

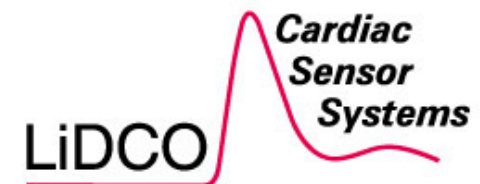
LIDCO™



LiDCO Group Plc

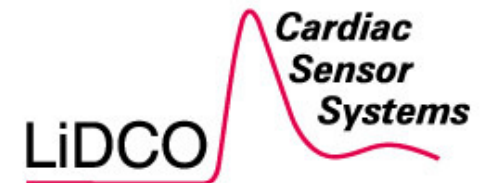
2007/08 Preliminary Results Presentation

24 April 2008



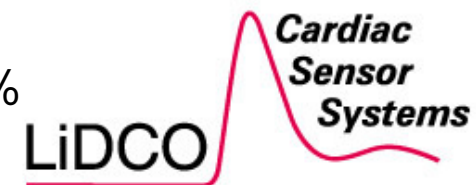
Structure

- Overview (slide 3 - 5)
- Financial and commercial highlights and detailed financials (slides 6 – 10)
- Corporate highlights (slide 11)
- Objectives (slides 12 – 28)
 - Revenue growth (slides 12 - 15)
 - Expansion of product range (slides 16 - 22)
 - Expansion of distributor network (slides 23 - 25)
 - Competitive positioning (slides 26 – 27)
 - Looking forward (slide 28)
- Appendices (slide 29 - 39)
 - Technology / products (slides 30 - 36)
 - Clinical / business cases (slide 37)
 - Surgery mortality rates (slide 38)
 - LiDCO making a difference (slide 39)



Overview

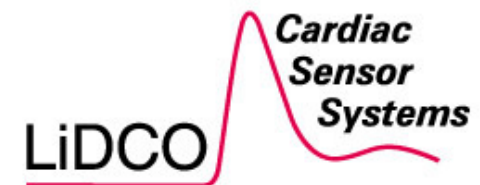
- London, UK based and AIM-listed Med-Tech Plc
- \$1.2bn market opportunity for minimally invasive hemodynamic monitoring in surgery and intensive care
- Global market moving from older invasive catheters to less invasive approaches
 - proven to reduce complications and cut hospital costs
- LiDCO*rapid* product launch - takes LiDCO into new \$800m surgery opportunity
 - twice current ICU market for LiDCO products
- Enhanced product range driving sales growth – also helping to expand distributor network
- Good growth in turnover in '07/08 – overall up 18%, export sales up 63%
- Losses cut by 23%
- Moving towards profitability – since 2004 sales up 79% while administration costs down 16%



Hemodynamic monitoring

A dynamic market

- Ageing populations
- Shortages of specialist critical care physicians & nurses
- Increasing number of monitored beds in hospitals
- Fixed reimbursement for procedures makes hospitals focus on costs and outcomes
- LiDCO products for hemodynamic monitoring and goal-directed therapy **improve** outcomes and **reduce** costs

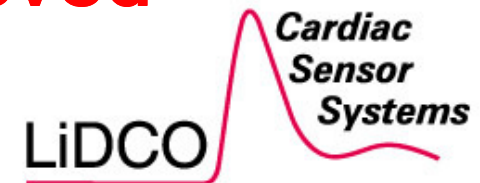


Objectives for 2007/08

- Achieve revenue growth of our core intensive care product
- Expand the product range into the surgery market
- Increase our distributor network
- Continue to contain costs and progress towards profitability

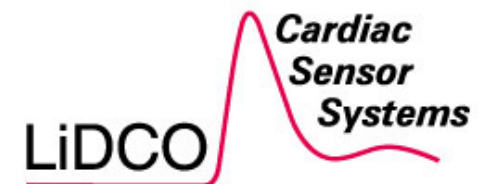


All four objectives achieved



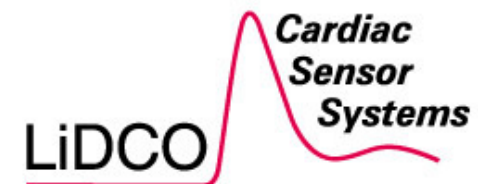
2007/08 Financial Highlights

- Revenues up 18% at £4.05m (2006/7: £3.44m)
- Administration/distribution expenses cut by 6% to £4.62m (2006/7: £4.94m)
- Net cash outflow before financing £1.7m (2006/7: £1.6m)
- Product margins maintained at 78% on monitors, modestly improved to 87% on disposables
- Loss from operations reduced by 23% to £2.01m (2006/7: £2.62m)
- Loss per share reduced to 1.5p (2006/7: 2.1p)
- End-year cash balance £2.2m (2006/7: £1.5m)
- **Since 2004 sales have increased by 79% while costs reduced by 16% and losses by 56%**



Commercial Highlights

- Continued adoption of LiDCO technology
- 40% of installed monitors now in the USA, 20% in the UK, 25% in Europe and 15% in the Rest of World
- Installed base of monitors up 14% at 1,184 (2006/7: 1,035)
- Monitor revenues up 34% to £1.93m (2006/7: £1.44m)
- Sensors volume up 7% to 26,081 units
- Sensor revenue increased by 9% to £1.99m (2006/7:£1.82m)
- Strong growth in exports, up 63% to £2.32m (2006/7 £1.43m)

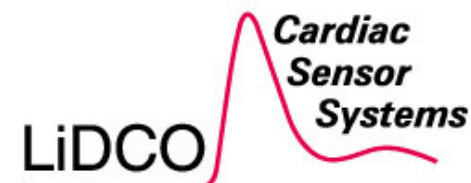


Summary Income Statement

	12 months to 31 Jan 2008 £'000	12 months to 31 Jan 2007 £'000	Change
Turnover	4,051	3,443	18%
Cost of sales	-1,442	-1,127	28%
Gross profit	2,609	2,316	13%
Distribution costs	-93	-69	35%
Admin costs	-4,526	-4,870	-7%
Loss from operations	-2,010	-2,623	-23%
Finance income	49	69	-29%
Finance expense	-25	-35	-29%
Loss before tax	-1,986	-2,589	-23%
Income tax credit	120	204	-41%
Loss for period	-1,866	-2,385	-22%
Loss per share (p)	-1.5	-2.1	-29%

