

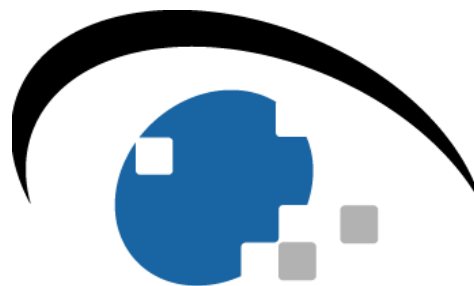


seeingmachines



Seeing Machines Limited

AIM:SEE



www.seeingmachines.com

September 2007

sm10677-4





Overview

Value proposition

- Unique technology enables solutions and products that would be impossible otherwise
- Our technology products will save lives and help preserve people’s vision, reducing their huge economic impacts
- Our software products help clients build their products/do their work faster and cheaper

Business Model

- To derive diversified, high margin technology licensing revenues and profits through embedding our computer vision platform in high value end-user products

Product Offering

- We specialize in COMPUTER VISION TECHNOLOGY - giving machines the capacity to “see”
- Key focus is detecting and tracking human faces, head and eye gaze directions and facial features. Secondary focus on generalized tracking.
- Our technology is a platform for new high value products & applications
 - Driver safety and warning products
 - Healthcare devices
 - Third party applications in Robotics, Sports, Entertainment, Advertising, Defense, Biometric Security

TrueField Analyzer



faceLAB



Driver State Sensor (DSS)

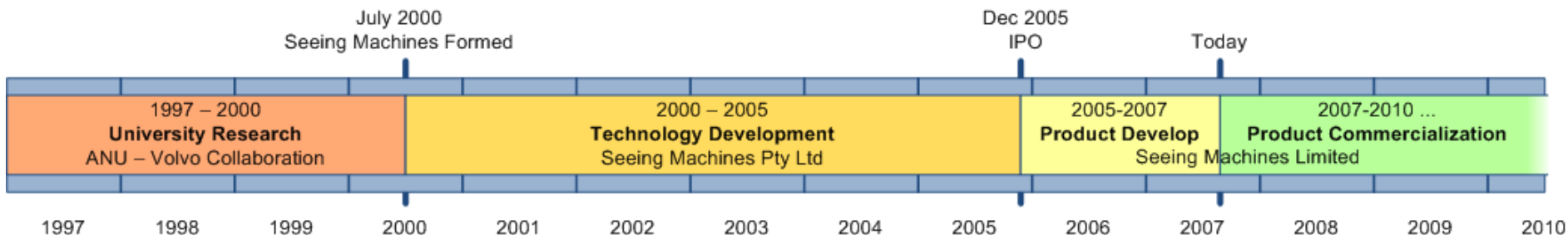


API user – 3rd Party Application (Noah Select basketball training system)





Company evolution



Four broad phases

- **1997-2000: “Research collaboration”**



- **2000 – 2005: “Technology Development”**



- **2006 – 2007: “Product Development”**



- **Future: “Aggressive Commercialization”**

Pre-IPO status: up to Dec 2005

- Company formed July 2000
- ~£5m invested in technology/product development
- £1.4m government R&D funding
- £1.5m periodic private funding rounds
- £2.6m in faceLAB product sales

AIM listing 1 Dec 2005

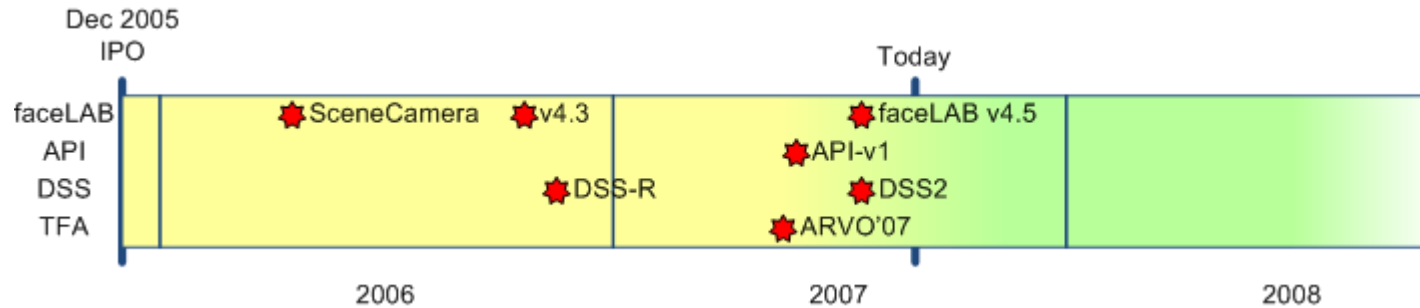
- £1.65m raised on £6m valuation

Post AIM listing

- £1.5m in faceLAB product sales
- £0.9m new government R&D funding



Overview of recent product deliverables



Last 18 months (following IPO)

