013				
Sales revenue to external customers	1,048,869	-	-	1,048,869
Interest received	-	-	12,213	12,213
Segment revenue	<u>1,048,869</u>	<u>-</u>	<u>12,213</u>	<u>1,061,082</u>
Segment profit/(loss)	136,354	(56,023)	(228,078)	(147,747)
Segment assets	334,193	1,510,165	905,283	2,749,641
Segment liabilities	<u>612,841</u>	<u>-</u>	<u>43,008</u>	<u>655,849</u>
31 December 2012				
Sales revenue to external customers	635,954	-	-	635,954
Interest received	-	-	21,764	21,764
Segment revenue	<u>635,954</u>	<u>-</u>	<u>21,764</u>	<u>657,718</u>
Segment loss	(179,229)	(64,940)	(209,681)	(453,850)
Segment assets	395,152	1,379,478	1,198,525	2,973,155
Segment liabilities	<u>653,518</u>	<u>-</u>	<u>184,902</u>	<u>838,420</u>

There are no changes in regards to the basis of reporting on segmentation or to the basis of reporting on segment profit/(loss) from the position at 30 June 2013.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTE 6: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

DIRECTORS' DECLARATION

In the opinion of the directors of Resonance Health Limited ("the company"):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Dr Martin Blake
Chairman

Dated this 27th day of February 2014



INDEPENDENT AUDITOR’S REVIEW REPORT

To the members of Resonance Health Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying condensed half-year financial report of Resonance Health Limited (“the company”), which comprises the condensed statement of financial position as at 31 December 2013, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors’ declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors’ responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity’s financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Accountants | Business and Financial Advisers

Matters relating to the electronic presentation of the reviewed half-year financial report

This review report relates to the half-year financial report of the consolidated entity for the half-year ended 31 December 2013 included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The review report refers only to the half-year financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the half-year financial report. If users of the half-year financial report are concerned with the inherent risks arising from publication on a website they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information contained in this website version of the half-year financial report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Resonance Health Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'HLB Mann Judd'.

HLB MANN JUDD
Chartered Accountants

A handwritten signature in black ink that reads 'L Di Giallonardo'.

Perth, Western Australia
27 February 2014

L Di Giallonardo
Partner