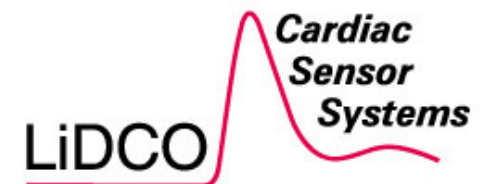
Summary Cashflow

	12 months to 31 Jan 2008	12 months to 31 Jan 2007	Change
	£'000	£'000	%
Net cash outflow from operating activities	(1,099)	(1,118)	-2%
Capital expenditure	(637)	(547)	16%
Interest received	49	69	-29%
Net cash used in investing activities	(588)	(478)	23%
Net cash before financing	(1,687)	(1,596)	6%
Issue of ordinary share capital	1,945	3,245	-40%
Convertible loan drawdown/repayment	502	(1,126)	-145%
Net cash generated from financing activities	2,447	2,119	15%
Net increase in cash and cash equivalents	760	523	45%
Opening cash and cash equivalents	1,474	951	55%
Closing cash and cash equivalents	2,234	1,474	52%



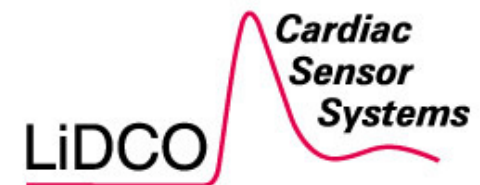
Summary Balance Sheet

	12 months to 31 Jan 2008	12 months to 31 Jan 2007
	£'000	£'000
Non-current assets	1,580	1,510
Inventory	839	1,080
Trade and other receivables	1,329	1,279
Current Tax	120	142
Cash & Cash Equivalents	2,234	1,474
Trade and other payables	(707)	(778)
Deferred Income	(41)	(68)
Borrowings	(563)	-
Total assets less current liabilities	4,791	4,639
Share capital & reserves	31,773	29,828
Retained earnings	(27,016)	(25,240)
Non-current liabilities	34	51
Total equity and non-current liabilities	4,791	4,639



Corporate Highlights

- New product LiDCO*rapid* launched in April 2008
- LiDCO*rapid* patent filed October 2007
- New distributors signed in USA, Israel, Canada, Turkey & Middle East
- Product extension through launch of PC software products LiDCO*view*^{SE} and LiDCO*view*^{PRO}
- Further clinical outcome studies using LiDCO monitors show convincing reductions in mortality, complications and length of stay
- New exclusive critical care marketing collaboration with Becton, Dickinson UK



Objective 1: Revenue growth

34% growth in core intensive care monitors

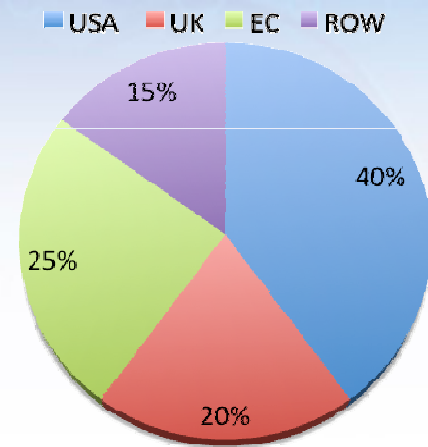
	Year to 31 Jan 2008	Year to 31 Jan 2007	Increase/ (decrease) £'000	Increase/ (decrease) %
Revenue by type (£'000)				
- Monitors*	1,934	1,443	491	34%
- Sensors	1,986	1,818	168	9%
- Fee per Use & Rentals	78	111	(33)	-30%
- Licence Fees	53	70	(17)	-24%
- Total Revenues	4,051	3,443	608	18%
Monitors sold & placed (Units)	151	112	38	34%
Sensor and Fee per Use Sales (Units)	26,081	24,316	1,765	7%
Installed Base (year end)	1,184	1,035	149	14%

Market acceptance

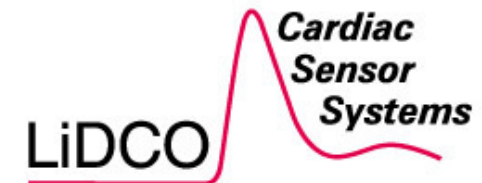
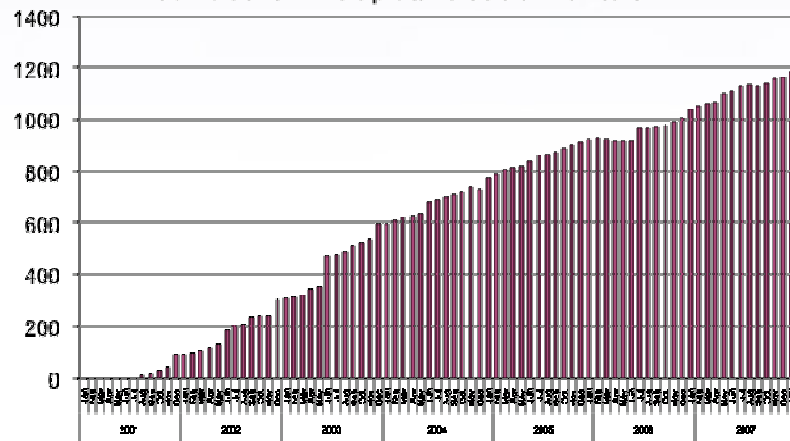
Monitor installed base now 1184



Worldwide Monitor Installed Base

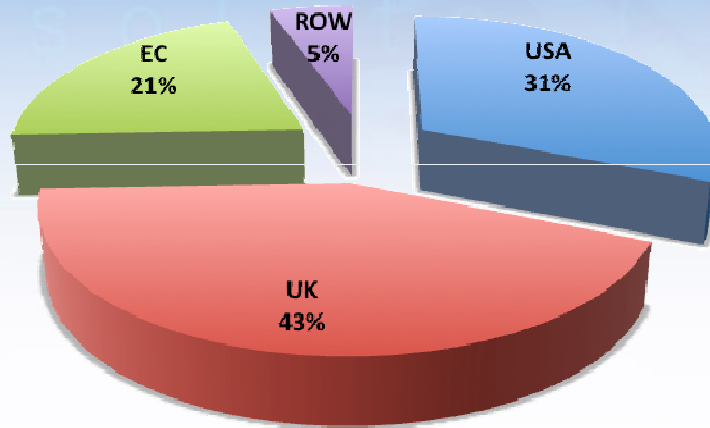


Cumulative LiDCOplus/PulseCO Monitors

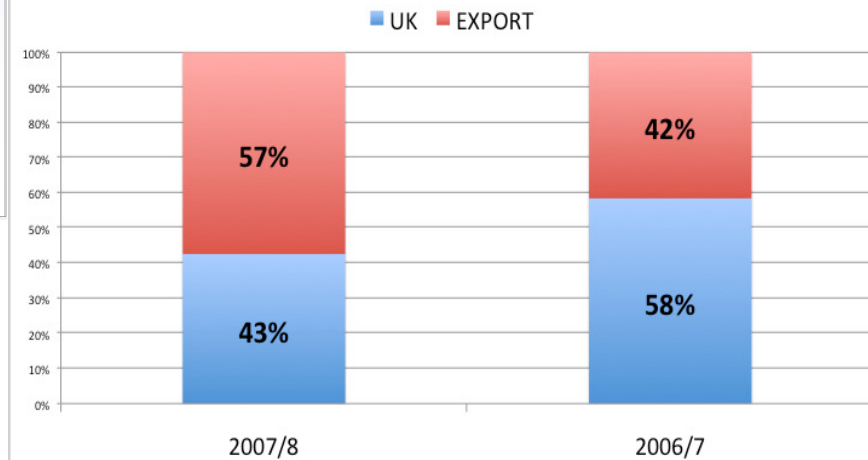


Reducing dependence on UK market

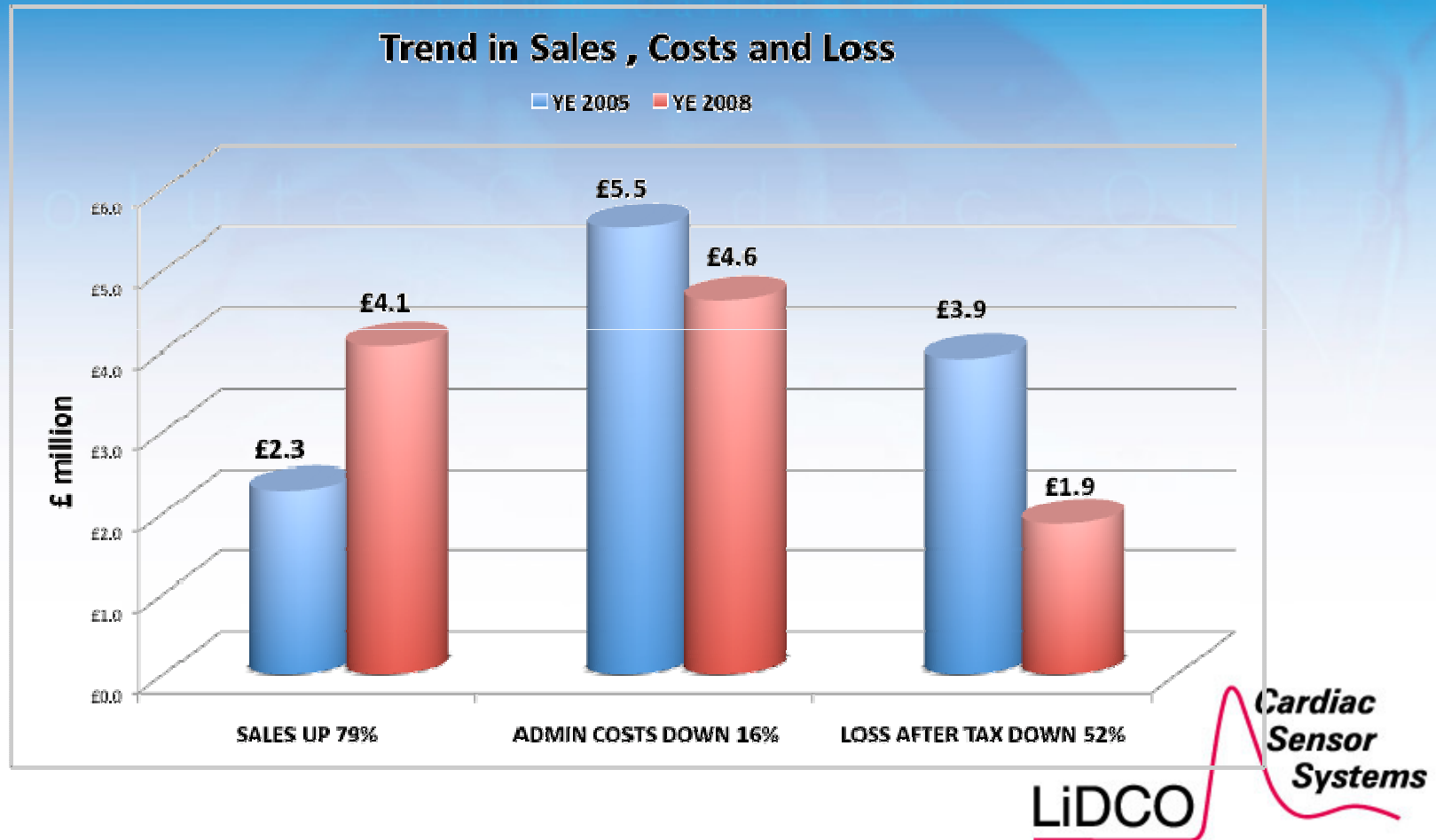
Sales Geography



Export revenues grew by 63% and now exceed domestic sales

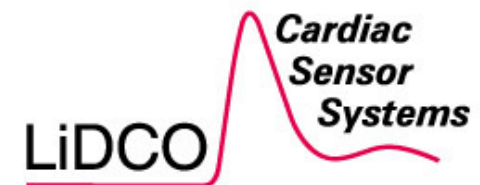


4 year progress towards profitability



Objective 2: Expand the product range into the surgery market

- LiDCO's sales have been predominantly to the **intensive care** market
- **Major surgery** represents an incremental market opportunity of >\$800m

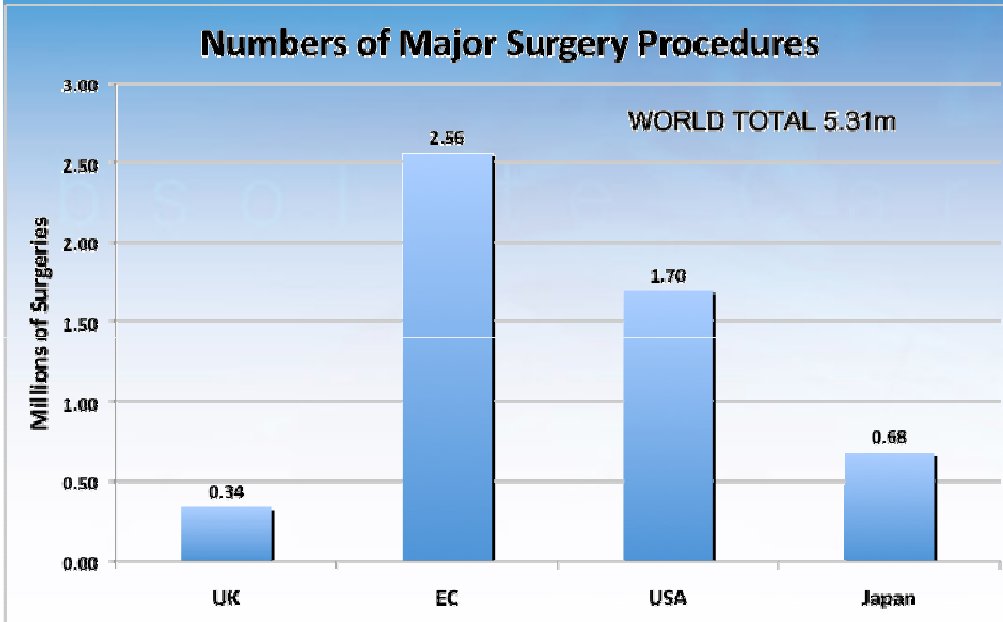


Surgery can be risky

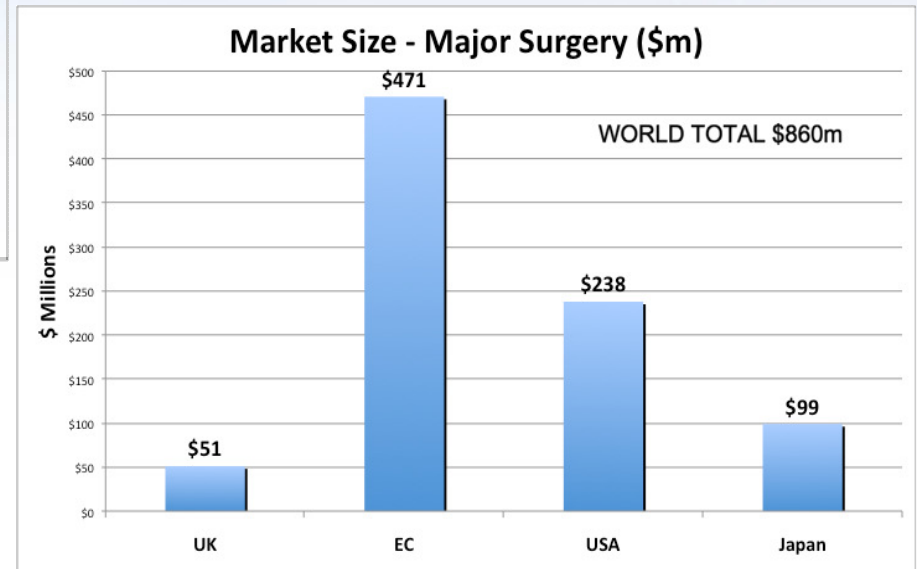
Surgical procedure	n	Mortality
Aorta - emergency surgery	6,598	41.2%
General abdominal – emergency surgery, major procedure, patient aged >69 with complications	11,648	15.8%
Neck of femur fracture – emergency surgery, patient aged >69 with complications	170,804	9.2%
Large intestine – elective surgery, major procedures	44,814	3.3%

Source: Pearse et al., 2006 . More details are in Slide 38 in the Appendix

Major surgery market



TOTAL SURGERIES	AVGE PRICE	MARKET SIZE
5.31M	\$162	\$860M



Reference: Pearse et al.,
 Critical Care 2006, 10:R81
 (doi:10.1186/cc4928)

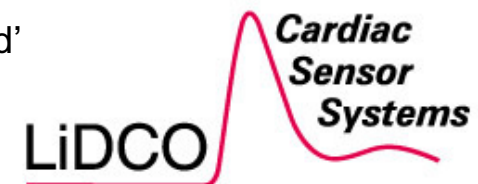
Product range expansion.....