- Development of new product lines: TrueField Analyzer (TFA) , Driver State Sensor (DSS) and API (application programming interface).
- Consolidation of existing product base: faceLAB
- Building foundation for profitability: through product diversification, market expansion leveraging existing channels to market

Current status

- faceLAB v4.5 launched July 2007. Very solid product improvement.
- TrueField Analyzer initial international exhibition May 2007, on-track for launch late 2007
- DSS2 launched July 2007. Initial sales in place and aiming to build
- API well progressed. Initial contracts in place and BDM going well

Technology foundation and initial commercialization in place, poised for real progress



Products & underlying technology

Human Factors

- Technology Demonstrator
- Prototyping tool



Automotive Devices

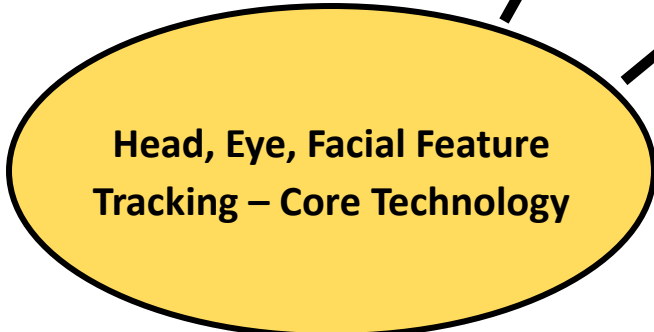
- Driver fatigue & distraction
- Driver assistance



faceTRACKING API

API Licensing

- Head, eye tracking
- Sports training products
- Computer gaming and entertainment
- Biometric security
- Robotics



Medical Devices

Devices to detect glaucoma and other diseases





Our computer vision technologies

Key focus

- To be the world-leader in providing computer vision processing technologies, especially related to naturalistic human – machine interaction

Core capabilities

Seeing Machines specializes in enabling computer systems and applications to:

- Find faces & specific facial features, e.g. eyes, mouth, nose, pupils, irises, etc.
- Build a 3D model of a person’s head
- Track & capture data regarding:
 - Head and face orientation
 - Eyelid opening/closure (blink rate)
 - Gaze direction (computer knows where a person is looking)
- Measure dynamic pupil responses to stimuli

Other tracking capabilities

- Can be adapted to track other human features & non-human objects: e.g. hands, road speed signs, pedestrians, basketballs & players



Competitive Position

Market Ready

- Revolutionary vision testing technology demonstrated in extensive clinical study program
- Simultaneous measurement of head pose / eye gaze - a key innovation
- Consistently outranked competitors in auto-maker analysis & technology selection
- Our vision processing operates in real world settings:
 - Automatic facial acquisition
 - Non contact
 - Operates in day/night, automatically compensates for changing lighting conditions
 - Compensate for partially hidden faces
 - Operates with eye glasses

Intellectual Property

- Significant patent portfolio covering core facial image processing technologies & methods
- Exclusive rights to ANU patents for TrueField Analyzer
- Master Development & Commercialization agreement with ANU – access to all new IP
- Number of new technology application patents in filing

People

- World leading team of computer vision researchers and engineers
- Very close ties with ANU – leveraging resources and research capabilities



Healthcare

Seeing Machines technology enables new methods/devices for detecting and managing diseases of the human visual system and some neurological conditions

Goal

- To generate strong royalty streams from devices that utilize Seeing Machines' objective visual field testing capability

ANU Partnership

- Exclusive license to IP developed at Australian National University (ANU) & Australian Research Council Centre of Excellence in Vision Science (ACEVS)
- Long term consulting/collaboration agreement with ANU & ACEVS team
- New Master Development and Commercialization Agreement (MDCA) for future pipeline of applications built on Seeing Machines technology (including TFA platform)

Initial application

Glaucoma:

- Gradual narrowing of visual field
- Impacts 2-3% of all people over 40 years
- Often undetected until too late to treat
- Existing/competitive devices (SAP) are:
 - SUBJECTIVE and thus UNRELIABLE
 - Slow – 5 to 20 minutes PER eye
 - Only thing available to a doctor
 - ~35 year old technology

TrueField Analyzer:

- OBJECTIVE test, thus more RELIABLE
- Bilateral test – both eyes concurrently
- Fast – both eyes < 5mins total test time





What do glaucoma sufferers experience?



