



2013 INTERIM RESULTS

20 June 2013

Ticker : ige

Web : www.ish.co.uk

X-Ray for Industry and Security

Key Points

- Loss of £390,000 in the period reflects:
 - Slow order intake in first 6 months
 - Exceptional costs of £137,000
- Repositioning to focus primarily on standard equipment sales
- Restructured to reduce ongoing cost base by 20%
- Orders in last 3 months of £1.5m double that of previous 6 months
- Order intake of £2.3m is 16% ahead compared to the same period last year
- Given revised cost base profitability should be achievable going forward
- Ian Johnson to stand down from the Board having provided valuable service for over 11 years

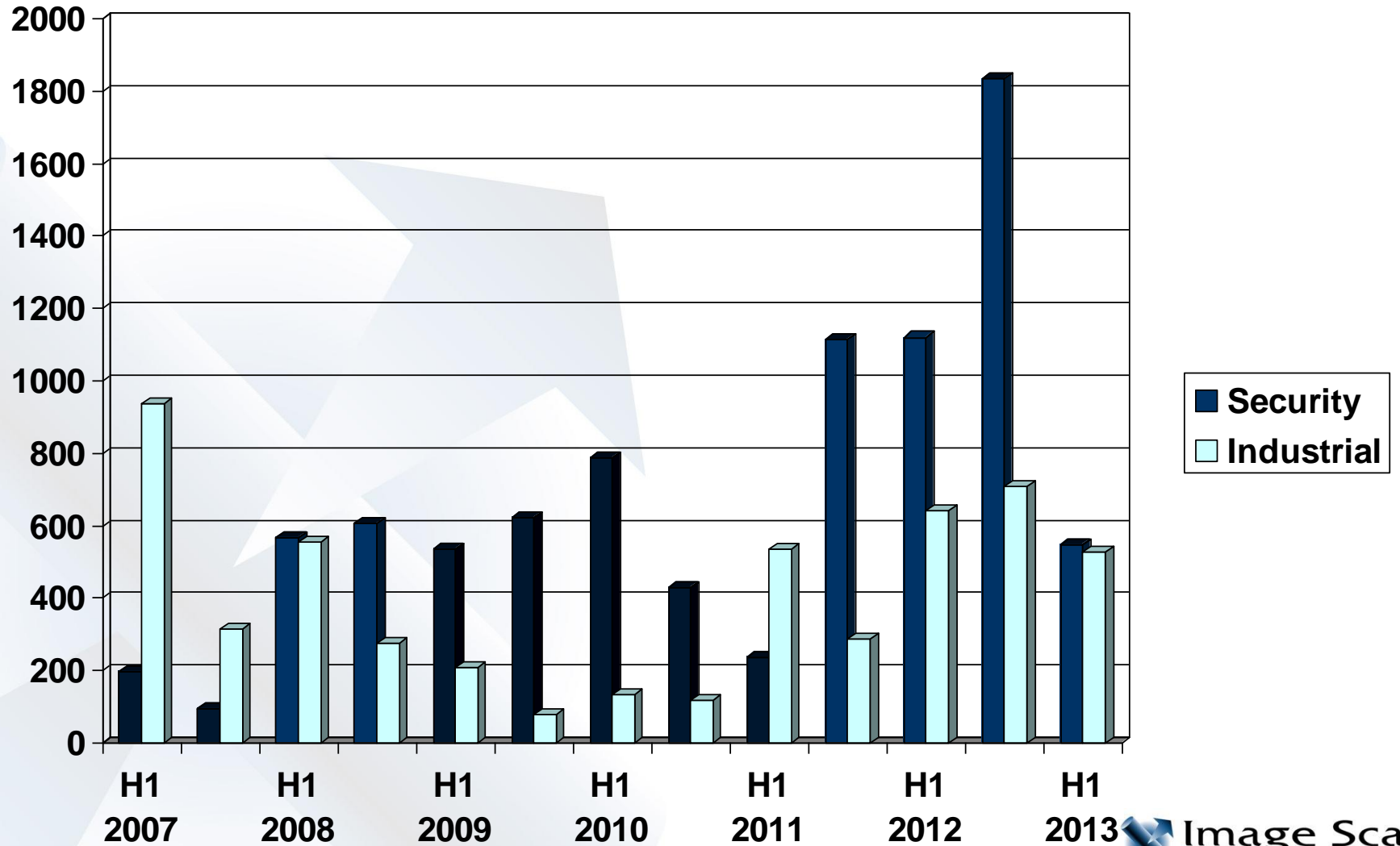
Income Statement

	H1 2012	H2 2012	H1 2013
Revenue (£'000)	1,760	2,542	1,072
Gross margin (%)	37%	41%	42%
Overheads (£'000)			
- General	(653)	(1,022)	(715)
- Exceptional	-	-	(137)
Profit/(loss) (£'000)	6	102	(390)
EPS (pence)	0.01	0.13	(0.5)

Income Statement

- Revenue of £1,072,000 down across both core sectors
- Reflects lower opening order book of £0.4m (2012: £2.3m)
- Stronger margin at 42% (2012: 37%) based on sales of standard equipment
- Administrative costs on normal activities up 10% to £715,000
- Exceptional costs of £137,000
 - £112,000 anticipated loss on latter stages of nuclear contract
 - £25,000 restructuring costs to reduce ongoing operating costs by 20%
- Resultant loss of £390,000 (2012: profit £6,000)