ICU: existing *LiDCOplus*

- Main target: **intensive care**
 - Very ill patients with abnormal physiology
- Calibration with Lithium
 - If the customer wants accuracy or absolutes

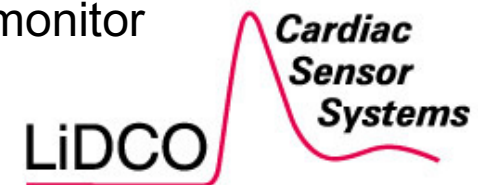
Surgery: new *LiDCOrapid*

- Main target: **anesthesia during surgery**
 - Allows for stroke volume optimisation/fluid management
 - Monitors trends rather than absolute values
 - If the customer wants ease of use and trends, *LiDCOrapid* is the solution
- Ease of set-up
 - Use enabled with unique disposable patient 'smartcard'



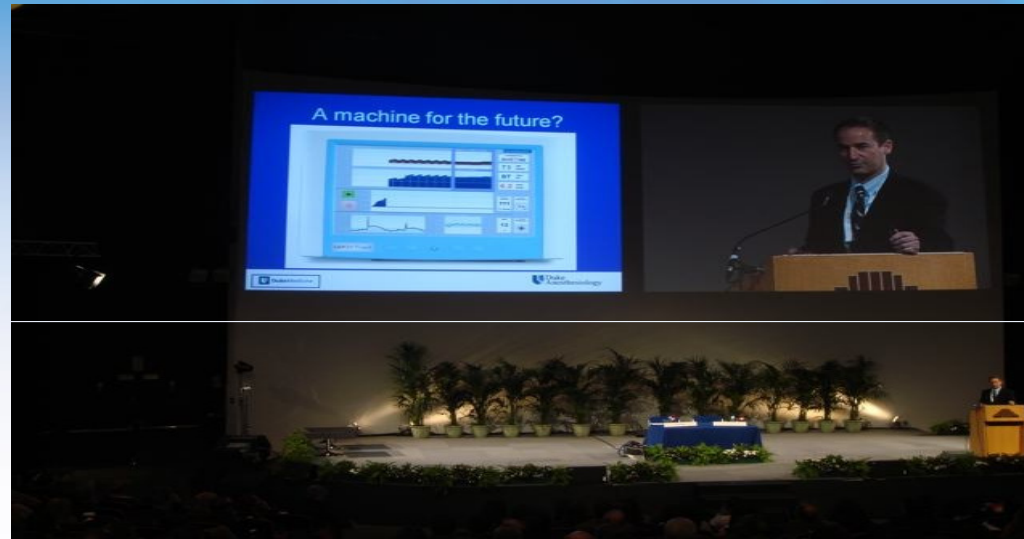
LiDCO *rapid* - market considerations

- Comprehensive anesthesia solution with a low in-service requirement
- Strong competitive positioning
 - ease of use
 - reliability
 - precision
- Based on proven technology – PulseCO algorithm used in LiDCO *plus*
- Triples accessible market size
- Ease of use/sale, high margin and market potential attractive to additional speciality distributors
- Revenue driver – incremental to existing LiDCO *plus* monitor



LiDCO *rapid*

'A machine for the future' - Dr Scot Brudney, Duke University, USA



“Conclusions: A large high-risk surgical population accounts for 12.5% of all surgical procedures but more than 80% of deaths. Despite high mortality rates, fewer than 15% of these patients are admitted to the ICU.”

LiDCO's care pathway for hemodynamic optimization
of the moderate to high-risk surgery patient



LiDCOrapid intra-operative flow optimization
Intent to balance oxygen delivery to consumption ratio



Oxygen flux balanced
No oxygen debt
85%



Suitable for routine
post-operative care

Oxygen flux unbalanced
Accumulating oxygen debt
15%

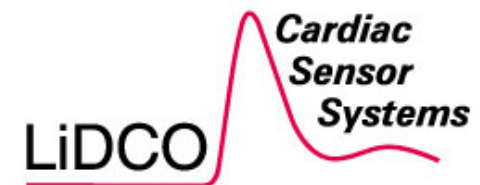


Sent to ICU - **LiDCOplus**
Targeting of oxygen delivery
- payment of oxygen debt

Objective 3:

Expand distributor network for the enlarged product range

- LiDCO has started the process
- Expect a **2-3 fold** expansion of sales representation



What makes a product attractive to distributors?

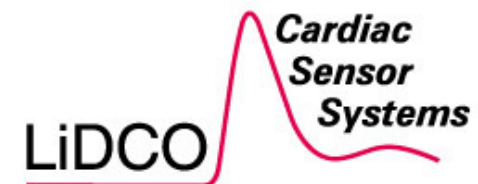
- Substantial & growing market
- Proprietary
- Low-cost manufacture
- High margin
- Easy to sell
- Low in-service requirement
- Convincing clinical **and** business case



LIDCO *Cardiac Sensor Systems*

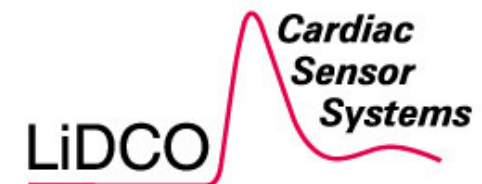
Route to market - distribution model

- Existing ICU-orientated product - **LiDCO*plus***
 - Direct sales/nurse educator teams (14 people) in the UK and USA
 - Specialist distributors in 14 markets in the EU, USA, Brazil and Korea
- New surgery-orientated product – **LiDCO*rapid***
 - Further open up intra-operative market & general peri-operative care
 - Registered in more territories than *LiDCOplus*
 - lithium registration not required
 - Easy to sell alongside *LiDCOplus* by existing distribution partners
 - Attractive to sell into higher volume surgery market via new distribution partners
 - New partners already appointed
 - Canada, USA, Israel, Turkey, Middle East
 - Further appointments expected



