



LiDCO Group Plc

Year Ended

31 January 2012

Preliminary Results
Presentation

24 April 2012

Financial progress

- Total revenue increased by 14% to £7.12m (2010/11: £6.24m)
- Disposables revenues up 36% to £5.02m – representing 70% of total revenues
- Gross profit up 13% to £4.75m (2010: £4.22m). Significant margin improvement on LiDCO products to 76% (2010/11: 68%)
- Operating loss reduced by 90% to £49,000 (2010/11: £0.498m)
- Maiden profit after tax of £15,000 and EBITDA of £0.61m
- Cash balance of £1.55m (2010/11: £1.40m)
- Earnings per share of 0.01p (2010/11: Loss per share 0.22p)

Operational progress

- 364 monitors installed in the period (2010/11: 524) with the installed base up 9% to 2,189 units (rolling 7 year basis). LiDCO*rapid* represents 72% of the installed monitor base
- UK revenues including Argon up 57% to £3.70m (sensors up 5%, Smartcards up 47%)
- NHS drive in England for full adoption of intra operative hemodynamic monitoring
- Japanese registration & supply and UK distribution agreements signed with Argon Medical in 2011
- Agreement signed with ICU Medical in July 2011 appointing LiDCO as UK distributor of ICU products, and providing worldwide access to certain LiDCO IPR
- Licensing agreement for continuous non-invasive blood pressure technology signed with CNSystems Medizintechnik AG in January 2012
- Multi parameter monitor project combining depth of anesthesia and non-invasive blood pressure progressing well
- European patent for the LiDCO*rapid* graphical user interface accepted for grant

