

**3D DIAGNOSTIC IMAGING PLC**  
**(“3D” or “the Company”)**  
**(PLUS ticker 3DDP)**

**Interim results for the six months ended 31 December 2009**

3D today announces its interim results for the six months ended 31 December 2009.

3D is the owner of intellectual property for the impedance technology platform which includes the ability to measure osteoporosis. Its wholly owned subsidiary, CarieScan Limited (“CarieScan” or together with 3D “the Group”), is the leading producer of handheld devices for the early detection and monitoring of tooth decay.

**Highlights**

- FDA 510(k) clearance obtained to market the CarieScan PRO<sup>tm</sup> in the United States
- Exclusive UK distribution deal with Clark Dental
- Discussions with international distribution partners (principally North American) progressing
- £787,500 raised through a private placement of new shares principally with existing investors
- Three leading US and UK dental schools are commencing use of the CarieScan PRO<sup>tm</sup> in research and student training
- Renowned dental expert, Professor Nigel Pitts appointed Chairman of the newly established Scientific Advisory Board
- Confident outlook for 2010

James Noble, Non-executive Chairman of 3D said: “During the next six months the primary emphasis of the business will be on the negotiation of distribution agreements within the North American marketplace. Successful assessment of the PRO has already taken place in Canada, with discussions there well advanced. We look forward to announcing further progress on this in due course. The Directors are confident of the Group’s prospects for the coming year.”

The directors accept responsibility for the content of this announcement

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## **Chairman's Statement**

In the six months to 31 December 2009 CarieScan made important progress towards achieving its goal of becoming the leading global supplier of dental devices, driving towards wide-scale adoption of the CarieScan PRO<sup>™</sup> (PRO) by dentists in the UK and overseas.

In December, the Company completed a crucial milestone, when it announced that CarieScan had received 510(k) clearance from the US Food & Drug Administration to market the PRO in the substantial US market. The PRO already has CE Mark approval to be sold throughout Europe.

Since then we have been in detailed negotiations with a number of potential distribution partners in the US, Middle East, India and European countries. These are key opportunities for us and we look forward to announcing further progress in due course.

## **Business overview**

As we announced in our preliminary results in November, CarieScan signed an exclusive UK distribution deal with Clark Dental, a leading specialist in the marketing and distribution of dental equipment during the period under review. This partnership is progressing well and first product sales to UK dental practices commenced in early 2010. Under the terms of the agreement, Clark Dental has exclusive distribution rights within the UK market for the PRO for 3 years.

Additionally the Company has completed the development and introduction of an improved single patient use sterile sensor, enabling 'no touch' handling.

The platform technology used in the PRO has multiple applications. The directors believe that there are significant commercial opportunities to use it in other measurement areas including direct measurement of osteoporotic conditions and potentially the non invasive identification of malignant skin cancers.

## **Research and Training**

The PRO is a market leading dental decay detection device based on innovative technology. The lightweight caries detection monitor not only offers best-in-class performance for decay detection but also allows easy monitoring of the effect of treatment regimes to show decay advancement or regress, thus enabling dentists to tailor treatment to the needs of the patient at a low cost. The PRO consists of a hand piece and a disposable sensor which is held against the tooth being examined in a process which takes approximately 4 seconds per tooth with the result displayed on the PRO.

Adoption of the PRO by dentists requires a continuation of the trend in treatment away from restorative care towards preventive dental care. We were delighted to announce the appointment of renowned expert, Professor Nigel Pitts, Professor of Dental Health at the University of Dundee, as Chairman of the newly formed Scientific Advisory Board ("SAB") of CarieScan, which will be responsible for improving understanding of evidence around electrical caries detection and monitoring and how this can be applied to improve patient care.

Professor Pitts is acknowledged as a global opinion leader on dental caries. We believe his outstanding experience in the field of dentistry, continued work in preventative care of hidden caries and involvement as co-chair of The International Caries Detection and Assessment System Foundation will be invaluable to CarieScan and accelerate its growth in worldwide markets.