Independent technology review

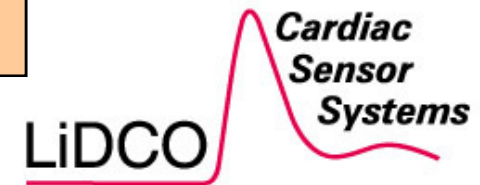
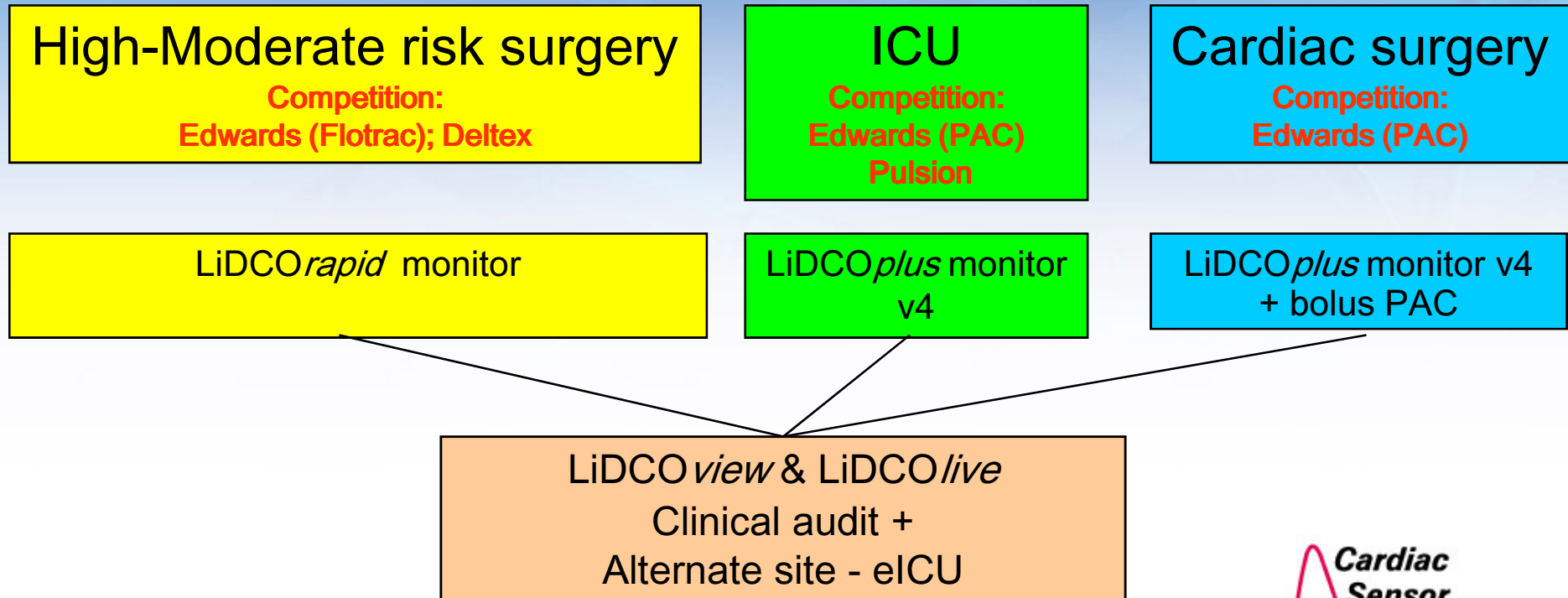
	PAC	OD	MF	FICCO	LIDCO
Strategy					
Challenge	✓	✓	✓	✓	✓
Responsiveness	(✓)	X	X	✓	✓
Practicability					
Precise	✓	✓	(✓)	✓	✓
Safe	(✓)	✓	✓	(✓)	✓
Easy					
Interpretation	✓	✓	✓	✓	✓
Installation	X	✓	✓	X	✓
Minimal skills	X	✓	✓	X	✓
Non-invasive	PAC	min	(✓)	fem.a./CVC	a.
Promptness of changes	✓	✓	?	✓	✓
Stability of signal	✓	X	(✓)	✓	✓
Period					
Pre-op.	X	X	✓	X	✓
Intra-op.	✓	✓	✓	✓	✓
Post-op.	✓	(✓)	✓	✓	✓



ACTA ANAESTHESIOLOGICA SCANDINAVICA

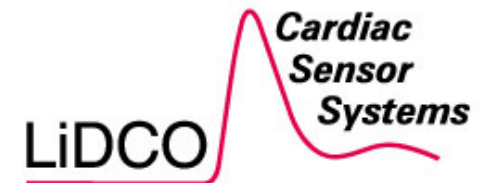
doi: 10.1111/i.1399-6576.2006.01221.x

Markets & Participants



Looking forward

- Sell LiDCO *rapid*
- Continue to position LiDCO products within **both** the ICU and surgery markets
- Improve quality of underlying revenue
- Continue to enlarge distribution channels
- Continue to leverage the distribution business model



LiDCO Calibration

absolute Cardiac Output

Appendices



LIDCO™

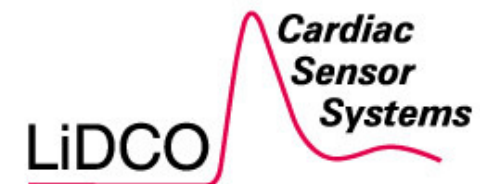


Technology Overview

LIDCO *Cardiac
Sensor
Systems*

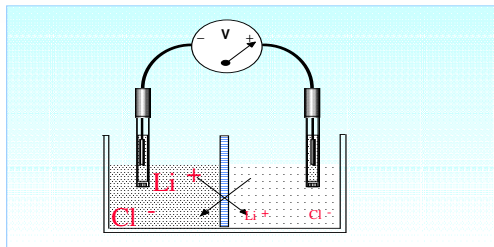
LiDCO products

- **LiDCO*plus* version 4.0 software**
 - ICU market focus - highly evolved product & software
 - Calibration, oxygen delivery targeting for goal-directed therapy
 - LiDCO business case (GDT) - saving £4,800 per patient
- **LiDCO*rapid***
 - Anesthesia and acute hemodynamic care product
 - Launched April 2008
 - High volume - expands territories & distribution
- **LiDCO*view*^{SE} , LiDCO*view*^{PRO}**
 - PC base software
 - Used for data analysis/publications/research & clinical audit (GDT)
- **LiDCO*live***
 - Online remote monitoring via ethernet and a PC
 - eICU - in or out of the hospital
 - Launch expected 2008



Indicator Dilution Technology

- The LiDCO disposable is used to calibrate LiDCO*plus* monitor
- Proven & accepted basis for the technology
- Indicator dilution close to 100 year history
- Lithium Dilution Cardiac Output - novel patent protected marker



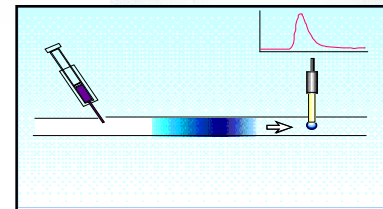
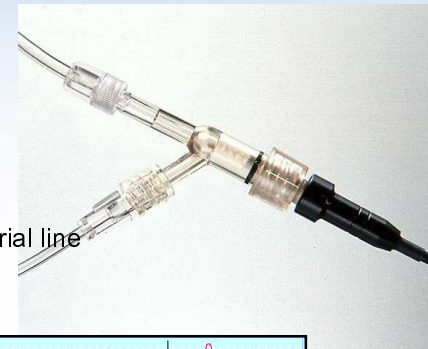
Lithium ionophore/sensor



To arterial flow regulator



To arterial line

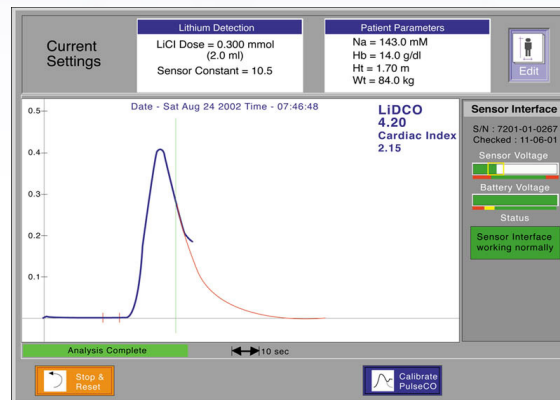


The LiDCO System™

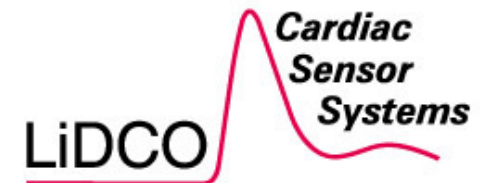
Lithium sensor placed in the arterial line



Central/peripheral LiCl injection



Lithium dilution curve on LiDCOplus monitor screen

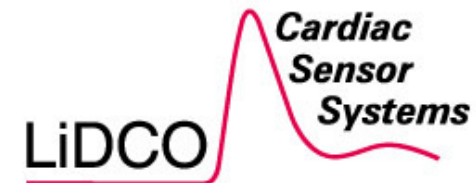
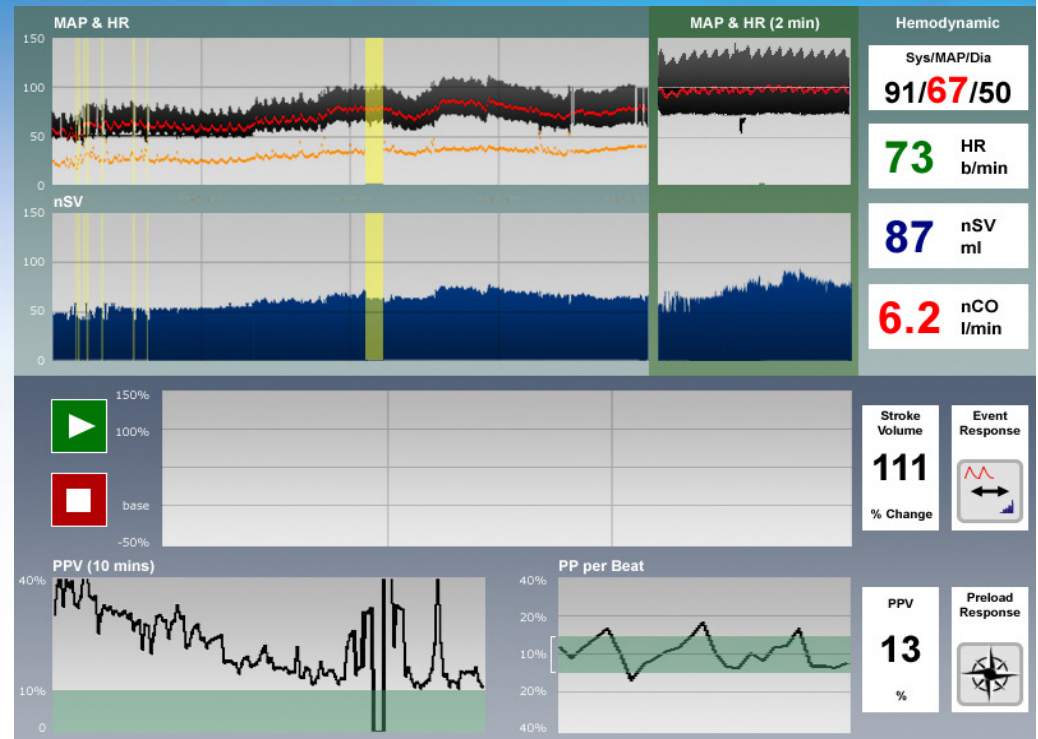