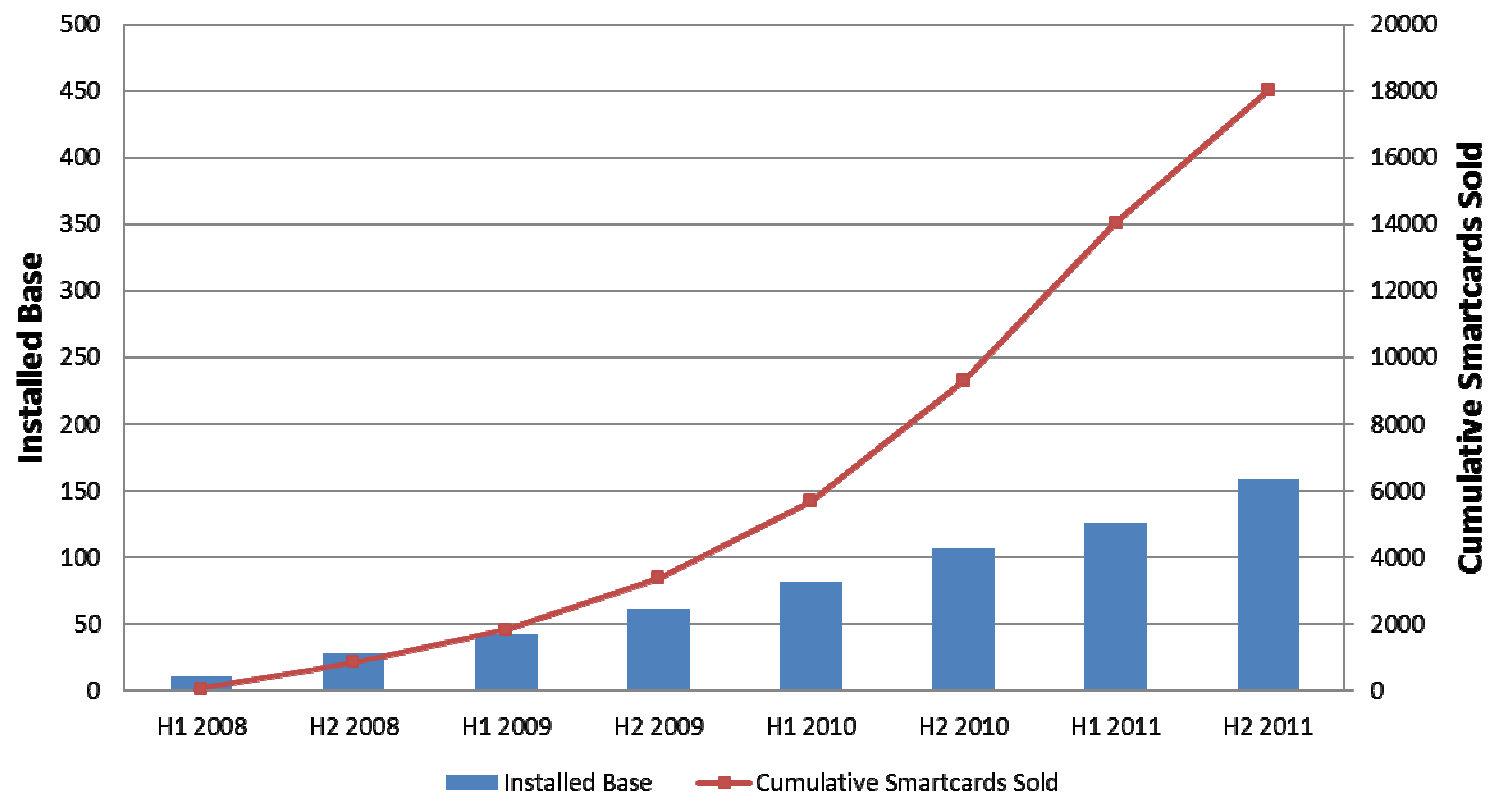
Summary of sales

	Year to 31 Jan 2012	Year to 31 Jan 2011	Increase/ (decrease)	<i>Increase/ (decrease)</i> %
Revenue by type (£'000)				
-Monitors	1,565	1,953	(388)	(20%)
-LiDCO Disposables	3,811	3,681	130	4%
-Third party disposables	1,206	0	1,206	
-License Fees	540	603	(63)	(10%)
Total Revenues	7,122	6,237	885	14%
Monitors (Units)	364	524	(160)	(31%)
Sold	353	515	(162)	
Placed	11	9	2	
Sensor, Smartcard and Fee per Use Sales (Units)	50,595	47,938	2,657	6%
Monitor Base (7 year net)	2,189	2,001	188	9%

LiDCOrapid sales - UK

Smart cards sold per half year / cumulative monitor base

LiDCOrapid Cumulative Installed Base and Smartcards Sold UK



Average usage per monitor per month 4.7

Income statement

	12 months ended 31 January 2012 £'000	12 months ended 31 January 2011 £'000
Revenue	7,122	6,237
Cost of sales	(2,372)	(2,021)
Gross profit	4,750	4,216
Administrative expenses	(4,799)	(4,714)
Loss from operations	(49)	(498)
Finance income	4	8
Finance expense	-	-
Loss before tax	(45)	(490)
Income tax	60	100
Profit/(loss) and total comprehensive income/(expense)	15	(390)
Earnings/(loss) per share (basic and diluted) (p)	0.01	(0.22)

Summary cash flow

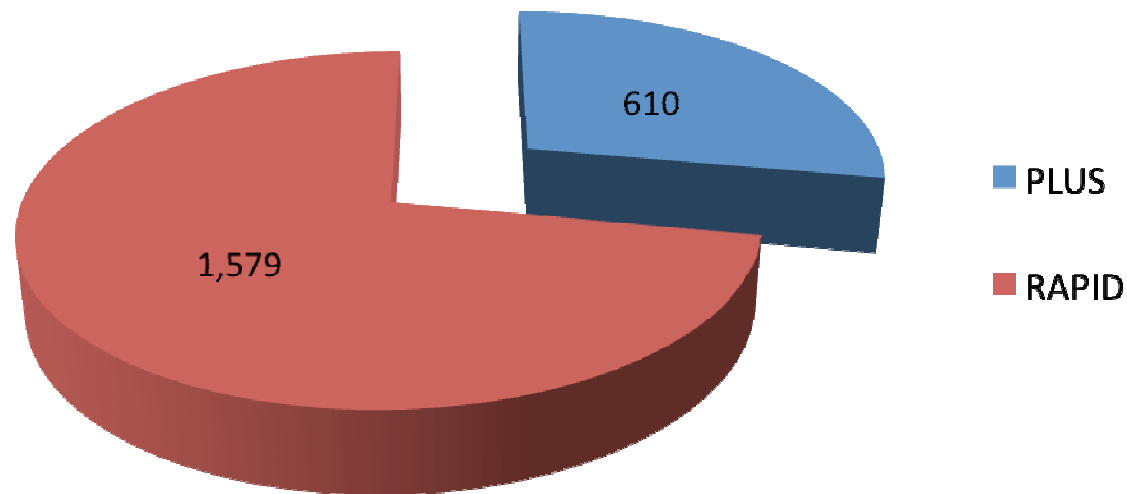
	12 months ended 31 January 2012 £'000	12 months ended 31 January 2011 £'000
Operating Loss	(49)	(490)
Net cash inflow from operating activities	159	115
Net cash used in investing activities	(741)	(548)
Net cash outflow before financing	(582)	(433)
Cash flows from financing activities		
Repayment of finance lease	(10)	(10)
Issue of ordinary share capital	11	1
Cash inflow from sale and leaseback arrangement	518	-
Net cash inflow/(outflow) from operating activities	519	(9)
Net decrease in cash and cash equivalents	(63)	(442)
Opening cash and cash equivalents	1,404	1,846
Closing cash and cash equivalents	1,341	1,404
Cash at bank	1,553	1,404
Overdraft	(212)	-
Closing cash and cash equivalents	1,341	1,404

Balance sheet

	12 months ended 31 January 2012 £'000	12 months ended 31 January 2011 £'000
Non-current assets	1,830	1,268
Current assets	5,329	4,167
Current liabilities	(1,864)	(851)
Net current assets	3,465	3,316
Long term liabilities	(663)	-
Total assets less current liabilities	4,632	4,584
Total equity	4,632	4,580
Non-current liabilities	-	4
Total equity and non-current liabilities	4,632	4,584