Healthcare


TFA initial markets

- Initially a complement to existing SAP - Eventually a replacement for SAP
- 70–150k ophthalmologists globally, Optometrist numbers 5+ times
- Typically replace equipment every ~7 yrs

TFA channels

- In serious dialog with four major ophthalmic device OEM companies
- Further development dovetails well with 3rd party clinical evaluations in near term

TFA recent development

- Pre-production prototype stage
- Exhibited ARVO-2007 to great acclaim  (Association for Research in Vision and Ophthalmology)
- FDA 510k cleared – approval granted August 2007



Near term development

- AAO Annual Meeting Nov 2007 (American Academy of Ophthalmology)
- 3rd party independent evaluation studies
- Finalize v1 industrial design & software
- Finalize production logistics & readiness
- AU/EU regulatory approvals



Future pipeline (ANU-MDCA)

- Other eye diseases: AMD, diabetic retinopathy, etc.
- Some neurological diseases: e.g., MS



faceLAB



Product overview

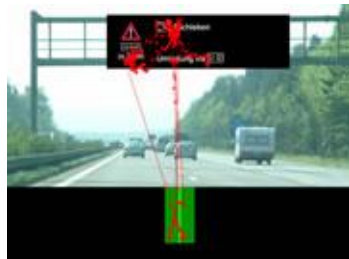
- A demonstrator product embodying our core vision processing capabilities
- Launched May 2001 and achieved over **£4.1 million** in sales revenue to June 07 (**A\$9.9m**)
- Four major generations of the product
- Primary portion of current sales revenue

Users

- Sold to “Human Factors” market (human performance measurement)
- Used to test & research human response in real world or simulated setting: e.g., vehicle/train drivers, pilots, athlete response, TV viewing & psychology study
- 200+ installed systems sold to blue chip clients – automotive, government, academic: e.g. Volvo, Toyota, Daimler-Chrysler, Jaguar, Honda, Nissan, Motorola, Bosch, US Dept of Transport, US Army, Ford, etc

Current status

- Last two years have been the highest sales revenue years
- NEW version 4.5 released July 2007. This will give tremendous boost – leverages TFA pupillometry algorithms for greatly enhanced precision mode tracking



faceLAB – recent product developments



Scene Camera

See what the user was looking at!

Plots user gaze/view direction into video of scene captured in real time



faceLAB-LINK

Join multiple faceLAB systems together!

Unlimited tracking range / field of view giving great flexibility





Automotive & Transport



Seeing Machines technology enables the next generation of transport safety systems and devices ...

Goals

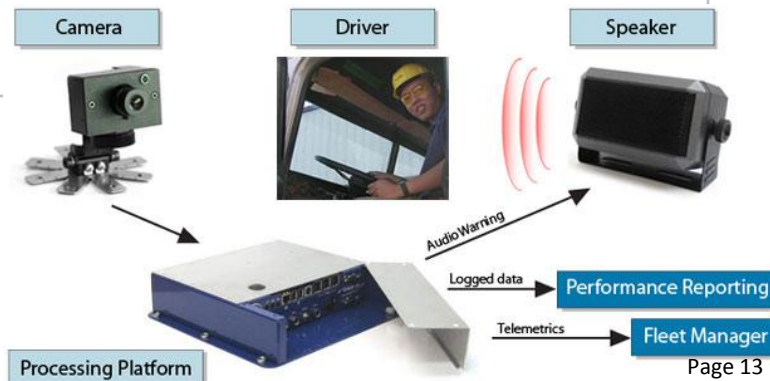
- Near term: to generate strong product revenues from low/medium volume sales of single-board computer systems to fleet, mining and long haul freight operators.
- Long term: to generate strong royalty streams from high volume embedded systems in cars, trucks, trains, etc., through Tier 1 channel partners and OEM deployment

Development partnerships

- Hella KGaA Hueck & Co. Tier 1 channel & hardware technology development partner
- Schlumberger field trials: US and Canada, evaluating wider rollout now to Asia

