



**C-Pulse™: Innovative heart assist system
for advanced heart failure**

**October 29, 2009
Annual General Meeting**

www.sunshineheart.com



St Leonards (Sydney), NSW, Australia

Tustin, California USA

**Australian Securities Exchange (ASX): SHC
U.S. Incorporation (Delaware)**

www.sunshineheart.com

This presentation may contain forward looking statements. Various factors could cause actual results to differ materially from these projections including timing, clinical results, financing availability, product sales and marketing or efficacy of products.

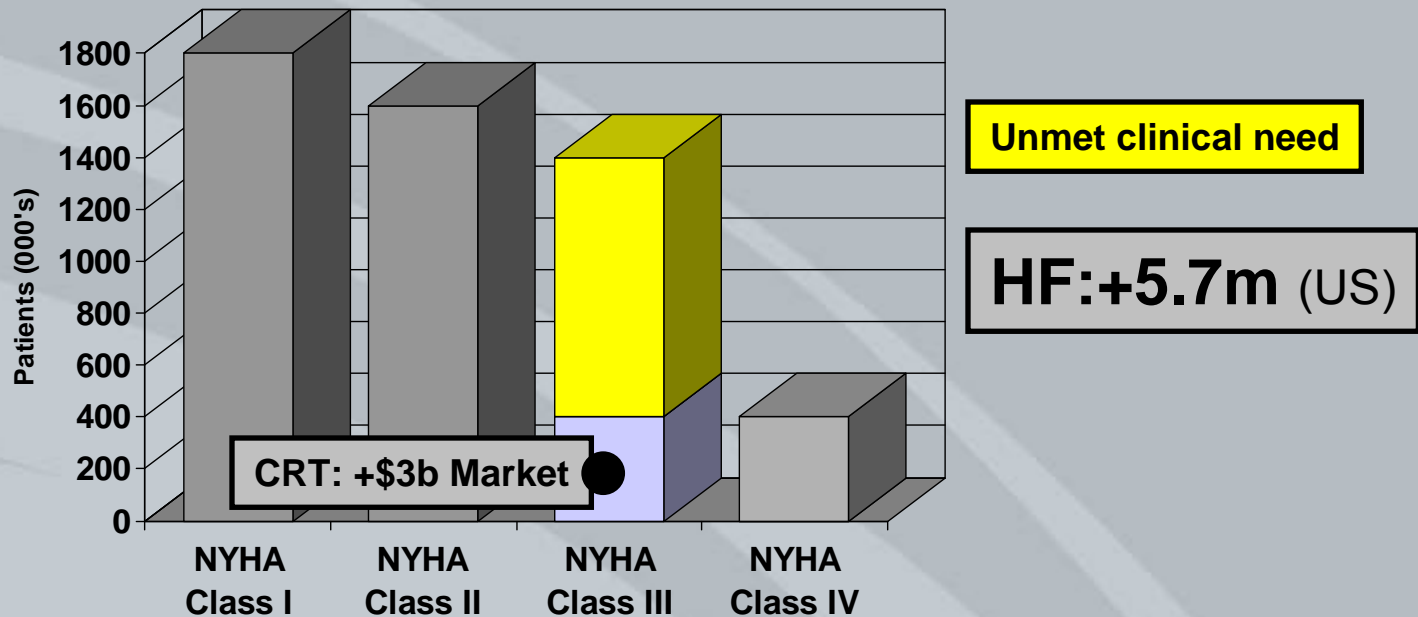
Although the Company believes that the forward looking statements are reasonable, it can give no assurances that the Company's expectations are correct. All forward looking statements are expressly qualified in their entirety by this cautionary statement.

Caution: C-Pulse is an investigational device. The device is limited by federal (United States) law to investigational use only.

The Market:

► **Heart Failure (HF):** a progressive condition in which the heart cannot pump enough blood to meet the body's demand. HF results from damage to the heart muscle; typically arising from a heart attack or virus.

