



HARRINGTONGROUP

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Harrington Group Limited (HGR)

HGR own Sun Biomedical Laboratories Inc (SBL) a U.S. based entity researching, developing and manufacturing illicit drug screening devices.



VisuaLine multi-drug urine test

SBL has a portfolio of screening devices including urine tests and the unique saliva screening device OraLine®.

Mission

Harrington Group's goal is to build a sustainable world class organisation in the field of illicit drug screening devices.

We will achieve this through the commercialisation of existing Sun Biomedical IP, strategic research & commercialisation alliances and the acquisition of complimentary technologies.

HGR Corporate Snapshot

Total Shares on issue:
(ASX:HGR) 372,517,825

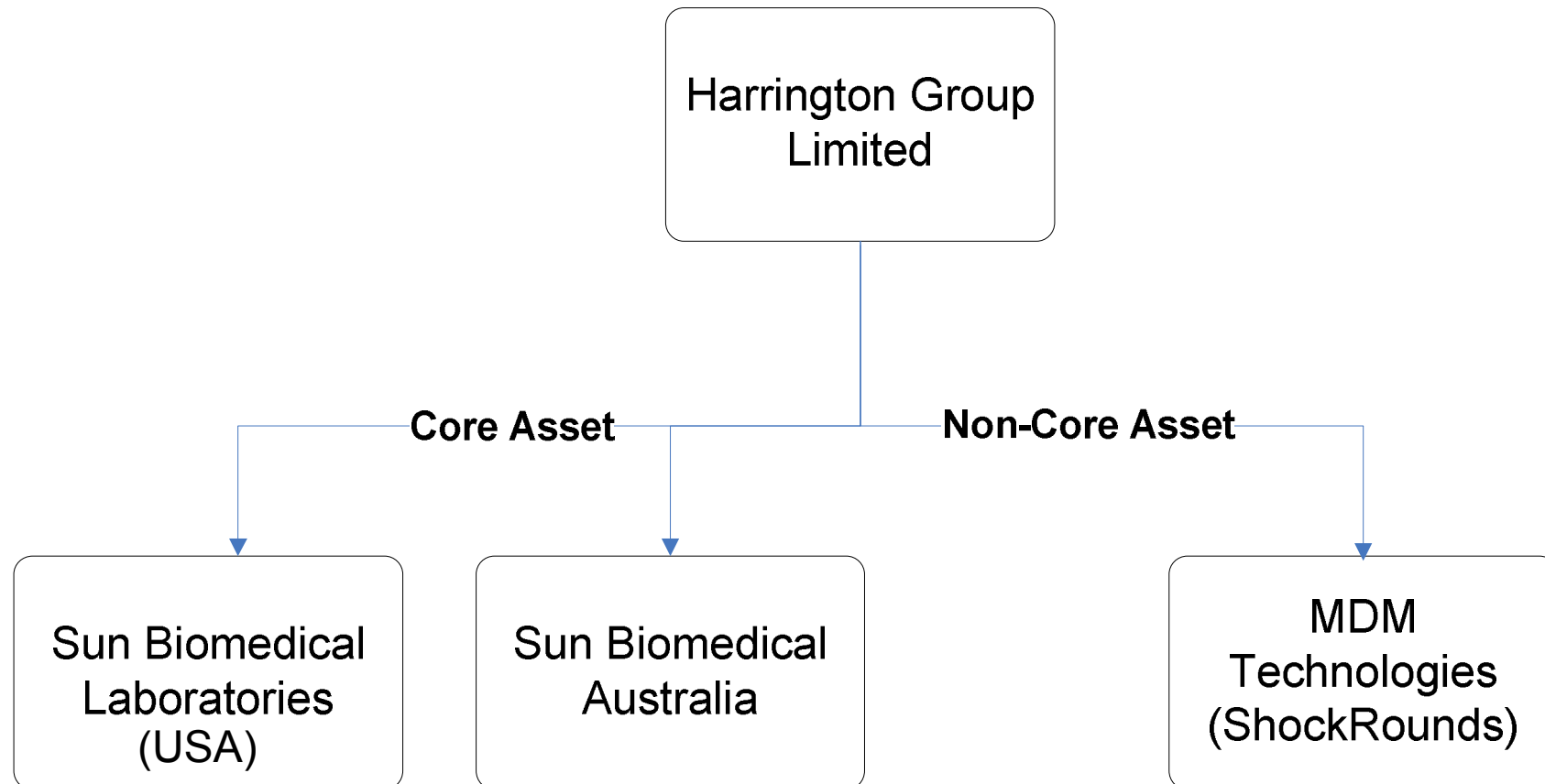
Market Capitalisation:
\$18.2 million @ 4.9 cents