1st product: DSS2

- Driver State Sensor 2 (DSS2) – launched July 2007
- **First commercial realization of this original Seeing Machines objective/vision**
- Already good sales to partners ahead of launch. Good prospects ahead
- Independent evaluations rated DSS #1 driver fatigue/monitoring system
- Leveraging faceLAB distribution network
- Major OEM evaluation agreements in place





Automotive & Transport



OEM Driver Assistance Systems

- SM long term goal has been high volume DSS deployment into OEM new vehicles
- Lexus brought 1st system to market 2006 & put significant pressure on all brands
- Consumer & OEM market for driver assistance systems is maturing
- Our DSS technology is already capable of implementing high performance systems
 - “This technology has redefined the state-of-the-art. Operating fully automatically, the DSS2 achieves a level of performance previously unseen and the technology now becomes a real contender for serial production systems” Trent Victor, Volvo Technology, Seeing Machines Director
- Pace of this business dictated by these market forces – we are working with Tier 1s to ensure well placed when it takes off

Road scene warning systems

- Collaborative R&D programs with CSIRO, GM Holden, National ICT Australia, etc.
- Delivered Speed Sign Recognition System as part of AutoCRC A\$800k R&D contract
- Framework for developing other applications including pedestrian & obstacle detection, etc.



Speed sign recognition system – in car display showing the driver the prevailing speed limit and time since passing last sign



API (application programming interface)

Seeing Machines tracking software is a key enabling technology for many 3rd party applications

Goal

- To generate strong licensing revenue through deployment of Seeing Machines' core tracking technology to 3rd party applications and products

Applications

- Extremely varied application opportunities, for example: Head & eye tracking, Sports training products, Computer gaming and entertainment, Biometric security, Robotics, Defense & Aerospace, 3D-Cognitive Displays, Adaptive human context aware e-commerce systems, etc.

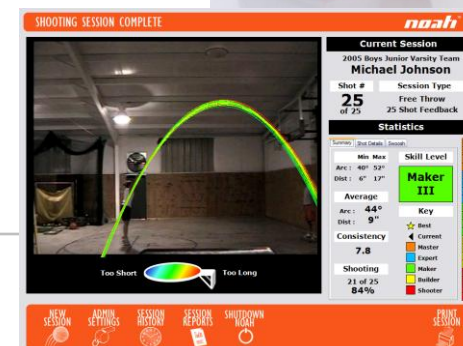
Existing license agreements

- Japanese Advanced Telecommunications Research Institute licensed in 2004
- Noah Select basketball training systems licensed in 2005
- North American computer vision company licensed in 2007
- MOU with biometric security company signed 2007
- Significant partnerships in business development



Path forward

- Initial version available for OEM use
- Initial licensing deals in place
- New deals in business development
- Product development aligned to BD opportunities





Current position

New products:
aggressive
development

- faceLAB v4.5 (July 2007) – delivers real market advantages, good sales and prospects.
- DSS2 (July 2007) – Independently rated #1 technology, great startup sales and prospects
- TrueField Analyzer - exciting pre-production position with good near-term program ahead

New products:
slower dev.

- API development aligned with market opportunities
- Embedded DSS for OEMs – market maturation needed

Current status

- With launch of DSS2 and update to faceLAB in FY08-Q1, TFA late FY08-Q2, ongoing API deals through FY08 there is real prospect for turning the profitability corner in FY2008.
- Immediate strategy is adapting scale of business to suit market demand/timing and to raise necessary working capital to execute these strategic plans.

FY2008+
Exciting times
ahead

- **Build on the product development work of the last 18 months**
- **Move to full scale commercialization of these new product and technology offerings**



Directors

Highly credentialed mix of technical, financial and commercial skills at both Board and Management level:

