



Company update

CEO Dave Rosa

May 2011

www.sunshineheart.com

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Forward looking statement



- 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.
- C-Pulse is a registered trademark of Sunshine Heart Inc.

Company history



- Company founded by Will Peters, M.D. and Crispin Marsh
- Office established in Sydney, Australia
- 2004 ASX:SHC IPO
- Delaware corporation: headquartered in Minnesota
- First patient implanted in 2005
- FDA feasibility trial initiated in Q2 2009
- Feasibility trial completed Q1 2011

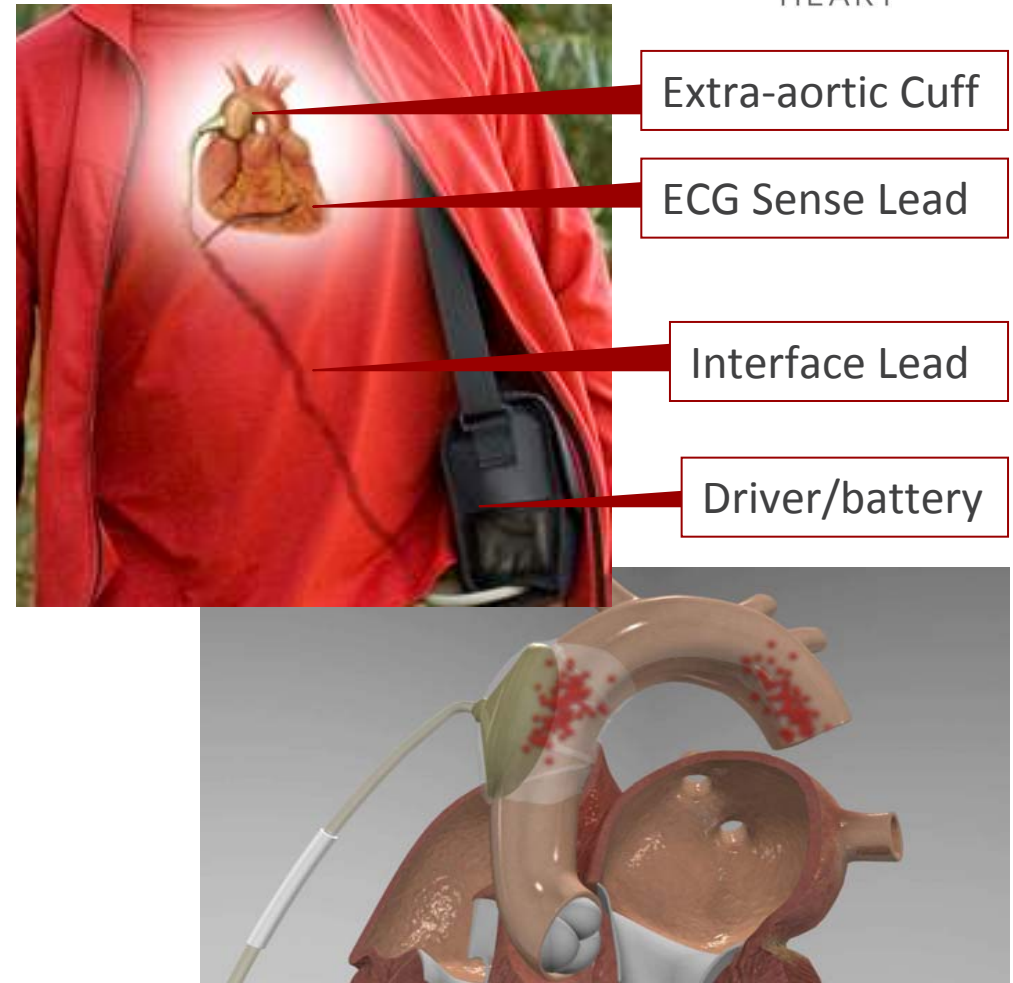
Company vision



Offer a minimally invasive therapy for Class III/IVa heart failure that provides symptomatic relief and halts the disease progression

Current C-Pulse system

- Reduce LV work, increase flow
- Driver, cuff and interface lead
- Short, basic(MIS) procedure
- Non blood contacting
- Ability to disconnect
- Immediate device feedback