LiDCO*rapid* driving growth of installed base

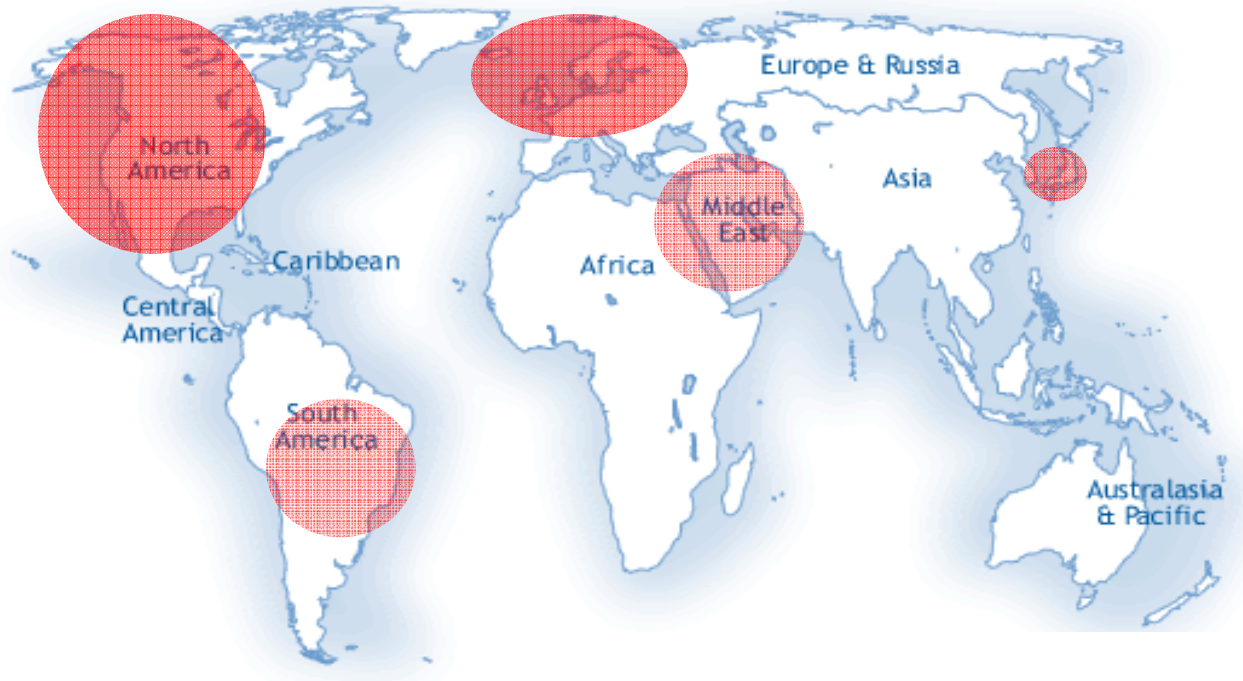
LiDCO MONITOR INSTALLED BASE IS NOW 2,189



Note: Installed base is rolling 7 year net number of monitors in the market

LiDCO's access to market

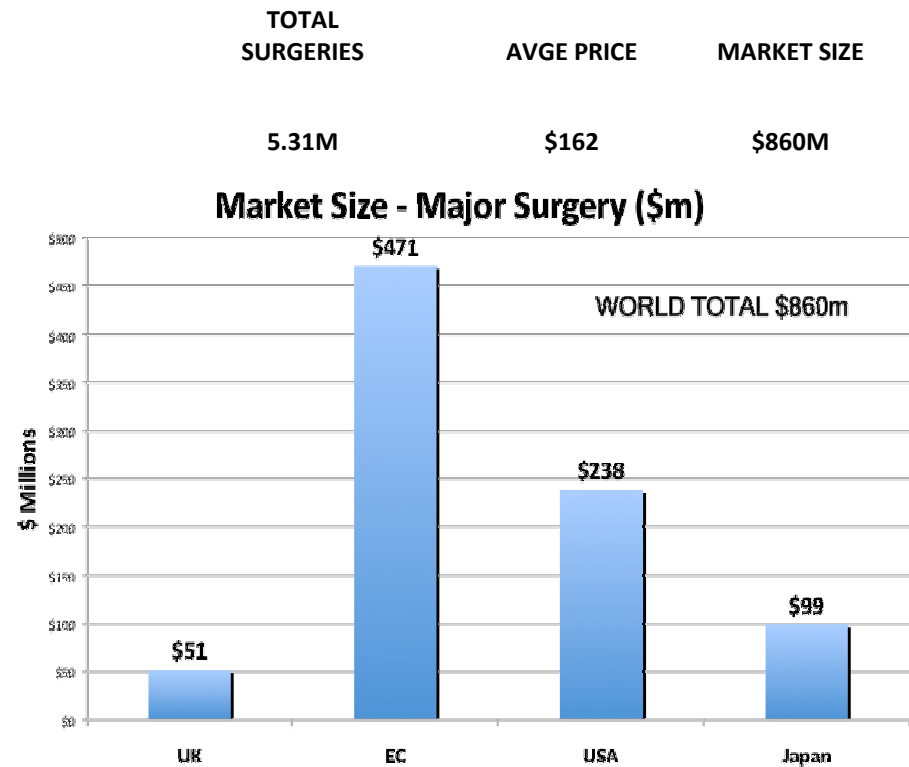
- Worldwide sales for the new generation of minimally invasive hemodynamic monitors and disposables have grown to around US\$200 million per annum
- LiDCO accesses the market through a network of specialty critical care and anesthesia distributors outside of the UK