Fulton Muir AO	Chairman. Chair of ANU Enterprise, former Chair of ANU Finance Committee, long and distinguished banking career. Awarded Order of Australia in 1992.
Dr Nick Cerneaz	CEO; Former COO and VP Engineering at Mirada Solutions UK, a medical software company. Rhodes Scholar. Joined Seeing Machines April 2005, appointed CEO September 2005.
Dr Alex Zelinsky	Director, Co-founder. Internationally-known expert in robotics & computer vision. Clunies-Ross Award winner for contribution to Australian science & technology. CSIRO Group Executive, Information & Communication Sciences and Technologies
David Gaul	Director. Co-founder and Director of CEA Technologies. Australian Technology Entrepreneur of the Year in 2003.
Bill Mobbs	CEO and co-founder of ITL Limited. Extensive experience developing, manufacturing and selling medical products to global healthcare markets.
Rob Sale	Director. IT Services Entrepreneur. Grew Abacus Data Systems significantly before trade sale. CSIRO ICT Sector Advisory Council Member. CEO of Diversionary Therapy Technologies – a medical device company.
Dr Trent Victor	Product Area Manager for Driver Environment at Volvo Technology. Internationally renowned expert in driver awareness products, driver drowsiness, distraction and assistance systems.



Key Management

Dr Nick Cerneaz	CEO; see previous page
Dr Jochen Heinzmann	Co-founder and Principal Researcher, Automotive. Computer vision expert involved in creation & development of Company's technology.
Dr Sebastien Rougeaux	Co-founder and Principal Researcher, Medical. Robotics and computer vision expert involved in creation & development of Company's technology.
Tim Edwards	Co-founder and Principal Engineer. Responsible for the Company's Software Engineering, Hardware Design & Engineering Management.
Nick Langdale-Smith	Director of Sales and Marketing. Responsible for faceLAB and API segments, including crucial business development support for API, DSS.
Belinda Burgess	Operations Manager and Company Secretary. Extensive operational managerial experience in publically listed companies.
Dr Ted Maddess	Consultant for development of TrueField Analyzer from ANU's Centre for Visual Sciences/Research School of Biological Sciences. World-recognized expert in vision research. Inventor of the FDT Perimeter, a successful visual field testing device marketed by Welch-Allyn and Carl Zeiss Meditec.



Financial Goals

Revenue

- Continue to generate consistent revenues from faceLAB and established API deals
- Exploit the recently launched DSS2 commercial product through building extensive new sales. Leverage existing faceLAB distribution channels to keep costs low and gain widespread market access.
- TrueField Analyzer initial launch targeted late 2007 – drive early sales & OEM licensing
- Grow royalty licensing streams with additional new API deals currently in BDM
- Support OEM grade DSS deployment and license when market is ripe

Costs

- Maintain low fixed cost base – annual burn rate ~£36k/mth (cf. ~£25k/mth at IPO)
- Main overhead is R&D team, based in lower-cost Australian environment
- Maintain access to Australian Government grants (eg., A\$2.1m for TrueField in 2006)
- Support increased costs for sales, marketing and after sales customer support given introduction of new product lines.
- Prepare for introduction of TrueField Analyzer through final commercialization efforts.



Use of funds

TrueField Analyzer commercialization	£650,000	\$1,540,500
DSS2 commercialization	£150,000	\$355,500
faceLAB and API market development	£420,000	\$995,400
Working capital	£60,000	\$142,200
Costs of raising	£120,000	\$284,400
Totals	£1,400,000	\$3,318,000

AUD:GBP exchange rate = 2.37



Current Capital Structure

SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE OF TOTAL SHARES IN ISSUE
JATS Technology Pty Ltd	85,594,176	33.41%
Australian National University	28,114,687	10.98%
Volvo Technological Development	23,226,073	9.07%
Pershing Keen Nominees Limited	10,916,642	4.26%
Pershing Keen Nominees Limited	9,264,999	3.62%
Other shareholders	99,048,352	38.67%
Total	256,164,929	100.00%

Correct as at 24 August 2007



Other references

For more detailed information about Seeing Machines and its technology and markets, see: www.seeingmachines.com

Disclaimer

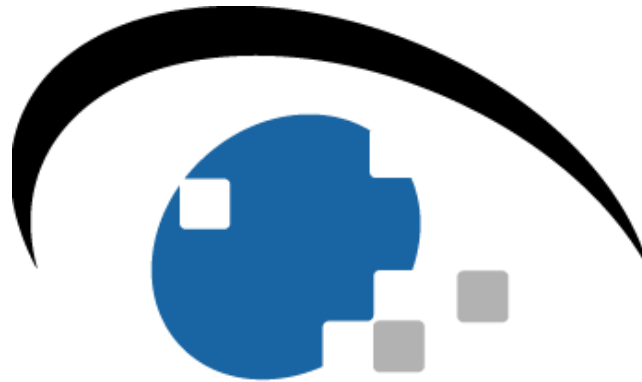
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