LiDCO *rapid* - monitor & disposables

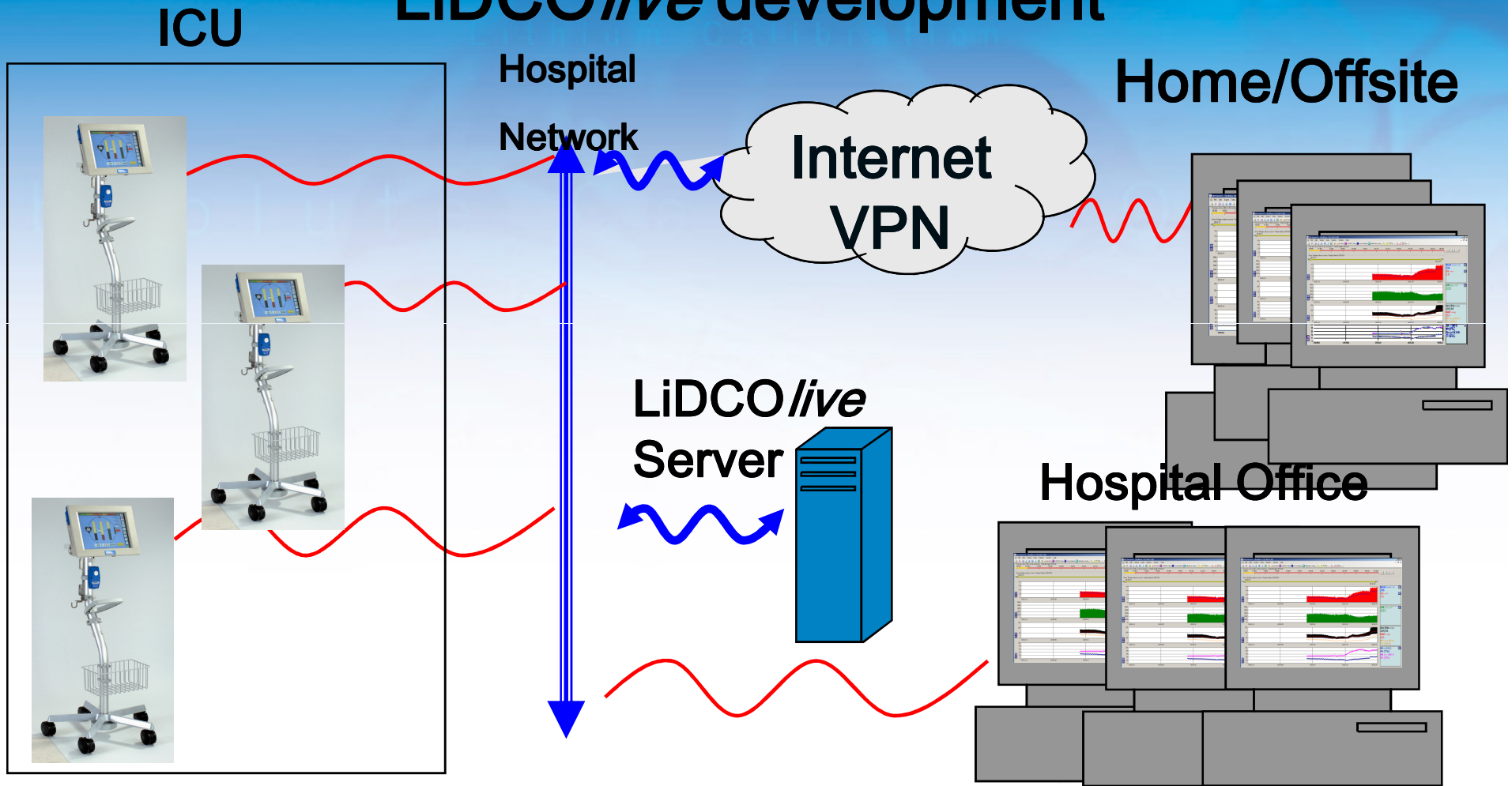


LiDCO*rapid* - overview

- Minimally invasive hemodynamic monitor specifically aimed at the **Surgery Anesthesia** market
- Graphic and numerical display of pressures (MAP, SYS and DIA), HR, nSV and nCO, fluid response parameters: PPV and SVV
- Graphic display of data from start of procedure on a beat by beat basis. Magnification window highlights last two minutes
- Provides information about 'nominal' stroke volume and cardiac output. Uses proven and patented PulseCO continuous cardiac output algorithm enhanced with a demographically generated calibration factor



LiDCO *live* development



High-risk surgery

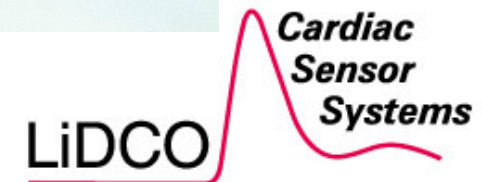
Business case now available

[Client Name] NHS Trust
Reducing the cost and improving the care of high risk surgical patients

DRAFT 1.3
[Month] 2007

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Surgery mortality rates

Hospital Resource Group (HRG) procedure code	n	Urgency	Deaths	Mortality rate
Q01:Emergency aortic surgery	6,598	Emergency	2,721	41.24%
F33:Large intestine; major procedures with complicating condition(s)	5,765	Emergency	1,290	22.38%
F41:General abdominal; very major or major procedures aged over 69 years or with complicating condition(s)	11,648	Emergency	1,843	15.82%
H05:Complex hip or knee revisions	1,667	Elective	186	11.16%
H33:Neck of femur fracture; aged over 69 years or with complicating condition(s)	170,804	Emergency	15,780	9.24%
F11:Stomach or duodenum; complex procedures	3,714	Elective	312	8.40%
Q02:Elective abdominal vascular surgery	17,791	Elective	1,321	7.43%
F01:Oesophagus; complex procedures	5,594	Elective	375	6.70%
F32:Large Intestine; very major procedures	44,814	Elective	1,521	3.39%
Q03:Lower limb arterial surgery	18,247	Elective	480	2.63%
L02:Kidney major open procedure; aged over 49 years or with complicating condition	17,549	Elective	343	1.95%
H02:Primary hip replacement	123,785	Elective	507	0.41%
L27:Prostate trans-urethral resection; aged over 69 years or with complicating condition	6,196	Elective	24	0.39%
B02:Phakoemulsification cataract extraction with lens implant	89,444	Elective	50	0.06%
F82:Appendicectomy procedures; aged less than 70 years with no complicating condition	88,067	Emergency	15	0.02%

LiDCO - making a difference...