Major shareholders:

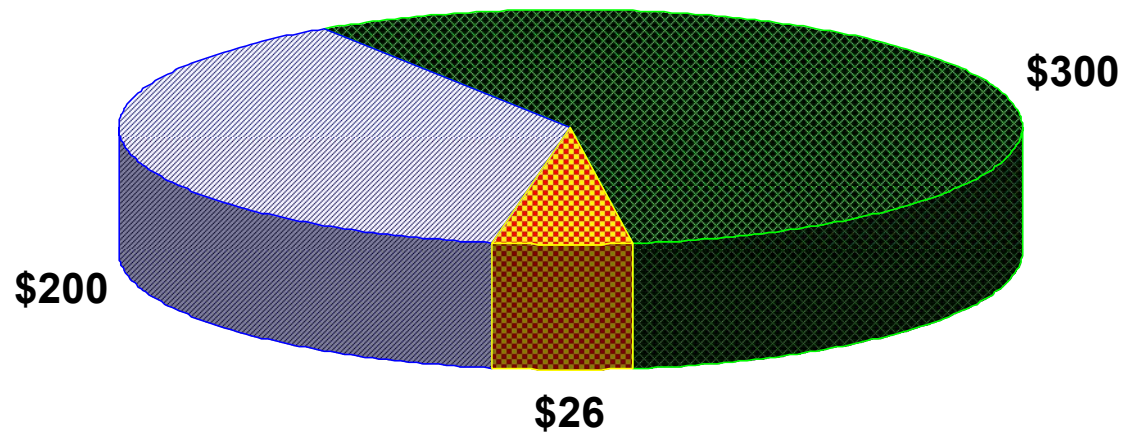
- 15.5% Log Creek Pty Ltd
- 3.22% Ming & Alice Sun (SBL Inc Vendor – General Manager SBL USA)
- 1.98% Citicorp Nominees
- 44.13% Top 30 Shareholders

HGR Group Structure



Drug Testing Market

U.S. Point of Care Testing Market USD Millions



■ Urine Split Specimen ■ Urine Other ■ Saliva

Point of Care and Laboratory
Services circa \$675

Source: Management estimates based on the extrapolation of competitors known sales

Drug Testing Market

Annual **prevalence** of abuse as a percentage of the population aged 15-64

Cannabis

Australia	13.3%
USA	12.6%
UK	10.8%

Cocaine

USA	2.8%
UK	2.4%
Australia	1.2%

Amphetamines

Australia	3.8%
USA	1.5%
UK	1.5%

Opiates

UK	0.9%
USA	0.6%
Australia	0.5%

Market Dynamics

- Workplace testing
 - Majority of employers outsource testing
 - Employers play a relatively minor role in the decision making as to the testing device used
 - Increasing interest in saliva, more convenient and appropriate testing medium
 - Positive testing rates do not correlate with known prevalence
- Law enforcement
 - Saliva is the only viable testing medium
 - Compromise between devices that are accurate and sensitive and devices that are viewed as convenient to use
 - Positive testing rates do not correlate with known prevalence

Industry Dynamics

- Industry is dominated by U.S. entities
- Products historically based on urine tests
- Major industry players manufacture in China
- Low quality membranes with variable sensitivity, specificity and reproducibility
- Majority of the industry use converted urine tests in their saliva devices
- Low level of regulatory scrutiny concerning manufacturers product performance claims

Industry Dynamics

- Our competitive advantage
 - Membranes and critical intellectual property developed and manufactured in the U.S.
 - Highest standard membranes in the industry
 - Membranes design specifically for use with saliva
 - The most sensitive saliva device on the market
 - Uncomplicated device design = low manufacturing costs
 - Platform is applicable for application in diagnostics for other disease states

Achievements To Date

- Raised capital
- Divested non core assets
- Taken steps to address U.S. FDA issues
- Initiated new distribution strategy and commenced expansion of U.S. distribution network
- Increased the depth of SBL management team and implemented a succession plan

Current Status – Future Potential

- Priority markets and distribution partners identified
- U.S and International distribution agreements which management believe will provide material revenue are in advanced stage of negotiations
- Commenced development of an innovative product offering for the urine market segment
- Continued pursuit of OraLine 510(k) clearance
- Improving production processes and increasing production capacity
- Commenced development of next generation OraLine



SUN biomedical