

Resonance Health Limited

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**Annual General Meeting
20 November 2007**



Agenda

- Milestones
- FerriScan[®] Market
- Strategy
- Financial Performance
- Conclusion

Milestones

2005

- Regulatory Clearance in Australia
- Regulatory Clearance in Europe
- Regulatory Clearance in USA

2006

- ISO 9001 and 13485 accreditation
- Regulatory Clearance in Canada
- Regulatory Clearance in NZ
- Contract signed with Genzyme Pharmaceuticals

2007

- Successful ISO and Health Canada Audit
- 20 countries using FerriScan
- 100 MRI centres set up for FerriScan
- 275 clinicians using FerriScan
- Report on USA reimbursement issues
- Significant reduction in operational expenditure
- Closed the year with over \$2m of cash
- Reimbursement application in Australia commenced
- FibroScreen market assessed
- Successful renegotiation of Novartis Contracts
- Successful TGA Audit

FerriScan Availability

- 100 MRI scanners set up for FerriScan
 - Increased from 56 in June 2006
- 20 Countries
 - Australia/NZ
 - Nth America – USA, Canada
 - Asia – Malaysia, HK, India, Singapore, Korea
 - EU – UK, Germany, Italy, Greece, Spain, Denmark
 - Middle East – Turkey, Egypt, Lebanon, Oman, Saudi Arabia

FerriScan Market – Iron Overload

- Primary Iron Overload
 - Hereditary haemochromatosis -1 in 200 in population from Nth EU descent
 - Excessive dietary iron absorption
- Transfusional Iron Overload
 - Thalassaemia – 100,000 new severe cases each year
 - Sickle Cell Anaemia - 20,000 transfusion dependent in USA
 - Myelodysplastic Syndrome (MDS)
- The body is unable to excrete iron efficiently without the aid of drugs
- Left untreated, can lead to liver fibrosis and cirrhosis

Thalassaemia

- Affects over 1 million people worldwide
- Excess iron accumulates as a result of repeated blood transfusions
- Chelation therapy introduces a drug that binds to the excess iron to aid its excretion
- FerriScan provides an accurate measure of iron levels for drug dose management

Clinical Applications of FerriScan

- When to initiate, increase or decrease chelation therapy
- Used to confirm ambiguous diagnosis of hereditary haemochromatosis
- Used to assess organ damage risks associated with high liver iron levels

Reimbursement

- No. 1 issues for wide spread clinical use of FerriScan
- AUS, UK, Italy, Germany – 10,000 transfusion dependent patients
 - \$2 million pa potential revenue
- Sickle Cell in the USA – 20,000 transfusion dependent patients
 - \$4 million pa potential revenue
- Australian submission to MSAC Q1-2008
- Submissions to UK, Italy and Germany Q3-2008
- Approvals expected 12-18 mths from submission

FibroScreen

- MedPharma Report
 - Large Market - 5m people with Hepatitis worldwide
 - Some Fibrosis tests are available, but lack accuracy
- Next Steps
 - Further R&D to improve sensitivity of test
 - Opportunity - Fatty Liver – 40m people in USA
 - Collaborations

Strategy

- Current Position:
 - New fee structure and long term relationship planned with Novartis
 - Cash flow positive outlook to mid 2008
- Gain medical insurance reimbursement for FerriScan
- Maintain cash reserves until reimbursement achieved
- Gain acceptance with clinical opinion leaders
- Work closely with patient support groups
- Expand the revenue base
 - Leverage in house expertise in quantitative analysis and data management
 - Further R&D of the fibrosis test
- Manage key risks:
 - Reliance on Novartis clinical trials
 - Exchange rate
 - Reimbursement delays

Financial Performance

- Cash balance remains strong following capital raising in September 2006
- Cash balance at 19 Nov is \$1,983,664
- Improving revenue trend
- Restructure of Board and US office closure (post 30 June 2007)
- Continuing focus on increasing revenue and managing costs

Financial Information

30 June

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenue	\$2.1m	\$0.6m	\$0.3m
Net Loss after Tax	-\$0.7m	-\$16.0m*	-\$1.9m
# shares on issue	375.0m	204.6m	201.5m
Cash on Hand	\$2.4m	\$0.6m	\$1.5m

* Includes impairment of goodwill on consolidation

Conclusion

- Re-pricing of FerriScan achieved
- Long term contract with Novartis achieved
- Significant reduction in operating expenses achieved
- Reimbursement strategy continuing
- Company well positioned for growth and synergistic expansion