Sales Mix by Sector

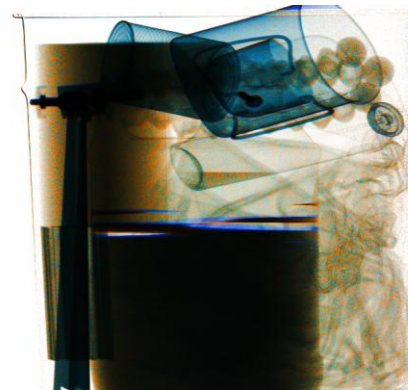


Security Overview

- Security sales underpinned by FlatScan portable system sales
- Revenue from the SVXi, small vehicle system, was nil (2012: £0.6m)
 - Repeat order £0.9m received in H2
- Attended exhibitions in the UK and the Middle East



- Revenue of £427,000 (2012: £426,000) from MDXi systems includes:
 - Sales into UK and US subsidiaries of new customer
 - Sales into UK and European subsidiaries of existing customer
 - Both suppliers to the automotive sector
- Whilst nuclear contract expected to be marginally profitable overall, loss of £112,000 anticipated on latter stages



Nuclear waste drum inspection

Statement of Financial Position

	HY 2012	FY 2012	HY 2013
Tangible assets (£'000)	47	39	31
Inventories (£'000)	696	413	650
Receivables ('000)	437	1,197	240
Net cash (£'000)	122	74	138
Current liabilities (£'000)	(424)	(746)	(472)
Net assets (£'000)	878	977	587

Statement of Financial Position

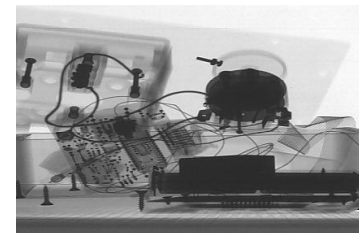
- Temporary investment in inventory of £200,000
 - To respond swiftly to prospective contracts
 - Stock build of critical and longer lead time components for FlatScan product range
- Current bank overdraft position of £56,000
- Reflecting half year losses and investment in stock
- RBS overdraft facility of £100k



EOD vehicle inspection



Drugs in petrol tank



Bomb found on underground

Current Year Order Book

- Cumulative orders for the year of £2.7m
 - Brought forward order book of £0.4m (2012: £2.3m)
 - FY13 order intake to date of £2.3m (2012: £2m)
- £1.6m security contracts including:
 - Repeat order for the SVXi system
 - Multiple unit FlatScan-TPXi sale into the Middle East
- £0.7m industrial contracts including:
 - Repeat sales to existing customers
 - Sales to two new customers within the automotive sector
- £2.4m of cumulative orders to date deliverable in FY13



SVXi

In Conclusion

- Repositioning away from large one-off contracts where:
 - Costs difficult to control
 - Resources diverted from core product development
- Restructured cost base reduced break-even point
- Profitability should be achievable on a sustainable basis
- Management of cash flow challenging given investment in stock
- Further funding being considered to meet working capital requirements to operate and develop the business



FlatScan-TPXi and 15



AXIS-3D

Important Notice

- This presentation is being communicated in the United Kingdom only to: (a) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); (b) high net worth companies and other bodies falling within Article 49(2) of the Order; or (c) persons to whom this presentation may otherwise lawfully be distributed (all such persons being referred to as "relevant persons"). This presentation is only directed at relevant persons, and any investment or investment activity to which this presentation relates is only available to relevant persons or will be engaged in only with relevant persons. Solicitations resulting from this presentation will only be responded to if the person concerned is a relevant person. Other persons should not act upon this presentation or any of its contents.
- The distribution of this presentation in certain jurisdictions may be restricted by law, and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions. Although reasonable care has been taken to ensure that the facts stated in this presentation are accurate and that the opinions expressed are fair and reasonable, the contents of this presentation have not been verified by Image Scan Holdings plc (the "Company") or any other person. Accordingly, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this presentation and no reliance should be placed on such information or opinions. None of Cantor Fitzgerald Europe, the Company, or any of their respective members, directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of such information or opinions or otherwise arising in connection with this presentation. No part of this presentation, or the fact of its distribution, should form the basis of or be relied upon in connection with any contract or commitment or investment decision whatsoever. This presentation does not form part of any offer of securities, or constitute a solicitation of any offer to purchase or subscribe for securities or an inducement to enter into any investment activity.
- Recipients of this presentation are not to construe its contents, or any prior or subsequent communications from or with the Company or its representatives as investment, legal or tax advice. In addition, this presentation does not purport to be all-inclusive or to contain all of the information that may be required to make a full analysis of the proposed transaction. Further, the information in this presentation is not complete and may be changed. Recipients of this presentation should each make their own independent evaluation of the proposed transaction and of the relevance and adequacy of the information in this document and should make such other investigations as they deem necessary.

Important Notice

- Cantor Fitzgerald Europe is acting for the Company and no-one else in connection with the matters referred to in this presentation and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cantor Fitzgerald Europe or for affording advice in relation to such matters.
- The securities discussed in this presentation have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or qualified for sale under the law of any state or other jurisdiction of the United States of America and may not be offered or sold in the United States of America except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Neither the United States Securities and Exchange Commission nor any securities regulatory body of any state or other jurisdiction of the United States of America, nor any securities regulatory body of any other country or political subdivision thereof, has approved or disapproved of this presentation or the securities discussed herein or passed on the accuracy or adequacy of the contents of this presentation. Any representation to the contrary is unlawful.
- This presentation may contain forward-looking statements that reflect the Company's current views and expectations regarding future events. In particular, certain statements with regard to management's strategic vision, aims and objectives are all forward-looking in nature. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements.
- By participating in this presentation and/or accepting any copies hereof, you agree to be bound by the foregoing restrictions and the other terms of this disclaimer.
- Cantor Fitzgerald Europe is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of London Stock Exchange plc.