Major surgery market

5.31 million major surgery procedures globally:

- 0.34m in UK
- 2.56m in Europe
- 1.70m in USA
- 0.68m in Japan



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

Supportive UK Government landscape

- NHS push for full adoption of hemodynamic monitoring in 750,000 more patients per annum
- NHS Innovation, Health and Wealth report underpins this – due to be implemented from May 2012
- December 2011 - Innovation Health and Wealth, Accelerating Adopting and Diffusion in the NHS *“We will launch a national drive to get full implementation of ODM, or similar fluid management monitoring technology, into practice across the NHS.”*
- Comply or explain approach likely to be taken by NHS in England
- This initiative is expected to save the NHS £400 million per annum
- “Better intra-operative monitoring for high risk patients is required. The evidence base supports the use of peri-operative optimization and this relies on extended haemodynamic monitoring.”*
- Other countries likely to adopt this approach

* 2011 – NCEPOD review, Knowing the Risk

Progress in UK

- Revenue grew by 57% to £3.7 million (includes Argon revenue of £1.2m)
- Disposable revenues rose to £3.2m up 78% from £1.8m
 - LiDCO sensors / smartcards up 12% to £2.02m
 - Sensors (12,310) & smartcards (8,735) units up 5% & 47% respectively
 - Argon disposables £1.2m (8 mths of sales)
- Disposables are 87% of total product revenues & 81% of LiDCO revenue
- NHS push expected to drive sales in high-risk surgery market
- New software with depth of anesthesia and a non-invasive blood pressure module expected to be on the market in the UK at the end of 2012
- LiDCO remains the sole hemodynamic monitoring technology used in the OPTIMISE multi-center trial, with over 400 patients recruited

Progress in the US

- Sales £1.8m (2010/11: £2.4m) primarily affected by timing of large bulk orders to US distribution partner Covidien
- Covidien is promoting LiDCO*rapid* through sales activities, sponsored workshops and satellite symposia
- Sales to Covidien are expected to grow this year due to more regularly spaced bulk order shipments
- LiDCO remains the sole hemodynamic monitoring technology used in the US MOnIToR multi-center organ transplantation trial, with 371 patients recruited
- Addition of Covidiens depth of anesthesia parameter at the end of 2012 should boost future sales

Progress in Continental Europe and ROW

Continental Europe

- Revenue steady at £853,000, with a 6% growth in disposables sales
- Particularly strong growth in LiDCO*rapid* disposables sales, up 83% to 4,455 units

ROW & Japan

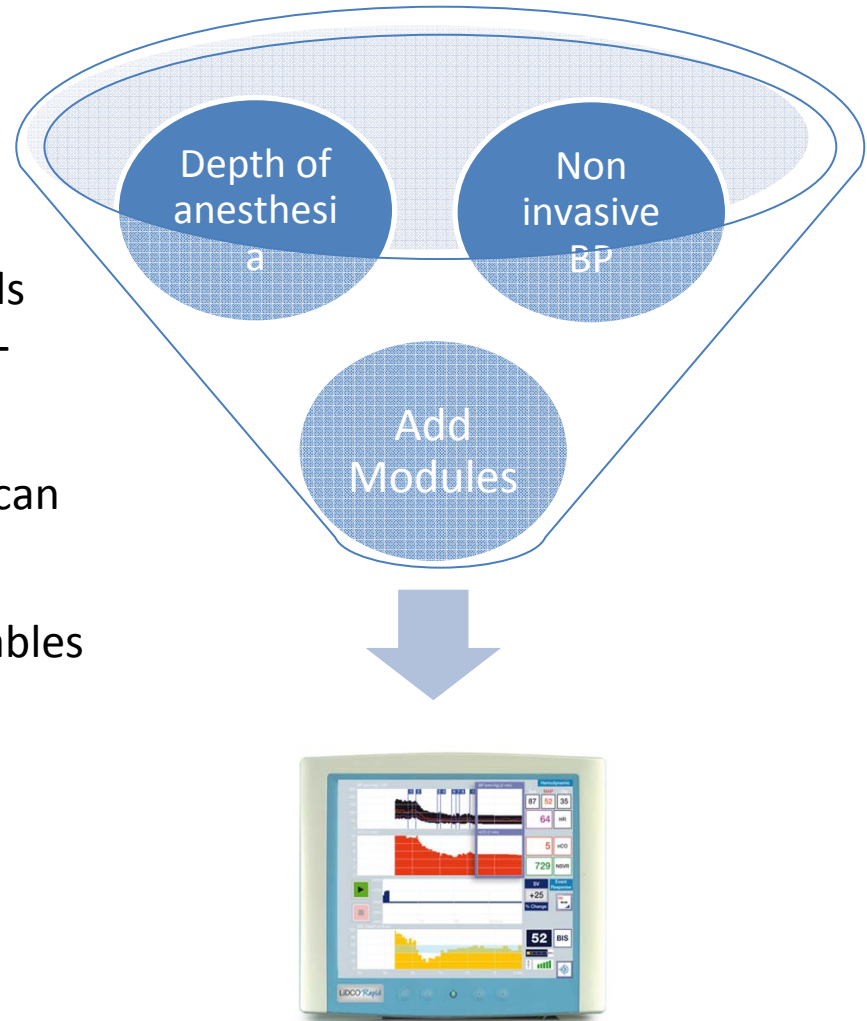
- Revenue up 17% to £780,000 (2010/11: £664,000)
- Disposable units up 297% to 5,700 (2010/11: 1,435)
- Partner appointed in Japan, the second biggest market for hemodynamic monitoring globally - the Japanese hemodynamic monitoring high-risk surgery market has a potential value of US\$285 million per annum
- Japanese approval process for LiDCO*rapid* monitor and disposables submitted – positive result expected shortly

Growth of disposables revenue

- Strong annuity stream with recurring income from installed base of monitors
- LiDCO surgery and ICU disposable sales exceeded 50,000 units. Disposable income has grown to represent 70% of the Company's total sales revenue for the year, against 59% in the prior period.
- High margin (circa 90%) on LiDCO disposable sales
- Product development is aimed at adding parameters that will add perioperative / ICU utility and hence drive increased use /annuity income flow from the installed base and future monitors sold

Parameter convergence

- Adding complementary parameters adds utility with a lower capital cost to user – single monitor
- Distributors proprietary monitor bases can be swapped out
- Added utility increases usage of disposables
- Simpler setup & common training and interpretation of multiple parameters



Non-invasive blood pressure monitoring

- Adding continuous non-invasive blood pressure monitoring to the LiDCO*rapid* could take the worldwide major surgery market potential to approximately 10.6 million patients per annum – with a potential disposables revenue stream of US\$1.72 billion per annum



Outlook & further product development

- September 2011 – solid IP position further strengthened: LiDCO informed by the European Patent Office of its intention to grant a European patent protecting LiDCO's Graphical User Interface features
- New LiDCO*rapid* software currently under development – unity software with non invasive blood pressure signal & depth of anesthesia
- UK government creating a supportive political landscape
- LiDCO well positioned to capitalize on hemodynamic monitoring market growth through direct sales, distribution & licensing
- Revenue up 14%, operating loss down 90% - this strong progress is expected to continue

Appendices

Landscape & case for adoption

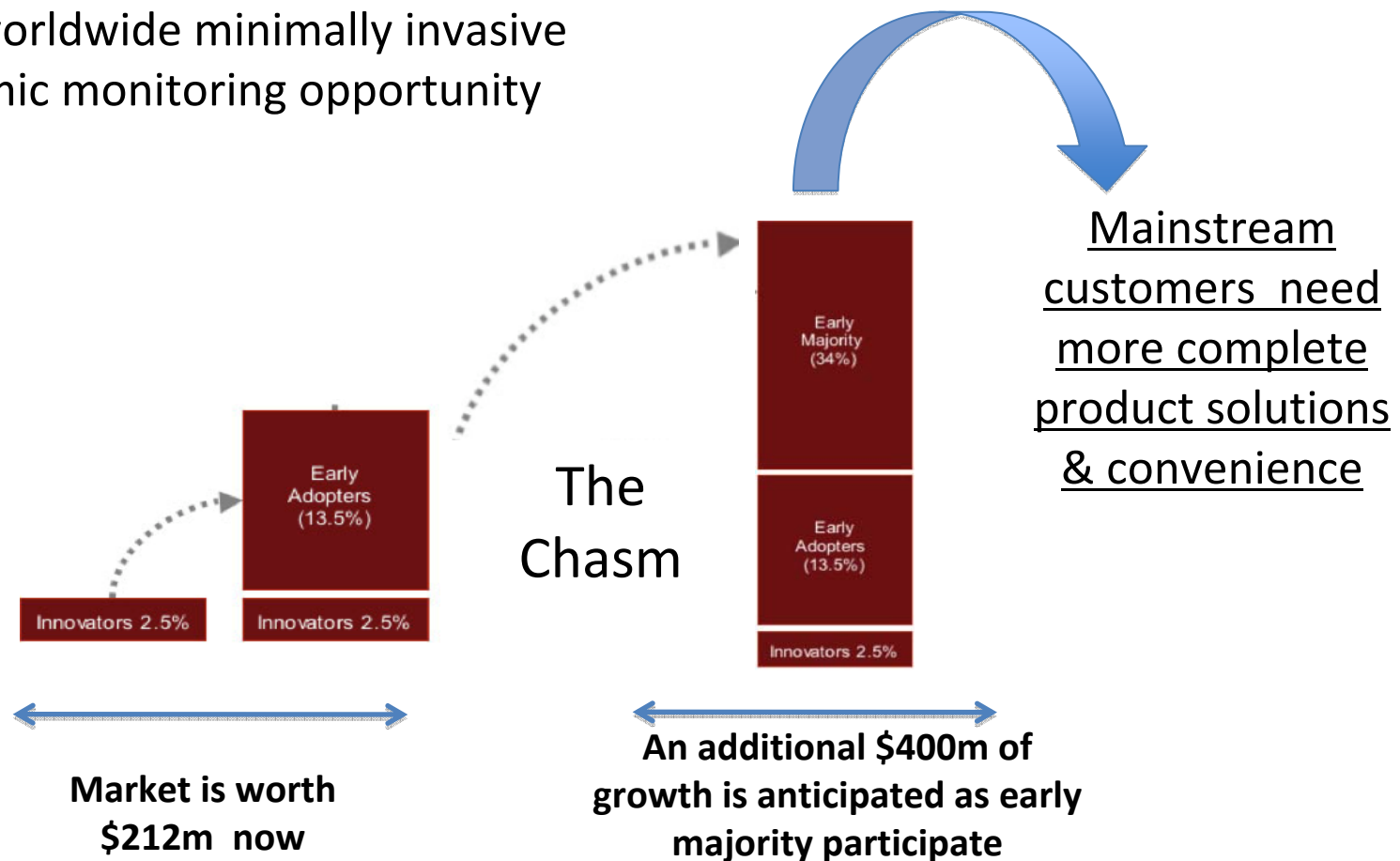
- **Reducing surgical complications (invasive catheters , infections and organ failure)**
 - In the USA there are an estimated* 290,000 surgical site infections costing \$10bn / annum
- **Use of LiDCO's technology on high-risk surgery patients can:**
 - reduce complications (particularly infections) by up to 67% **
 - reduce hospital stay by an average of 12 days & costs by £4,800 per patient
- **Emerging evidence-based purchasing - pressure to reduce costs and improve efficiency**
 - QIPP Quality Innovation Productivity and Prevention – changing practice in UK
 - ERAS enhanced recovery after surgery – worldwide

* The Centers for Disease Control & Prevention – Wall Street Journal 2nd Feb 2010

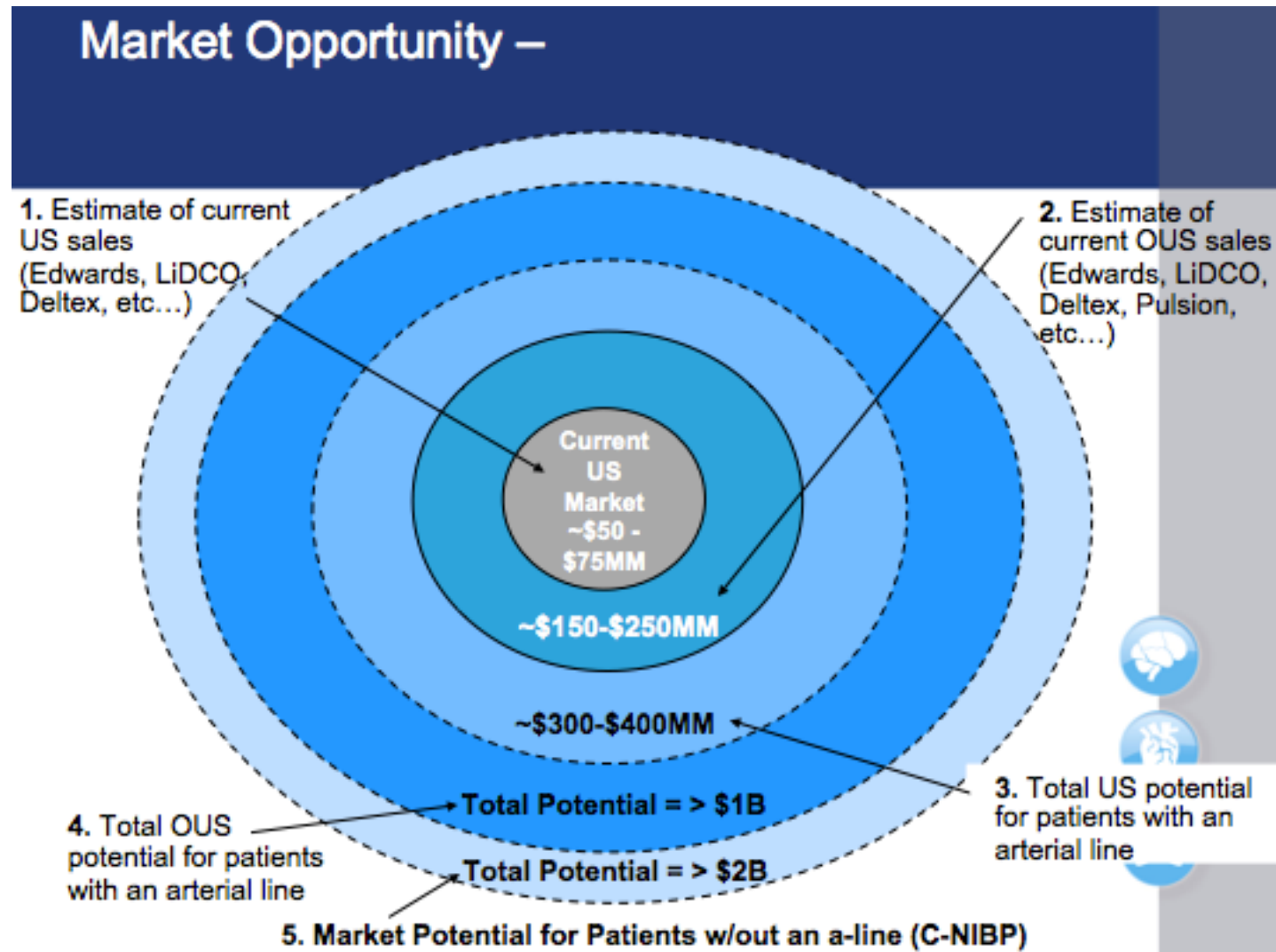
** Lobo et al., Critical Care 2011, 15:R226 doi:10.1186/cc10466

