



seeingmachines

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**Seeing Machines Limited
("Seeing Machines" or the "Company")**

RESTRUCTURING OF THE BUSINESS

Seeing Machines Limited (AIM: SEE), a leading developer of advanced computer based imaging software systems, announces that in light of continuing uncertainty regarding the level and timing of revenues due largely to the impact of the global economic downturn, it has restructured its business to focus on its cash generative operations and to conserve cash reserves.

On 28 January 2009 the Company announced that sales growth in its driver monitoring product (DSS) had been slower than anticipated. At the time of that announcement the Company had realistic expectations of concluding at least one large DSS contract during this financial year. However, due to delays there is now growing uncertainty of this occurring and consequently revenues for the remainder of the financial year remain difficult to predict.

In light of the effect of the global economic downturn on Seeing Machines' business, the Board has taken the decision to restructure the Company's operations to re-focus resources on the cash generative areas of its business and to preserve the strength of its balance sheet by conserving cash thus providing a strong foundation for future growth. The restructuring includes:

- a reduction in overall staff head-count of 16 made up of fulltime and parttime employees and contractors;
- pruning expenditure across other areas of the business;
- strengthening of regional sales forces by relocating the majority of the Company's Australian based sales resources to those markets that provide the most fertile opportunities for revenue and growth;
- focusing sales efforts on those products with the greatest capacity to generate revenues, principally the DSS aftermarket and faceLAB businesses; and
- concentrating further technology and product development efforts substantially on the DSS aftermarket business and to support the DSS customer base particularly in North America where the Company potentially has large-scale opportunities that if converted may deliver significant revenues.

Seeing Machines also announces that development of the TrueField Analyzer (TFA), a device to detect glaucoma and other eye diseases, is nearing completion and that its commercial launch is expected in the middle of 2009.

Furthermore Seeing Machines announces that its Interim results due for release in mid March are expected to show the Company will record a profit for the six months ended 31 December 2008.

Commenting on the restructure, Chief Executive Nick Cerneaz said, "The delay in concluding our recent major licensing opportunity and the consequential increase in revenue uncertainty has precipitated a need to restructure the company as announced today. Whilst we will unfortunately lose a number of talented people in doing so, the restructure allows us to focus the remaining dedicated team and their energies more closely on those aspects of the business that are cash generative. By addressing those target markets more closely we can provide a deeper level of service to our customers within those segments

and hence aim to bring greater certainty to the revenue streams ahead. Conservation of our cash reserves is an important aspect of our working plans to bring further stability to the business.”

“Our product pipeline remains solid and we continue to be confident of our product offerings, especially in light of the imminent release of a new version of faceLAB, continued improvements in our DSS aftermarket product, and the finalization of the TFA device with commercial release slated for the middle of this year. Coupled with greater deployment of our sales and marketing resources to the primary market regions for those respective products and existing good sales opportunities in those regions we are able to look forward with confidence.”

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