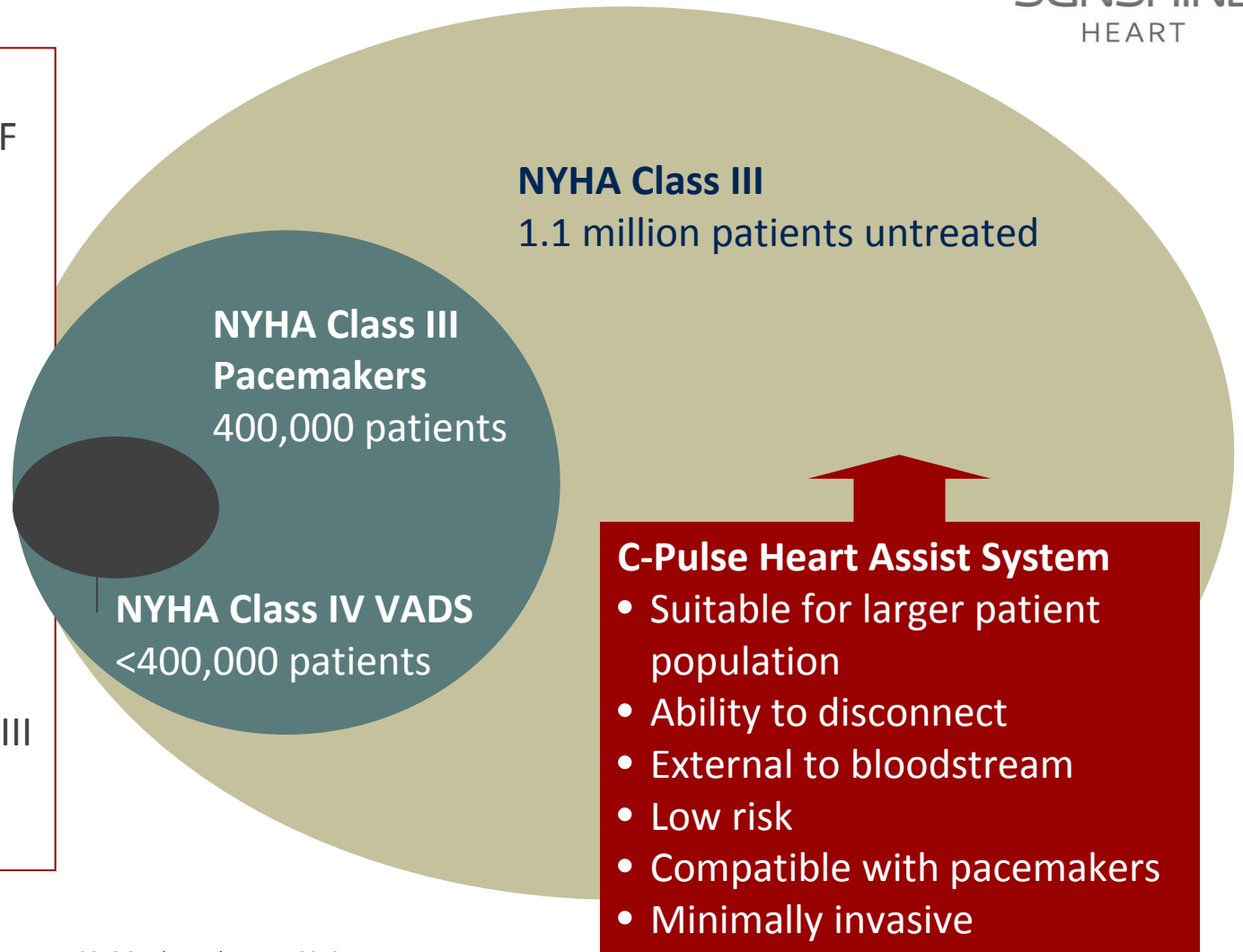


Market assessment

C-Pulse U.S. market opportunity



- HeartMate II only approved Class IIIb HF device – non-reimbursed
- C-Pulse population: Class III/ambulatory Class IV
- 500,000 Class IIIb patients – HF symptoms with minimal exertion
- Average age of Class III patients – 52 per C-Pulse trial



Source: Framingham Study, Windover 2007 Report, AHA 2010 Stroke Update, HRI 2010

Feasibility clinical trial review and pivotal trial strategy

Minimally invasive surgery feedback

- Small incision
 - just 7.6 cm or 3 inches
- Similar to minimally invasive aortic valve procedure
- HF cardiologists more willing to refer patients for MI procedures
- 6 MI cases completed
- Shorter patient hospital stay
- Reduced overall cost and risk



U.S. feasibility trial summary



- 7 sites implanted patients: St. Luke's leading enroller
- Trial safety endpoints:
 - neurological events
 - death
 - major infection
 - myocardial infarction
- Trial efficacy endpoints:
 - reduction in NYHA classification
 - VO2 reduction
 - quality of life
 - 6 minute walk
- Data will be presented at Heart Failure Society meeting 9/18 – 9/21/11 in Boston
- Feasibility data is targeted for FDA submission in early Q4

U.S. feasibility lessons learned



- **Why did the trial take so long to complete?**
 - Full sternotomy approach unappealing for less sick patients
 - Size, weight and unit noise bothersome
 - Inclusion/exclusion criteria restrictive
 - Infrastructure lacking in some hospitals to recruit patients
 - