



INTERIM RESULTS 2011 AND PROPOSED STRATEGIC INVESTMENT

27 MAY 2011

X-Ray for Industry and Security

Key Points

- Recent signs of strategy adopted bearing fruit
- Sales team established in new territories without increasing overheads
- Stronger order intake in current year of £1.8m
- Disappointing that increased order intake is not reflected in interim results
- Bank balance as at 14 May 2011 of £114,000
- Growing pressure on working capital as product range extended
- Proposed strategic investment

Income Statement

	HY 2011	HY 2010	FY 2010
Revenue (£'000)	772	922	1,472
Gross Margin (%)	41%	54%	55%
Overheads (£'000)	582	604	1,218
Profit/(Loss) (£'000)	(266)	(108)	(410)
EPS (pence)	(0.43)	(0.19)	(0.65)

Balance Sheet

	HY 2011	HY 2010	FY 2010
Tangible Assets (£'000)	43	96	49
Inventories (£'000)	320	273	273
Receivables ('000)	460	370	348
Net Cash (£'000)	197	643	348
Current Liabilities (£'000)	(470)	(297)	(204)
Net Assets (£'000)	550	1,085	814

- Revenue disappointing, although good H2 sales visibility
- Gross margin reduced due to greater mix of industrial and nuclear sales
- Period end net cash at £197k (FY10: £348k)
- Continued losses and increased stock requirements causing pressure on working capital
- RBS overdraft facility of £100,000



EOD vehicle inspection

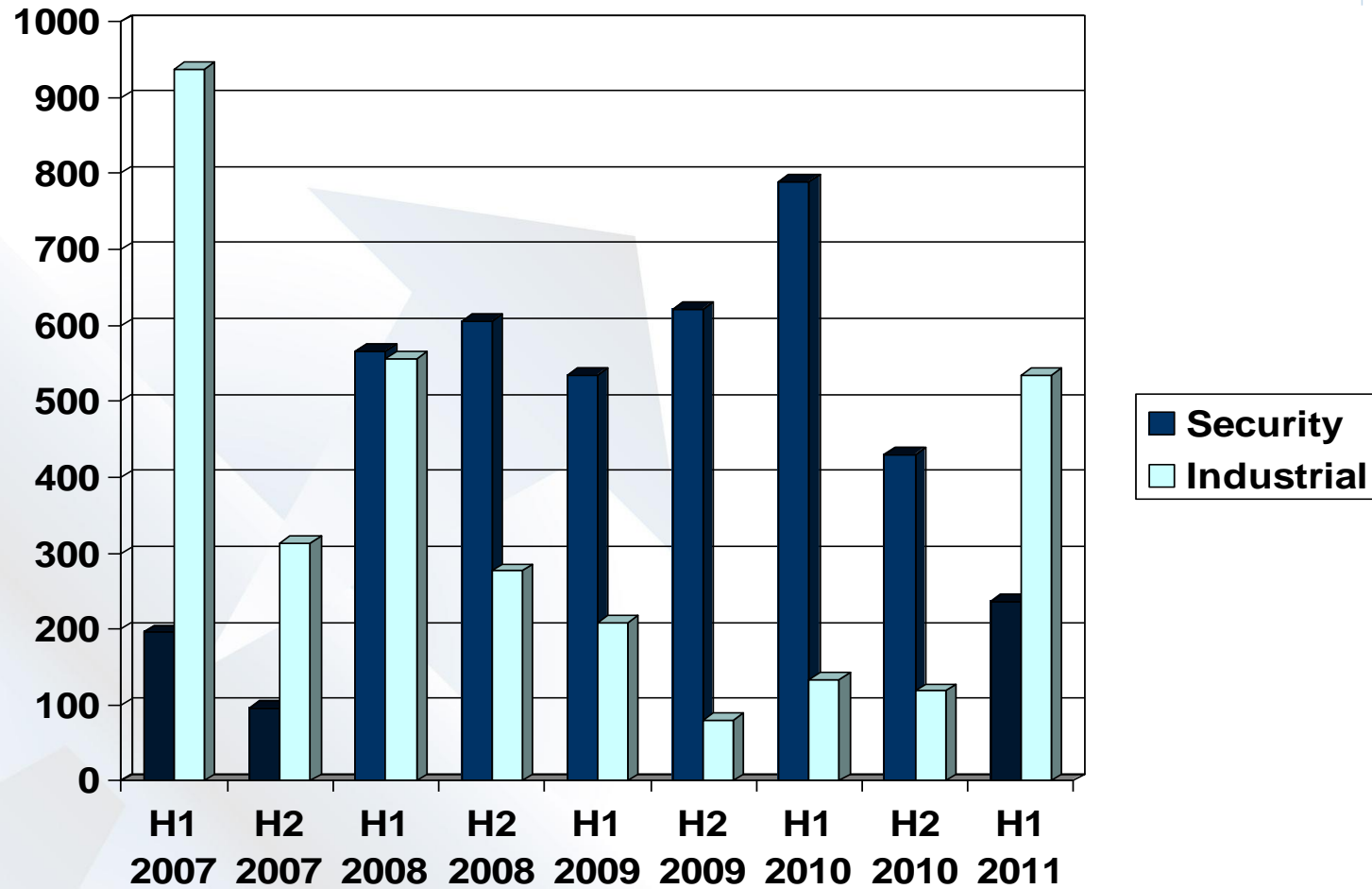


Drugs in petrol tank



Stun grenade in suitcase

Sales Mix by Sector

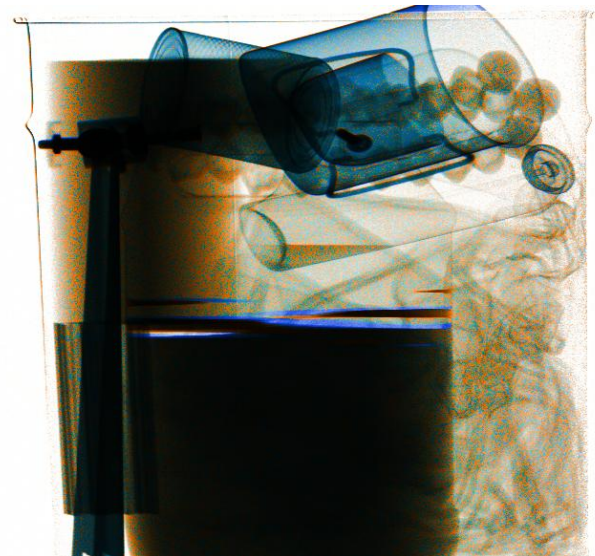


Security Overview

- Predominantly FlatScan-TPXi sales
- Systems sold into Middle East, Europe and Asia
- Disappointing H1 sales into Europe
- Launched FlatScan-15 at Counter Terror in April 2011 in the UK
- Sales of FlatScan-15 into South East Asia in H2
- Attended exhibitions in the UK and the Middle East



- Extension to new MDXi software platform
- Work-in-progress on contract for 2 MDXi-NT industrial inspection systems
- Small nuclear contract to deliver key component
- First tranche of significant contract for the inspection of nuclear waste

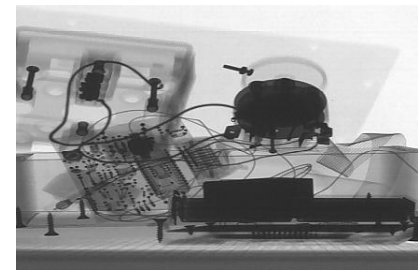


Current Year Order Book

- Brought forward order book of £90k
- FY11 order intake to date of £1.8m includes:
 - £830k nuclear sector contracts
 - £330k industrial orders for software and equipment within the automotive sector
 - £580k security order for FlatScan and AXIS systems from Europe, Middle East and Asia
- £400k deliverable in FY12



Nuclear waste drum inspection



Bomb found on underground

Sales by Product Range

	FY07 £'000	FY08 £'000	FY09 £'000	FY10 £'000	Confirmed orders in hand deliverable in FY11 £'000
FlatScan	206	687	472	1,165	491
AXIS	32	440	660	40	89
Industrial	576	245	122	-	330
Nuclear	450	400	-	-	430*
Spares & Support & Consultancy	278	233	190	267	143
TOTAL	1,542	2,005	1,444	1,471	1,483

* Further £400k of contract deliverable in 2012

Notice of General Meeting

General Meeting of Shareholders

- Tuesday 21 June at 3pm
- Proposed placing:
 - To raise £300,000
 - Issue of 15,000,000 new ordinary shares
 - Placing price of 2p represents premium of 60%
 - Placing shares will represent 20% of enlarged share capital
- Re-appointment of Louise George to the Board
- Amendment to articles to enable electronic communication



FlatScan-TPXi and 15



AXIS100 system

- **Strategic Investor**

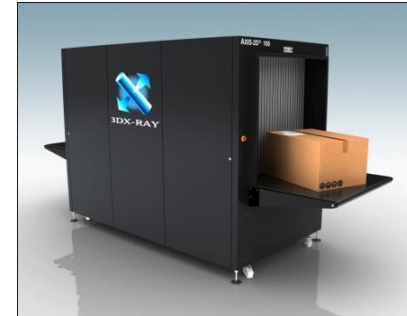
- Rise Step International Development Limited
- Hong Kong resident limited liability company
- Sole director is Lu Qing

- **Basis of investment**

- Rise Step believe that there are opportunities in Asia and the Far East :
 - To reduce cost of key components through overseas sourcing
 - To open up routes to market in the region

- **Board views the investment as critical to help secure the future of the Company**

- To provide necessary additional working capital
- To enable the Company to compete more effectively in the x-ray baggage screening market



AXIS 100



AXIS-3D

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.