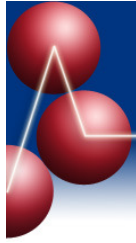


**Medical Solutions plc**

**Presentation to Investors**

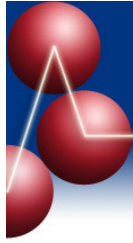
**September 2007**



## Disclaimer

In the interest of providing Medical Solutions' shareholders and potential investors with information regarding the Company, including management's assessment of the Company's future plans and operations, certain statements and charts throughout this presentation are "forward-looking statements" and represent the Company's internal projections, expectations or beliefs concerning, among other things, future operating results and various components thereof or the Company's future economic performance.

The projections, estimates and beliefs contained in such forward looking statements necessarily involve known and unknown risks and uncertainties which may cause the Company's actual performance and financial results in future periods to differ materially from any estimates or projections. Nothing in this presentation should be construed as a profit forecast.



## About Medical Solutions

- A leading provider of expert, quality services and products to the healthcare, pharma biotech and life science research sectors
- State of the art reference laboratories in Nottingham, Cambridge and Oxford
- Fully listed (listed 1999)
- Activities (with the acquisition of Geneservice)

- **Healthcare**

Screening and diagnostic testing for cancer for the NHS and private healthcare

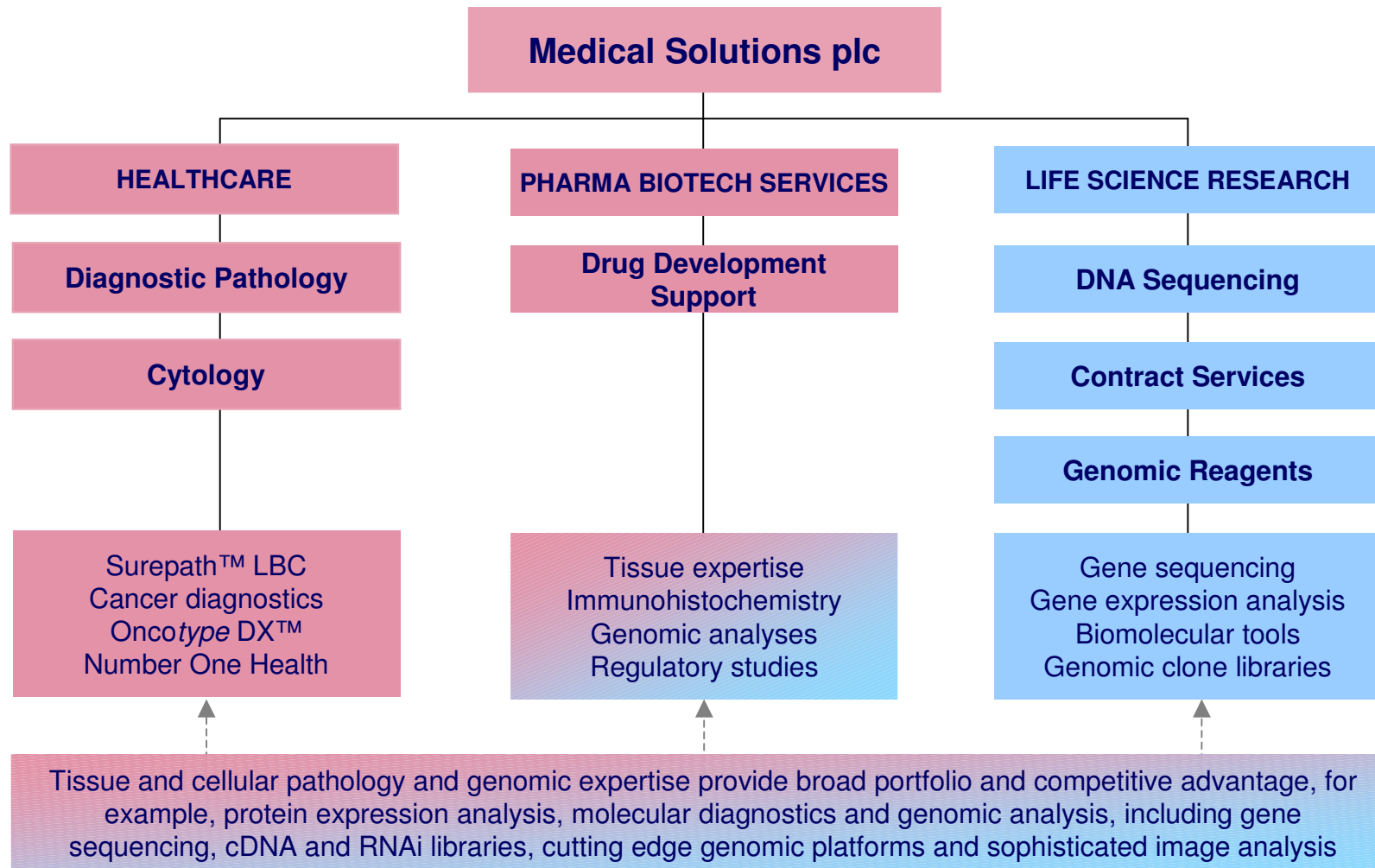
- **Pharma Biotech Services**

Support for early stage therapeutic development offering a “one-stop shop” from tissue pathology to gene expression profiling and mutation analysis

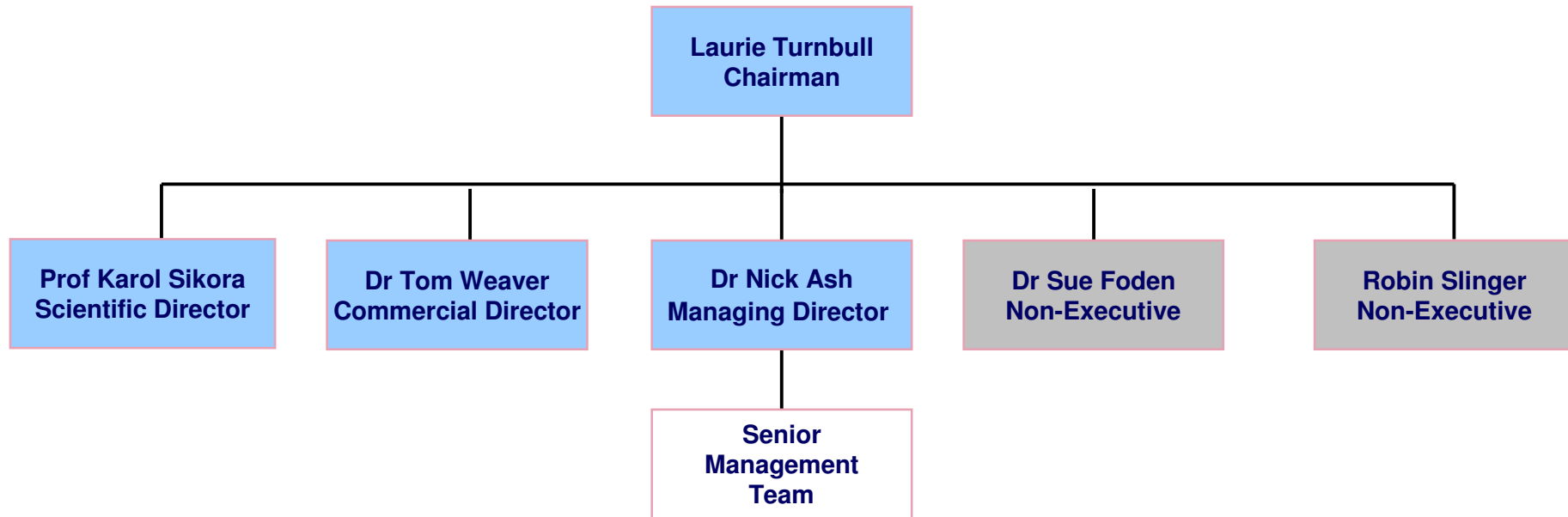
- **Life Science Research**

Core laboratory research support services including DNA sequencing and an online catalogue of biomolecular tools including cDNA, RNAi and genomic clone libraries

# Group overview



# The Board





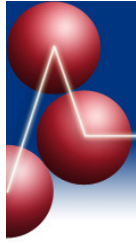
## Financial highlights

6 months ended 30 June 2007  
(continuing operations)

- **16% improvement in normal administrative expenses, reduced to £1.7 million (2006: £2.1 million)**
- **31% improvement in operating loss (before exceptional income) to £0.9 million (2006: £1.3 million loss)**
- **Exceptional credit of £0.2 million achieved**
- **77% improvement in loss before tax to £0.3 million (2006: £1.3 million loss)**
- **Net cash balance of £14.1 million (30 June 2006: £2.7 million) to support the growth of the business**

## Key events - year to date

- Acquisition of Geneservice Limited on 3 July 2007 for £3.86 million, a profitable business, creating a “one-stop shop” for diagnostic and drug development support services.
- Appointment as exclusive UK distributor for *Oncotype DX™*, a cutting edge breast cancer diagnostic assay, by Genomic Health, Inc.
- Geneservice chosen by Applied Biosystems, Inc. to be the UK service provider of its *SNPlex™* Genotyping System
- Acquisition of a 40% equity stake in Number One Health Group Limited based on Harley Street
- Licensed by the Human Tissue Authority; maintained GLP compliance and CPA accreditation



# Financial review

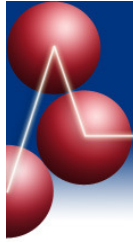
6 months ended 30 June 2007



## Financial performance

- Revenue and gross margin consistent with prior year
- Cost control and increased efficiency of operations
- Significant reduction in administrative expenses by 16%
- Pro forma operating loss improved by 31%
- Negotiated settlement realised £0.2 million of exceptional income
- Loss before tax reduced by 77%

	6 m/e 30 Jun 07	6 m/e 30 Jun 06 (restated)	Year ended 31 Dec 06	Year ended 31 Dec 05
	£'000	£'000	£'000	£'000
<b>Continuing operations</b>				
Revenue	3,120	3,157	6,025	5,655
Cost of sales	(1,851)	(1,921)	(3,640)	(3,655)
<b>Gross profit</b>	<b>1,269</b>	<b>1,236</b>	<b>2,385</b>	<b>2,000</b>
Selling and distribution	(353)	(341)	(609)	(833)
Research and development	(61)	(100)	(167)	(207)
Admin expenses - normal	(1,735)	(2,065)	(3,837)	(4,373)
<b>Pro forma operating loss</b>	<b>(880)</b>	<b>(1,270)</b>	<b>(2,228)</b>	<b>(3,413)</b>
Exceptional income	206	-	-	-
Exceptional costs	-	-	(185)	(28)
<b>Reported operating loss</b>	<b>(674)</b>	<b>(1,270)</b>	<b>(2,413)</b>	<b>(3,441)</b>
Finance income/(expense)	374	(40)	81	(143)
Share of associate	(4)	-	-	-
<b>Loss before tax</b>	<b>(304)</b>	<b>(1,310)</b>	<b>(2,332)</b>	<b>(3,584)</b>



## Balance sheet

- Significant cash balance
- Strong current assets position
- Minimal external debt
- Provisions eliminated and debtors realised on Dubai disposal

	30 Jun 07	30 Jun 06 (restated)	31 Dec 06	31 Dec 05
	£'000	£'000	£'000	£'000
Goodwill	583	14,641	583	14,808
Other intangible assets	80	154	117	181
Tangible assets	1,680	1,983	1,634	2,041
Non-current assets	2,343	16,778	2,334	17,030
Inventory	455	726	533	773
Trade and other receivables	1,608	3,287	1,172	3,212
Cash	14,083	2,688	15,229	2,313
Current assets	16,146	6,701	16,934	6,298
Trade and other payables	3,064	3,801	3,473	3,356
Borrowings (<1 year)	166	240	162	301
Provisions	-	2,489	-	2,443
Current liabilities	3,230	6,530	3,635	6,100
<b>Net current assets</b>	<b>12,916</b>	171	13,299	198
Borrowings (>1 year)	121	287	206	293
<b>Net assets</b>	<b>15,138</b>	16,662	15,427	16,935



# Operational review

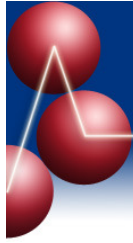


## Cytology

	6 m/e 30 Jun 07 £'000	6 m/e 30 Jun 06 £'000	Year ended 31 Dec 06 £'000	Year ended 31 Dec 05 £'000
Revenue	2,083	1,712	3,526	2,467
Operating result	507	262	658	183

### Current position and recent developments

- Revenue growth from rapid commissioning of SurePath™ LBC systems in NHS regions
- Robust distribution infrastructure
- Collaborations for companion diagnostics and additional testing services
- Continued support for automated cervical cancer screening trials in UK

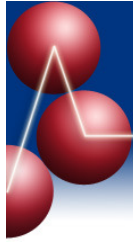


## Drug Development Support

	6 m/e 30 Jun 07 £'000	6 m/e 30 Jun 06 £'000	Year ended 31 Dec 06 £'000	Year ended 31 Dec 05 £'000
Revenue	207	156	299	773
Operating result	(195)	(293)	(516)	(740)

### Current position and recent developments

- Focus on small to medium pharma biotech companies with operations located mainly in the UK and Europe
- Operating efficiency increased
- Significantly expanded offering with acquisition of Geneservice
- GLP environment for regulatory studies and Human Tissue Authority licensed



## Diagnostic Pathology

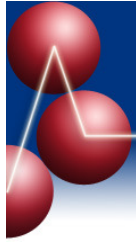
	6 m/e 30 Jun 07 £'000	6 m/e 30 Jun 06 £'000	Year ended 31 Dec 06 £'000	Year ended 31 Dec 05 £'000
Revenue	830	1,289	2,200	2,415
Operating result	31	337	529	121

### Current position and recent developments

- Increase in NHS internal capability for both pathology and reference laboratory services
- Investment in Number One Health opens new channels for diagnostic services
- Tailored services aimed at clinicians to support treatment decision making
- *Oncotype DX*<sup>TM</sup> distribution agreement

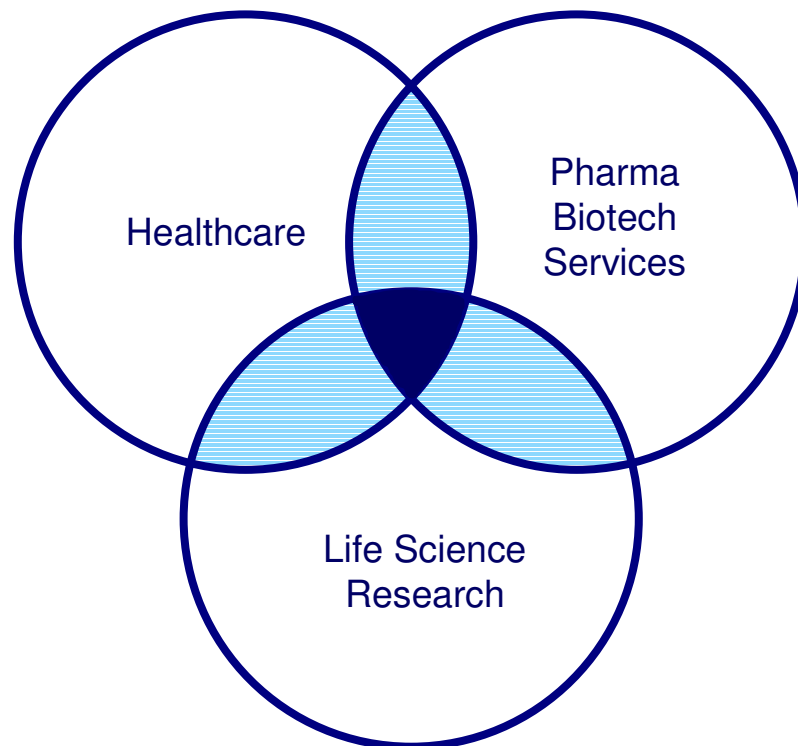
## Half year summary

- **Significant reduction of operating expenses and loss before tax**
- **Enormously enhanced capability with the acquisition of Geneservice**
- **Access to latest technologies and diagnostic platforms**
- **Significant opportunities for growth; cash available to fund investment and growth in UK business**
- **Strengthened Board and stable platform for growth**



Where we are now....  
a “joined up” business

## “Joined up” business

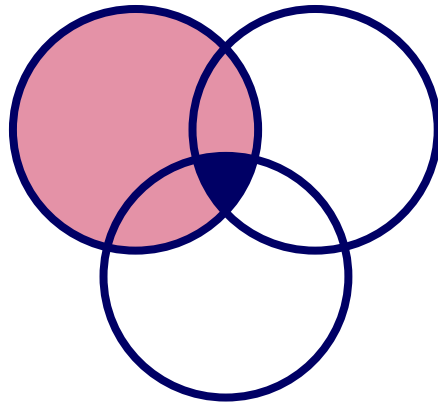


- **Shared expertise and technology platforms**

### Interactions

- **Healthcare and Pharma Biotech Services**
  - *companion diagnostics and personalised medicine*
- **Pharma Biotech Services and Life Science Research**
  - *pharmacogenomics*
- **Life Science Research and Healthcare**
  - *molecular diagnostics*

# Healthcare



## Markets

- NHS and private healthcare

## Opportunities

- Tailored packages of cancer diagnostics
- Expanded reference laboratory portfolio
- Automated cervical screening

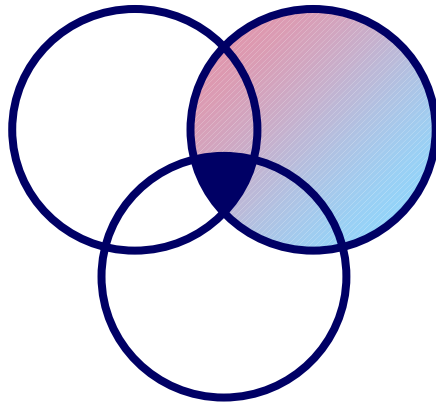
## Interaction with Pharma Biotech Services

- Personalised medicine
- Companion diagnostics

## Interaction with Life Sciences Research

- Molecular diagnostics  
Risk prediction, disease diagnosis and treatment outcome assessment

# Pharma Biotech Services



## Markets

- Pharmaceutical and biotechnology sector

## Opportunities

- “One-stop shop” tissue to genomic expertise
- Support services for therapeutic development
- Cutting edge genomic techniques

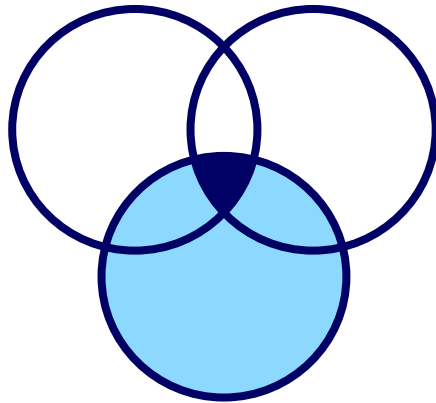
## Interaction with Life Sciences Research

- Pharmacogenomics  
How genes affect drug response

## *Interaction with Healthcare*

- *Personalised medicine*
- *Companion diagnostics*

# Life Sciences Research



## Markets

- Academic and research institutions

## Opportunities

- Expanded library of genomic reagents
- “Next Generation Sequencing”
- Collaborative partner for core services

## *Interaction with Pharma Biotech Services*

- *Pharmacogenomics*  
*How genes affect drug response*

## *Interaction with Life Sciences Research*

- *Molecular diagnostics*  
*Risk prediction, disease diagnosis and treatment outcome assessment*



# Growth strategy



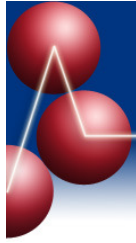
## Key drivers

- Targeted and novel therapeutic development by pharma biotech
- Emerging personalised medicine and molecular diagnostics
- Cost benefit assessment by NHS and private healthcare
- Outsourcing model for NHS
  
- Outstanding technology platforms
- Skilled, experienced and loyal staff
- Robust distribution infrastructure
- Stable platform for organic and acquisitive growth



## Growth strategy

- **Integration of Geneservice and consolidation of operations**
- **Organic growth of core expertise**
  - **“One-stop shop” offering to pharma biotech**
  - **Cancer diagnostic portfolios**
  - **“Next Generation Sequencing”**
- **Expansion into complementary services**
  - **Molecular diagnostics**
  - **Automated cytology screening**
- **Targeted acquisitions and investments**



## Medical Solutions summary

- **Fully listed**
- **Focused on UK market**
- **Highly qualified Board and senior team**
- **“Joined up” business**
- **Outstanding staff, facilities and technology platforms**
- **Cash to support growth**