Mainstream adoption happening

LiDCO's goal is to take an increasing share of both the existing **\$212m** market and of the next **\$400m** of growth in worldwide minimally invasive hemodynamic monitoring opportunity

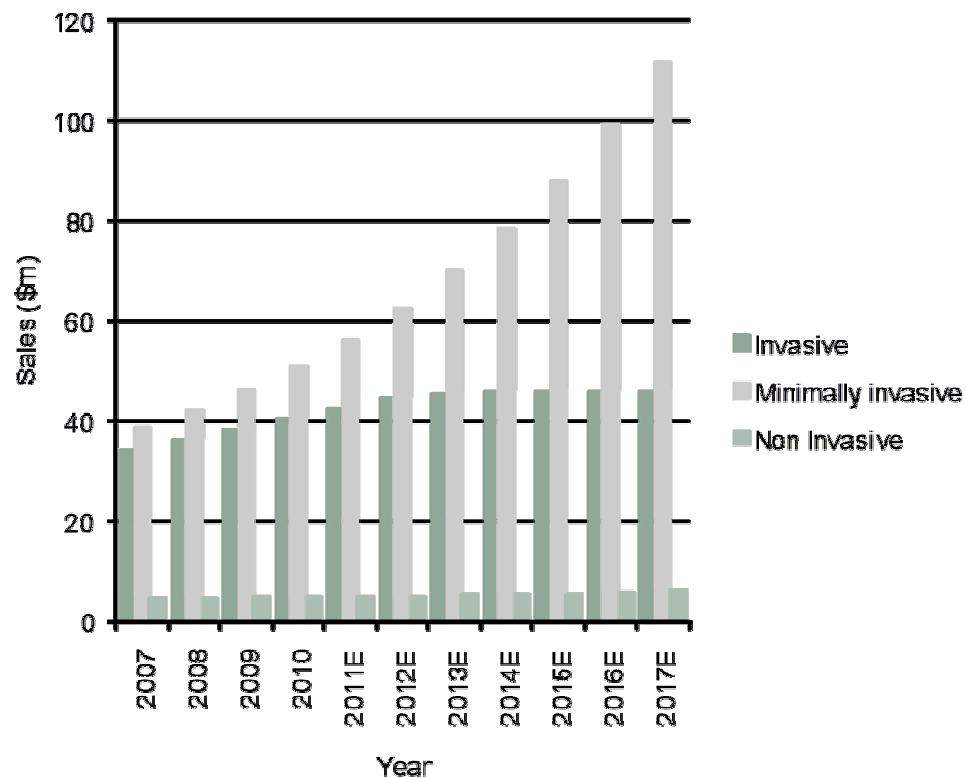


Worldwide Market Opportunity



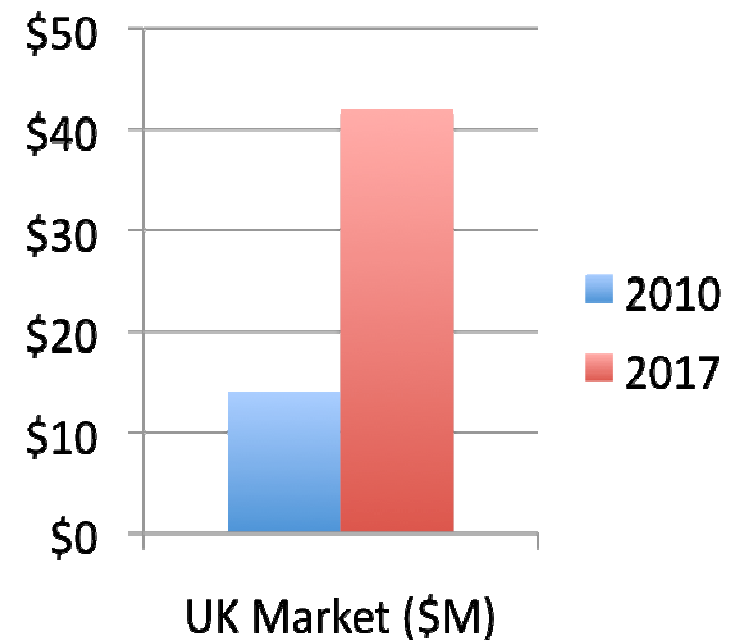
EU & UK market

EU cardiac output monitoring market



Source: iData Research Inc., 2011

UK minimally invasive market predicted growth @ 17% per annum over the next 6 years



LiDCO's two platform monitors

High Risk Surgery - LiDCO*rapid*

- Anesthesia product for high risk surgery
- Uses validated PulseCO software algorithm
- Larger market than ICU
- Combined LiDCO*rapid* / depth of anesthesia display project & non invasive blood pressure

Intensive Care - LiDCO*plus*

- ICU market focus - highly evolved product & software
- Calibration, oxygen delivery targeting for goal-directed therapy
- LiDCO business case (GDT) - saving £4,800 per patient
- Further developments scheduled

St George's / RCN workshops



Royal College of Anaesthetists have accredited the LiDCO St George's course for 5 CME (continuing medical education) points
The past year saw an increase in the number of workshops held, with a total of nine study days at St George's, attended by over 70 clinicians.

29 April 2010

LiDCO Haemodynamic Workshop

Course Director:
Course Co-Director:
Faculty:
Dr Maurizio Cecconi, MD, MD(UK)
Deborah Dawson
Dr Philip Newman
Dr Andrew Rhodes, FRCA, FRCA
Vaughan North
Andrew Sykes
Nicholas Goding

Consultant in Anaesthesia and Intensive Care
Consultant Nurse in Intensive Care
Consultant in Anaesthesia and Intensive Care
Consultant in Anaesthesia and Intensive Care
Clinical Simulation Specialist
Clinical Simulation Engineer
Head of Simulation

Programme

08.30 - 09.00 Registration and Welcome

Haemodynamic Optimisation

09.00 - 09.15 Coffee/Tea
09.15 - 09.30 Dr M. Cecconi
09.30 - 09.45 Dr A. Rhodes
09.45 - 10.00 Dr P. Newman
10.00 - 10.15 Dr N. Goding

Hands on the monitors (Participants divided in two groups: Group 1 and Group 2)

10.00 - 10.30 Group 1 Hands on LiDCO
10.30 - 10.45 Group 2 Simulation
10.45 - 11.00 Group 1 Simulation
11.00 - 11.30 Group 2 Hands on LiDCO

Case Based Discussion

11.30 - 12.00 Outlining the high risk patient
12.00 - 12.30 The haemodynamically unstable patient
12.30 - 12.45 Lunch

Participants divided in 3 groups (A, B, C)

12.45 - 13.15 Group A Theatre LiDCOrapid
Group B ICU LiDCOrapid
Group C ICU LiDCOplus

13.15 - 13.45 Group A ICU LiDCOrapid
Group B ICU LiDCOrapid
Group C Theatre LiDCOrapid

13.45 - 14.15 Group A ICU LiDCOplus
Group B ICU LiDCOplus
Group C ICU LiDCOrapid

14.15 - 15.00 Group A ICU LiDCOrapid
Group B ICU LiDCOrapid
Group C ICU LiDCOrapid

15.00 - 15.45 Group A ICU LiDCOrapid
Group B ICU LiDCOrapid
Group C ICU LiDCOrapid

15.45 - 16.30 Coffee and Certificate

Venue: St Georges Hospital and Simulation Centre

www.lidco.com

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LiDCO has accreditation from the Royal College of Nursing ("RCN") for its LiDCOplus monitor competency based study day . During 2011/12 we conducted 27 study days for the RCN, with over 300 attendees including critical care nurses and junior doctors.

2011 – NCEPOD review, Knowing the Risk

- “There is a need to introduce a UK wide system that allows rapid and easy identification of patients who are at high risk of postoperative mortality and morbidity.”
- “All elective high risk patients should be seen and fully investigated in pre-assessment clinics.”
- “An assessment of mortality risk should be made explicit to the patient .”
- “Better intra-operative monitoring for high risk patients is required. The evidence base supports the use of peri-operative optimisation and this relies on extended haemodynamic monitoring.”