- *HF is only CV incidence that is increasing*
- *HF hospitalization rates increasing*
- *People in the 40's; 1 in 5 will be diagnosed with HF*
- *CI III HF mortality similar to breast cancer (~3- 5 yrs)*



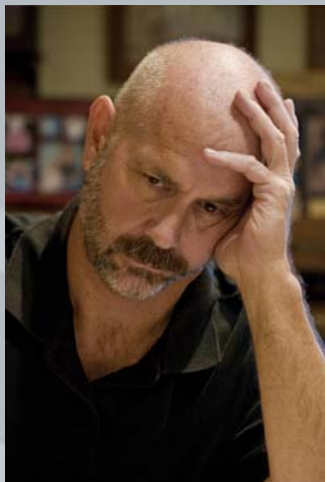
The Product:

C-Pulse

- ▶ **Heart Assist System for moderate HF patients:**
 - Unloads the heart; increases cardiac output
 - Pulseable device (with counterpulsation)
- ▶ **Unique features:**
 - Non-blood contacting, extra-aortic Cuff
 - Increases coronary perfusion for enhanced myocardial recovery
 - Rate adaptive
 - Patient dis-connectible
 - Simpler implant for faster recovery FDA feasibility study for Class III HF

The Vision:

Improve QOL for Advanced HF Patients



Class III Patient Lifestyle

- Tired, debilitating fatigue
- Short of Breath
- Dizziness
- Swollen legs/ankles
- Repeat hospitalizations
- Poor Quality of Life despite optimal medical therapy

SHC
Vision



The Product:

Unique C-Pulse™ Heart Assist System

Extra-aortic Cuff

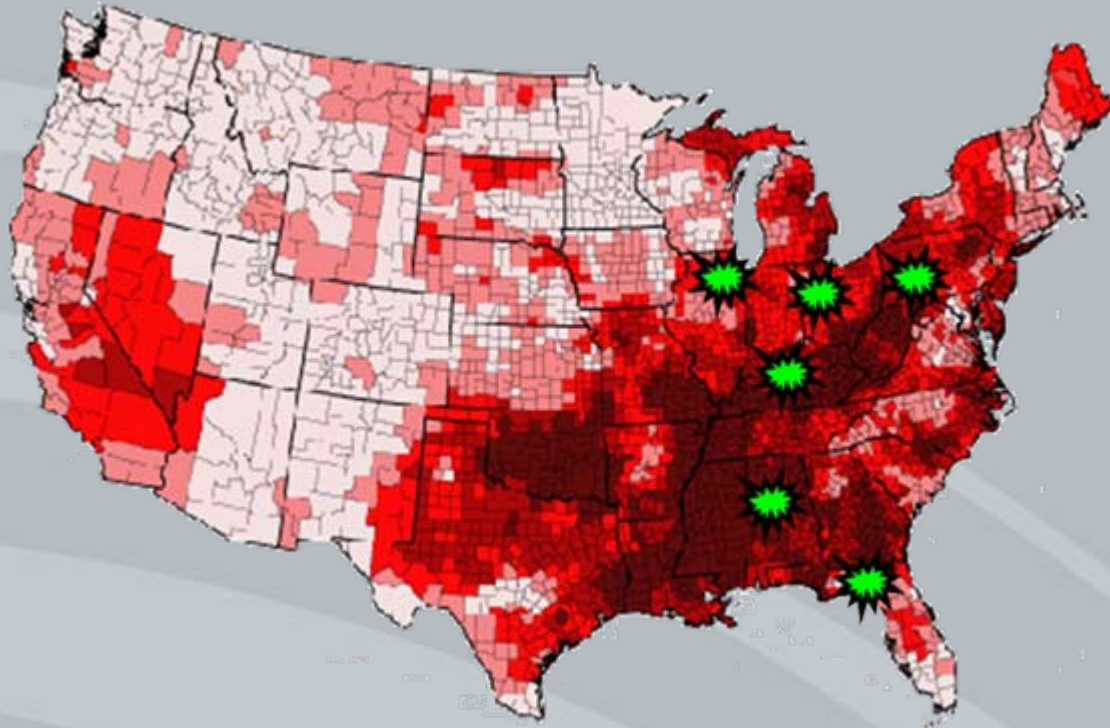
ECG Sense Lead

Interface Lead

Driver/ Battery



The Status: US Feasibility Study: In Process



**Intensity =
Incidence of HF deaths**

University HF Research Sites
Ohio State Medical Center
Northwestern School of Medicine
Penn State Hershey Medical Center
U of Alabama Birmingham
Jewish Hosp, U of Louisville
U of Florida School of Medicine
Medical Advisors:
Co-PIs:
Dr. William Abraham; Dr. Patrick McCarthy

C-Pulse Feasibility Study
20 Class III Patients
1,3 & 6 Month follow-up
Safety & Performance
Symptoms, Endurance & QOL Tests
Hemodynamics, Peak VO2 Tests
Blood Tests

A Glimpse into US Study



US Clinical Status

US: 4 >>> 20 patients

Announced

Observations to date

- Patient relief of symptoms;
no angina pain, easier breathing
- Minimally invasive surgical
procedure with short hosp stay
- Improved Quality of Life with
increased endurance, stamina and
ability to enjoy activities
- No adverse effects; ie. stroke, blood
clots, other serious events
- Patients able to successfully
disconnect from device
- Visible signs of improved circulation

A Glimpse into US Study



*First two patients (60 and 54 yo)
@ 3 months follow-up testing*

Pre- C-Pulse Patient Conditions

- Enlarged heart
- Shortness of breath
- Dizziness
- Abnormal heart rhythm (arrhythmia)
- Swelling (edema)
- Optimum medications
- Pacemaker implanted

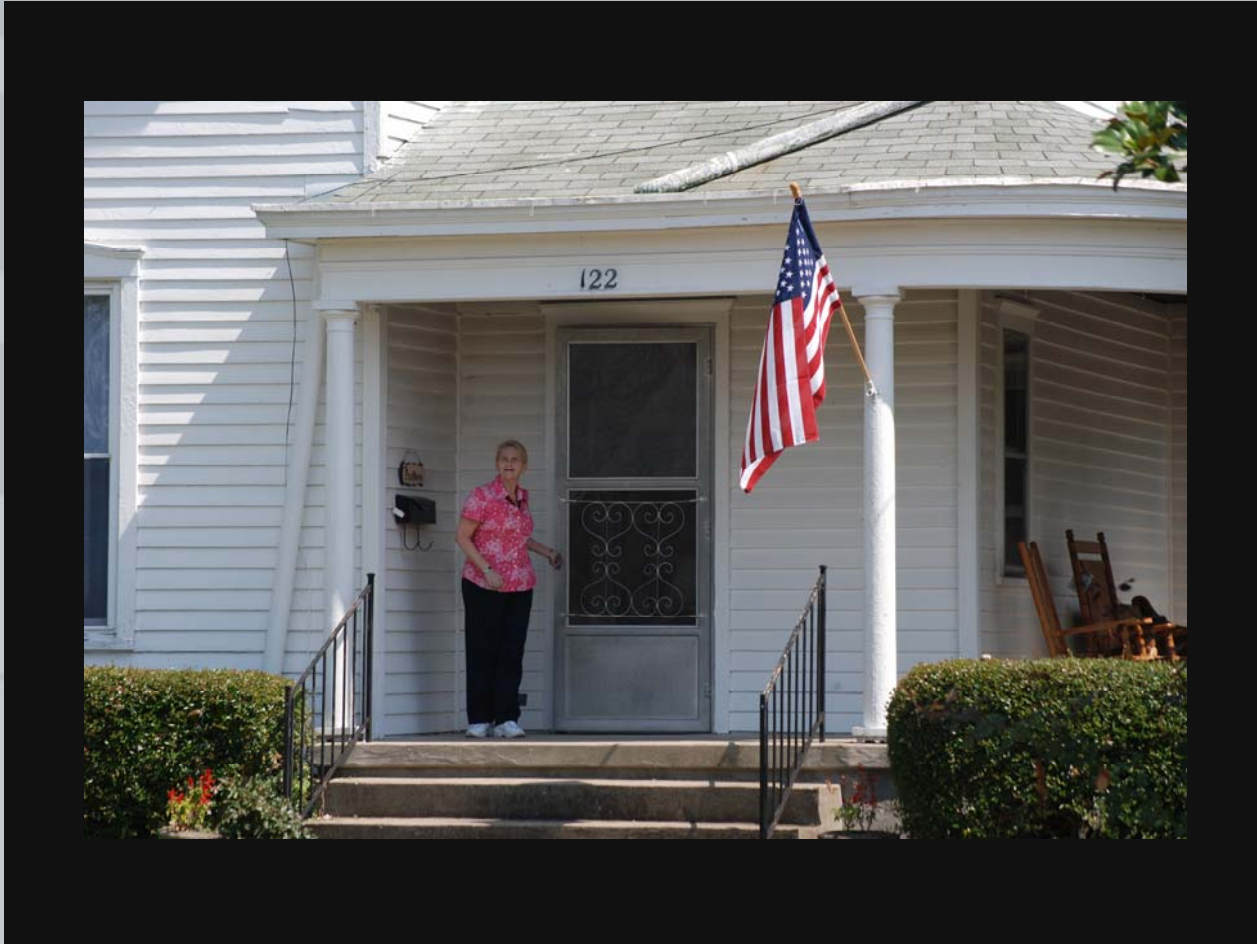


*First Female patient (59 yo)
@ 3 weeks post C-Pulse*



Patient's Viewpoint

- ▶ **Heart Failure (HF)**: a progressive condition in which the heart can not pump enough blood to meet the body's demand. HF results from damage to the heart muscle; typically arising from a heart attack or virus.



Patient's Viewpoint

- ▶ **C-Pulse™**: System to assist the heart's ability to pump blood to the body and the native heart muscle for advanced heart failure patients.



Clinical Media Coverage



Summary: The C-Pulse Advantage

Unique Heart Assist System

- ▶ Only non-blood contacting heart assist
- ▶ Only heart assist that increases coronary blood flow
- ▶ Only heart assist that allows Freedom to disconnect
- ▶ Simple implant and quick patient recovery
- ▶ Provides immediate and sustained symptom relief and an improved quality of life

*All other heart assist devices:
24/7 Patient Connection Required*



The SHC 2009 Company Progress

Clinical Progress

- Nov: Full FDA approval; 1st IRB approval
- Feb: 1st Reimbursement approvals
- Apr: 1st 2 implants
- Aug: 1st 2 females
- Sep: All Sites active

Financial Progress

- Jun: 1st Clinical Reimbursement
- Aug: \$1.75 Placement
- Sep: \$8.1m Rights Issue

Business Progress

- Oct: Callinan assumes Chairmen role
- Nov - May: Restructured Company / Board
- Jul: Appointed RBS Morgans



The 2010 Value Drivers (with existing funding)

- ▶ **Complete Feasibility enrollment**
 - Complete 6 mo follow-up
 - Continue clinical reimbursement
- ▶ **Pivotal Clinical Readiness**
 - Define Study design
 - Prepare for US Pivotal Trial
 - Manage Pivotal Manufacturing
- ▶ **Operations**
 - Prepare CE Mark Application
 - Progress with C-Pulse II
 - Additional presentations and publications
- ▶ **Then, Pivotal Trial Financing**

The Vision Remains

- ▶ **Large unmet clinical need; first-to-market opportunity**
- ▶ **Unique heart assist system: C-Pulse™**
- ▶ **US clinical trial in process; with reimbursement**
- ▶ **Experienced international team (Executives / Board)**
- ▶ **Strong medical advisory and clinical site teams**
- ▶ **Well-defined business model**



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