Crucial to the adoption of the PRO is educating and training future dentists on how to use the device. Through Professor Pitts, three of the world's leading dental schools are commencing research and evaluation programs using the CarieScan PRO<sup>tm</sup>. The schools are Maurice H. Kornberg School of Dentistry Temple University, Philadelphia USA, New York University College of Dentistry, NY, USA and the Dundee University Dental School, Scotland. This development is of strategic importance to CarieScan, as the Company works towards a US distribution deal.

## **Funding**

I am pleased to report that our existing investors remain exceptionally supportive of the business and our strategy. In November and December 2009, the Company raised £787,500 by way of a placing of 9,875,000 new ordinary shares of 0.1p each, principally from existing investors. The proceeds of the placing will be used to cover the costs of producing stock for resale, to fund ongoing design development of the PRO sensors, for marketing support and for general working capital purposes. The Group's balance sheet remains healthy.

## **Financial Results**

During the six months ended 31 December 2009, the Group reported a consolidated loss of £478,000. At the end of the six month period 3D had consolidated net assets of £862,000 and cash of £566,000. The attached financial information has not been reviewed by the Group's auditors.

## **Outlook**

During the next six months the primary emphasis of the business will be on the negotiation of distribution agreements within the North American marketplace. Successful assessment of the PRO has already taken place in Canada, with discussions there well advanced. We look forward to announcing further progress on this in due course.

The Directors are confident of the Group's prospects for the coming year.

James Noble  
Non-executive Chairman  
9 March 2010

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

	6 months ended 31 December 2009 UNAUDITED £'000	28 weeks ended 31 December 2008 UNAUDITED AND RESTATED £'000	13 months to 30 June 2009 AUDITED £'000
<b>Turnover</b>	-	5	6
Cost of sales	(11)	(22)	(1)
<b>Gross (loss)/profit</b>	(11)	(17)	5
Administrative Expenses	(467)	(678)	(1,124)
<b>Operating loss</b>	(478)	(695)	(1,119)
Net interest receivable	-	-	-
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	(478)	(695)	(1,119)
Tax on loss on ordinary activities	-	-	-
<b>Loss for the financial period</b>	(478)	(695)	(1,119)

## CONSOLIDATED BALANCE SHEET

	31 December 2009 UNAUDITED £'000	31 December 2008 UNAUDITED AND RESTATED £'000	30 June 2009 AUDITED £'000
<b>FIXED ASSETS</b>			
Tangible assets	153	1	44
Intangible assets	-	-	-
	<hr/> 153	<hr/> 1	<hr/> 44
<b>CURRENT ASSETS</b>			
Stocks	155	43	161
Debtors	74	27	75
Cash at bank and in hand	566	15	392
	<hr/> 795	<hr/> 85	<hr/> 628
<b>CREDITORS: amounts falling due within one year</b>	<hr/> (86)	<hr/> (731)	<hr/> (88)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	709	(646)	540
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	862	(645)	584
<b>NET ASSETS/(LIABILITIES)</b>	<hr/> 862	<hr/> (645)	<hr/> 584
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	197	-	98
Share premium	2,262	50	1,605
Profit and loss account	(1,597)	(695)	(1,119)
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<hr/> 862	<hr/> (645)	<hr/> 584

## CONSOLIDATED CASHFLOW STATEMENT

	6 months ended 31 December 2009 UNAUDITED £'000	28 weeks ended 31 December 2008 UNAUDITED AND RESTATED £'000	13 months to 30 June 2009 AUDITED £'000
<b>Net cash outflow from operating activities</b>	(461)	(233)	(1,104)
Returns on investments and servicing of finance	-	-	-
Taxation	-	-	-
Capital expenditure and financial investment	(121)	(109)	(207)
<b>Cash outflow before management of liquid resources and financing</b>	(582)	(342)	(1,311)
Management of liquid resources	-	-	-
Financing	756	357	1,703
<b>Increase in cash in the period</b>	174	15	392

The data provided for 31 December 2008 is that provided in the PLUS admission document of April 2009, restated for the subsequent elimination of balance sheet intangibles and the revision of the stock valuation. Data for 30 June 2009 has been extracted from the audited accounts as at that date on which the auditors expressed an unqualified opinion.