

Head Office: IM Medical Ltd, Level 12, 484 St Kilda Road Melbourne VIC 3004, Australia
Email: admin@immedical.com.au
Phone: +613 9860 0900
Fax: +613 9860 0999

UPDATE

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Cardanal set for market debut

The commercialisation strategy for IM Medical's unique Cardanal technology has taken a step forward with the signing of an ECG recorder distribution agreement with a Turkish company.

The Tepas company manufactures electrocardiograph machines and other medical equipment. Tepas and IM Medical have agreed on the distribution of an ECG recorder that will be included in IM Medical's offering to the healthcare market. It will incorporate a laptop computer, a Tepas ECG recorder and the operational Cardanal software.

The product will allow real-time interpretation of ECG data to improve sensitivity for detection of coronary heart disease. It will be the first fully portable Australian made web-based ECG monitoring product in Australia.

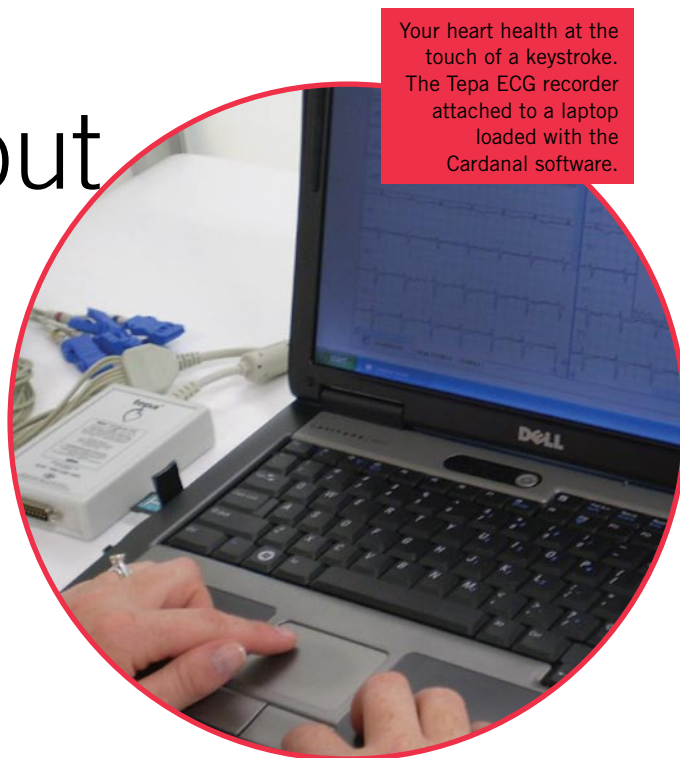
The Acting Chief Executive Officer of IM Medical, Mr Roman Najdecki, said the product would be easy to use and allow medical practitioners to introduce many more patients to cardiology services.

He said the Tepas arrangement marked the first step in the commercialisation of the Cardanal products.

The product would be available for a few thousand dollars, placing it within the capital budgets of small practices, local nursing districts and remote health services.

Mr Najdecki said: "We are delighted to be involved with a company which has a great international reputation. This arrangement allows us to market Cardanal as a complete package with everything a customer needs to gather remote ECG data and have it analysed in real time by experts."

Patients would be hooked up to the ECG recorder, which in turn would be connected to the laptop loaded with the Cardanal software. The data could then be sent through the internet to a team of cardiologists for analysis. The data can also be stored for comparison with later tests to detect any changes.



Your heart health at the touch of a keystroke. The Tepas ECG recorder attached to a laptop loaded with the Cardanal software.

Trials have shown that the real-time interpretation provides a much more sensitive analysis for detection of possible heart disease.

The proposed IM Medical business model would receive revenue at three separate stages – a part of the sale price of the package, an annual licence fee for the software and a fee for the ECG interpretation service.

Mr Najdecki said the Cardanal products had been demonstrated in August at the Health Informatics Society of Australia conference in Melbourne and at the Cardiac Society of Australia and New Zealand Conference in Adelaide.

The distribution should begin before the end of the year. Tepas has a 20-year history in development and manufacturing of medical and scientific equipment. It was the first company to develop USB PC-based ECG recorders.

► For further information on Tepas, see www.tepas.com.tr



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PHARMACY ROLLOUT OF INTELLIHEART TESTS STARTS IN FIRST GEAR



The *Intelliheart* rollout in Victorian pharmacies has had a slow start, but with good clues to improve market penetration in the New Year.

The pre-paid cardiac tests went on sale in more than 200 AMCAL, AMCAL MAX and Guardian pharmacies in mid-September.

The Acting Chief Executive of IM Medical, Mr Roman Najdecki, said the sales were disappointing, but it was early days.

“What we are finding is that despite training of the pharmacists by Sigma and IM Medical, they have taken longer than expected to fully embrace the need to proactively recommend *Intelliheart* and educate their customers about the benefits. In this sense, *Intelliheart* serves to create an important new category for pharmacy in the front-

line prevention of cardiac disease.

“We have also found that pharmacists are so busy these days that it may be better to train sales assistants in the details of *Intelliheart*.

“We need to get through with the message that *Intelliheart* is truly groundbreaking – it’s a new, simple, non-invasive examination that measures heart risk through nine different tests. It is the only retail test that includes measurement of arterial stiffness. And it includes expert data analysis by a cardiology group arranged by IM Medical. Nobody else has this offering.

“We believe that as more pharmacies start to sell more tests and they see how customer risk factors are revealed, they will begin to see the powerful benefits to the health of their customers as well as their business.

“What we are witnessing is that when customers learn about their risk factors and make the decision to do something about them, they go back to their pharmacies and buy products to help them achieve their goals – whether it be nicotine lozenges to quit smoking, blood pressure meters, fish oil or dietary aids.”

Mr Najdecki said *Intelliheart* provided two of the most important weapons in the fight against cardiovascular disease, which is Australia’s biggest killer and most expensive health problem. “Those two weapons are early detection of heart disease and early identification of risk factors for action – and that’s what *Intelliheart* does,” he said.

Mr Najdecki said he was confident the message would get through. “As with any new health initiative we have to be a little patient. It will take time to get through with our message,” he said.

In the Sigma group retail arrangement, the pharmacies sell prepaid *Intelliheart* cards which entitle buyers to have the 45-minute test at one of IM Medical’s 21 testing clinics throughout the State. The data is then sent to IM Medical for expert analysis and results are sent to the cardholders or their pharmacist.

Mr Najdecki said a promising aspect of the pharmacy rollout was the relatively strong demand from rural and regional areas.

“This is probably because there is such a shortage of cardiology services in country areas and *Intelliheart* can connect country people to specialist data analysis in Melbourne with our unique technology,” he said.

The response in regional and country Victoria provides some important messages for future marketing of *Intelliheart* and augurs well for commercialisation of the company’s Cardanal technology, he said.

The prominent Melbourne cardiologist Professor Andrew Tonkin told a recent conference that evidence suggested that increasing remoteness, where cardiac services are scarce, is linked to an increased risk of dying from cardiovascular disease. He said fatal cardiovascular events were reported to be between 20 and 50% higher in rural areas compared to major cities.

NEW-LOOK WEBSITE IM Medical has overhauled its website with a sharper design and more information for shareholders, customers and doctors. It includes audio-visual presentations and a testing centre location guide. The site also has an online purchase module for credit card purchases of the *Intelliheart* test. Take a peek at www.immedical.com.au

INTELLIHEART GOES TO THE MINING HEART OF THE NATION

Intelliheart will be available to up to 70,000 Australian mining workers under a partnership between IM Medical and the Fire Rescue Safety Australia (FRSA) organisation.

FRSA is a specialist supplier of safety, medical and emergency response equipment and services – from simple first aid to national emergency response. The organisation visits 350 mines regularly to advise mining companies, demonstrate equipment to support their sales activities.

Gary Ashwood of FRSA said his organization acts as the marketing arm of *Intelliheart* to a key target audience.

He said: “This is a really good initiative for the mining industry. This is the first heart test I have seen where we can take it out to the mine sites. Cardiac disease can have a huge economic impact on the mining industry. Some of these workers are driving \$3 million trucks and any disruption can be very costly in terms of damage and lost production.”

Mr Ashwood said the mining industry is known for higher risk factors associated with heart disease. “The workforce tends to be older, more overweight, stressed and sometimes have an imperfect diet. That’s a hefty list of risk factors,” he said.

The Acting Chief Executive of IM Medical, Mr Roman Najdecki, said the mining industry had one of the highest rates of obesity and overweight people, a key risk factor for cardiac disease. Recent research indicates that some mine sites have more than 85 per cent of their workers overweight or obese. The remoteness of the mining communities was another factor which made them an important target audience.

He said: “There is a scarcity of cardiology services in regional and remote areas. With *Intelliheart*, we can supply an expert



FRSA staff in a firefighting and first-aid exercise during a mines rescue competition.



Mine workers at a remote Australian site: many have a higher risk of heart problems.

cardiologist’s analysis of an ECG using our unique web-based software system.”

FRSA teams were scheduled to begin promoting *Intelliheart* from early November after training from IM Medical staff.

The mines are in Western Australia and Queensland. FRSA is expected to expand into other states later.

HEART DOCTORS A TONIC FOR INTELLIHEART

IM Medical’s alliance with a group of top Melbourne cardiologists is proving a big success for the company and patients.

The Acting Chief Executive of IM Medical, Mr Roman Najdecki, said the contract with the 12 cardiologists in the Heart Care Victoria group gave IM Medical’s *Intelliheart* customers access to the full range of specialist cardiology services.

The cardiologists analyse the ECG part of *Intelliheart* and send their reports back to the customers or their doctors.

Mr Najdecki said cardiologists also provide a priority appointment service to IM Medical customers whose tests reveal issues which need expert attention.

“In these times of shortages of heart specialist care, this priority service is an important value-added part of the *Intelliheart* offering,” Mr Najdecki said.

Mr Najdecki said the Heart Care Victoria doctors had achieved an average turnaround time of four hours for ECG analysis in the first three months of the arrangement, which was outstanding.

Heart Care Victoria was formed in July 2007 when a group of cardiologists came together to share their knowledge and expertise to provide high-quality specialist cardiology services.

The specialists have a strong general cardiology base and a diverse range of sub-specialty skills including angioplasty, valvuloplasty, electrophysiology and echocardiography.

They have private practices and appointments at major Melbourne public hospitals and access to tertiary services at private and public centres.

Heart Care is part of the Heart Care Group which also has facilities in WA, SA and Queensland