



3D Diagnostic
Imaging plc

**3D DIAGNOSTIC IMAGING PLC
("3D" or the "Company")
(AIM ticker 3DD)**

**Unaudited results
for the 12 months ended 30 June 2012**

3D today announces its unaudited results for the 12 month period ended 30 June 2012.

For further information please contact

3D Diagnostic Imaging Plc

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Chairman's Statement

The Company has recently changed its accounting reference date from 30 June to 31 December. As a consequence of this change, the current financial period has been extended to cover the eighteen month period from 1 July 2011 to 31 December 2012. In order to keep shareholders informed the Company has published a further set of unaudited accounts, covering the twelve month period to 30 June 2012.

I joined the board of 3D in December 2011 and became Non Executive Chairman in February 2012. I remain convinced that with the CarieScan PRO we have developed one of the most innovative dental diagnostic products available in the market place today. Unfortunately, this achievement on the product front has not been matched by the financial performance of the business in the period under review and the level of revenue generation has been very disappointing. It is taking considerably longer than the Directors anticipated for sales to gain the necessary traction. As a consequence of the low level of sales revenues the Company has continued to be loss making. I will outline below the steps that we have taken and the changes that we anticipate making in the near future.

The financial performance of the business in the period under review can be summarised as follows. Turnover in the twelve month period was £181,062 (6 months ended 31 December 2011: £67,739, 12 months ended 30 June 2011: £714,925). Operating loss for the period was £1,715,764 (6 months ended 31 December 2011: operating loss of £987,323, 12 months ended 30 June 2011: operating loss of £2,434,380). Net assets as at 30 June 2012 were £554,022 (as at 31 December 2011: £1,186,567, as at 30 June 2011: £835,032), and included cash resources of £253,568 (as at 31 December 2011: £1,071,827, as at 30 June 2011: £520,145).

This situation prompted the Board to undertake a fundamental review of the Company's cost base and to implement a radical cost cutting exercise.

One of the highest cost areas within any business is staff remuneration and as a part of the cost reduction exercise Graham Lay, the Chief Executive Officer, has reduced his salary by 60%, Oliver Cooke, the Chief Financial Officer, has reduced his salary by 80% and I have continued to waive my entitlement to remuneration in full. In addition a number of staff redundancies have been made and all of the remaining staff have reduced their salaries by an average of 25%.

The next largest costs are those associated with the Company's membership of a public market.

The Company's shares were admitted to trading on AIM in November 2010. One of the principal objectives of the Company's listing on AIM was to provide it with access to development capital as the business grew. However, it has become apparent that in the current market environment this objective cannot be met and as a consequence the Board no longer feels able to justify the continued costs associated with the Company's admission to trading on AIM. Therefore in August 2012 the Board announced its intention to seek shareholders consent to withdraw the Company's shares from trading on AIM.

However, since then the Board investigated various alternative options with the potential to deliver greater value to shareholders. In October 2012 the Board announced that it had resolved to move the ownership of the Group's operating business, CarieScan Limited, into a newly formed private company, 3D Diagnostic Imaging Limited ("3DIL"). Once this transfer has taken place, the shares in 3DIL will be gifted to 3D's present shareholders which will result in them owning the same number of shares in both 3D and in 3DIL as they currently own in 3D alone. As a consequence the future development of the operating business will take place in a lower cost, private company environment, with the same underlying shareholder ownership as at present.

Under the AIM Rules the disposal constitutes a fundamental change in business for 3D and requires shareholder approval. 3D shall remain listed on AIM but with no operating business and will become an investing company within the definition of the AIM Rules, with a natural resources focused investing policy. It is anticipated that shareholders will benefit in due course from 3D's future investment activity.

As a part of these proposals it is intended that two new directors, Donald Strang and Hamish Harris, will join the Board of the Company and that Graham Lay and I will step down from the Board. Oliver

Cooke will remain on the Board as a Non-Executive director. A circular giving further details of these proposals and convening an extraordinary general meeting of the Company on 24 October 2012, at which to obtain shareholders consent for the proposals, has now been sent to shareholders for their consideration.

Upon completion of the proposals outlined above, the Board of 3DIL will seek to raise additional capital to finance the company's sales development operations and its other working capital requirements.

The Directors believe that these proposals are in the best interests of shareholders as they significantly reduce the cost base of the operating business, maintain the current ownership of that business and give shareholders an additional opportunity to recover value from their investment in the Company.

David Snow

Non-executive Chairman

12 October 2012

Group Income Statement (unaudited)
For the 12 months ended 30 June 2012

	6 months to 31 Dec 2011 Unaudited Note	6 months to 30 June 2012 Unaudited	12 months to 30 June 2012 Unaudited	12 month to 30 June 2011 Audited
	£	£	£	£
Revenue	67,739	113,323	181,062	714,925
Cost of sales	(40,363)	(49,657)	(90,020)	(257,739)
Gross profit	27,376	63,666	91,042	457,186
Operating expenses	(1,014,699)	(792,107)	(1,806,806)	(2,891,566)
Operating loss	(987,323)	(728,441)	(1,715,764)	(2,434,380)
Finance income – Interest receivable	-	-	-	96
Finance costs – Loan note interest	-	-	-	(9,410)
Loss before tax	(987,323)	(728,441)	(1,715,764)	(2,443,694)
Tax	3	-	61,664	25,124
Loss and total comprehensive income	(987,323)	(666,777)	(1,654,100)	(2,418,570)
Loss for the period attributable to equity holders of the parent	(987,323)	(666,777)	(1,654,100)	(2,418,570)
Loss per share (p)	4			
- Basic and diluted	(0.50p)	(0.28p)	(0.75p)	(1.59p)

All of the revenues and loss above is derived from continuing operations.

There is no other income for this period, and therefore no separate statement of comprehensive income has been presented.

**Group Statement of Changes in Equity (unaudited)
For the 12 months ended 30 June 2012**

	Share Capital £	Share Premium £	Share- based Payments Reserve £	Retained Earnings £	Total £
Balance at 30 June 2011	170,475	5,366,966	68,220	(4,770,629)	835,032
New share capital introduced	70,500	1,399,500	-	-	1,410,000
Expenses of share issue	-	(106,193)	-	-	(106,193)
Loss and total comprehensive income for the period	-	-	-	(987,323)	(987,323)
Provision for share-based payments	-	-	35,051	-	35,051
Balance at 31 December 2011	240,975	6,600,273	103,271	(5,757,952)	1,186,567
Loss and total comprehensive income for the period	-	-	-	(666,777)	(666,777)
Provision for share-based payments	-	-	34,232	-	34,232
Balance at 30 June 2012	240,975	6,600,273	137,503	(6,424,729)	554,022

Group Statement of Financial Position (unaudited)
At 30 June 2012

	Note	30 June 2012 Unaudited £	31 Dec 2011 Unaudited £	30 June 2011 Audited £
Non-current assets				
Other intangible assets		-	-	-
Property, plant and equipment		127,271	149,103	173,336
		127,271	149,103	173,336
Current assets				
Inventories		219,649	205,431	182,310
Trade and other receivables		102,098	54,087	200,889
Cash and cash equivalents		253,568	1,071,827	520,145
		575,315	1,331,345	903,344
Total assets				
		702,586	1,480,448	1,076,680
Current liabilities				
Trade and other payables		(148,564)	(293,881)	(241,648)
		(148,564)	(293,881)	(241,648)
Net current assets				
		426,751	1,037,464	661,696
Net assets				
		554,022	1,186,567	835,032
Equity				
Share capital	5	240,975	240,975	170,475
Share premium account		6,600,273	6,600,273	5,366,966
Share-based payments reserve		137,503	103,271	68,220
Retained earnings		(6,424,729)	(5,757,952)	(4,770,629)
Total equity				
		554,022	1,186,567	835,032

Group Statement of Cash Flows (unaudited)
For the 12 months ended 30 June 2012

		6 mths to 31 Dec 2011 Unaudited £	6 mths to 30 June 2012 Unaudited £	12 mths to 30 June 2012 Unaudited £	Year end 30 June 2011 Audited £
	No				
Cash flows from operations					
Cash used in operations	6	(752,047)	(879,923)	(1,631,970)	(2,516,278)
Taxation received		-	61,664	61,664	25,124
Net cash used in operating activities		(752,047)	(818,259)	(1,570,306)	(2,491,154)
Investing activities					
Interest received		-	-	-	96
Expenditure on intangible assets		-	-	-	(68,164)
Grants received		-	-	-	26,664
Proceeds on disposal of property, plant and equipment		750	-	750	-
Purchases of property, plant and equipment		(828)	-	(828)	(62,350)
Net cash used in investing activities		(78)	-	(78)	(103,754)
Financing activities					
Issue of share capital		70,500	-	70,500	62,471
Cash element of share premium		1,339,500	-	1,339,500	3,437,428
Issue costs		(106,193)	-	(106,193)	(442,882)
Interest paid		-	-	-	(9,410)
Net cash from financing activities		1,303,807	-	1,303,807	3,047,607
Net increase in cash and cash equivalents		551,682	(818,259)	(266,577)	452,699
Cash and cash equivalents at the beginning of period		520,145	1,071,827	520,145	67,446
Cash and cash equivalents at the end of period		1,071,827	253,568	253,568	520,145

Notes to the Interim Financial Information (unaudited)

1. General Information

The condensed financial information for the 12 months to 30 June 2012 does not constitute statutory accounts for the purposes of Section 434 of the Companies Act 2006 and has not been audited or reviewed. No statutory accounts for the period have been delivered to the Registrar of Companies.

The condensed financial information in respect of the year ended 30 June 2011 has been produced using extracts from the statutory accounts for this period. Consequently, this does not constitute the statutory information (as defined in section 434 of the Companies Act 2006) for the year ended 30 June 2011, which was audited. The statutory accounts for this period have been filed with the Registrar of Companies. The auditors' report was unqualified and did not contain a statement under Sections 498 (2) or 498 (3) of the Companies Act 2006.

The Report was approved by the Directors on 12 October 2012 and will be available shortly on the Company's website at www.3ddiagnosticimaging.com.

2. Accounting Policies

Basis of preparation

The financial information has been prepared on the historical cost basis. The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement. This statement also includes a summary of the Group's financial position and its cash flows.

Basis of accounting

The Group's consolidated financial statements for the year ended 30 June 2011 were prepared in accordance with International Financial Reporting Standards (IFRSs). The 12 month report for the period ended 30 June 2012 has been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting".

3. Tax

No deferred tax asset has been recognised in respect of tax losses due to the uncertainty of future profit streams in the UK.

4. Loss Per Share and Dividends

No dividends have been paid during the 12 month period ended 30 June 2012. IAS 33 "Earnings per share" requires presentation of diluted earnings / (loss) per share when a company could be called upon to issue shares that would decrease profit or increase loss per share. For a loss making company with outstanding share options, loss per share would only be increased by the exercise of out of money options. Since it seems appropriate to assume that option holders would not exercise out of money options, no adjustment has been made to calculate the diluted loss per share on out of money share options.

Basic and diluted loss per share is calculated on the loss of the Group attributable to equity holders of the parent.

6 months to 6 months to 12 months to Year ended

	31 December 2011 Unaudited £	30 June 2012 Unaudited £	30 June 2012 Unaudited £	30 June 2011 Audited £
Loss attributable to equity holders of the Group	(987,323)	(666,777)	(1,654,100)	(2,418,570)
Number of Shares	000's	000's	000's	000's
Weighted average number of ordinary shares	198,444,933	240,974,824	219,535,098	152,310,655
Loss per share – basic and diluted	(0.50p)	(0.28p)	(0.75p)	(1.59p)

5. Share Capital

	30 June 2012 £	31 December 2011 £	30 June 2011 £
<i>Authorised</i>			
3D Diagnostic Imaging plc			
Ordinary shares of 0.1p each	1,000,000	1,000,000	1,000,000
<i>Allotted, issued and fully paid</i>			
3D Diagnostic Imaging plc			
Ordinary shares of 0.1p each	240,975	240,975	170,475
	30 June 2012 No.	31 December 2011 No.	30 June 2011 No.
<i>Authorised</i>			
3D Diagnostic Imaging plc			
Ordinary shares of 0.1p each	1,000,000,000	1,000,000,000	1,000,000,000
<i>Allotted, issued and fully paid</i>			
3D Diagnostic Imaging plc			
Ordinary shares of 0.1p each	240,974,824	240,974,824	170,474,824

The Company has one class of ordinary shares with a par value of 0.1p and which carry no right to fixed income.

6. Notes to the cash Flow Statement

	6 months to 31 Dec 2011 Unaudited £	6 months to 30 June 2012 Unaudited £	12 months to 30 June 2012 Unaudited £	Year ended 30 June 2011 Audited £
Cash used in operating activities				
Operating loss	(987,323)	(728,441)	(1,715,764)	(2,434,380)
Amortisation of intangible costs	-	-	-	68,164
Depreciation of property, plant and equipment	19,904	19,347	39,251	42,483
Loss on sale of property, plant and equipment	1,469	-	1,469	-
Share based payment expense	35,051	34,232	69,283	51,570
Release of grant	-	-	-	(26,664)
(Increase)/decrease in inventories	(23,121)	(14,218)	(37,339)	(25,781)
Decrease/(increase) in trade and other receivables	146,804	(48,011)	98,793	(95,739)
Increase/(decrease) in trade and other payables	55,169	(142,832)	(87,663)	(95,931)
Cash used in operating activities	(752,047)	(879,923)	(1,631,970)	(2,516,278)

7. Share Based Payments

The Group issues share-based benefits to employees. These share-based payments have been measured at their fair value at the date of grant and the fair value of expected shares is being expensed to the Income Statement on a straight-line basis over the vesting period. Fair value has been measured using the Black Scholes model and adjusted to reflect the most likely share vesting and exercise pattern. The impact on the accounting periods has been:

	6 months to 31 December 2011 Unaudited £	6 months to 30 June 2012 Unaudited £	12 months to 30 June 2012 Unaudited £	Year ended 30 June 2011 Audited £
Included in operating expenses	35,051	34,232	69,283	51,570

The cumulative provision for share-based payments of £137,503 (30 June 2011: £68,220) is shown as a reserve in the Group Statement of Financial Position.

8. Subsequent events

There have been no significant events after the balance sheet date which have not already been disclosed to the market.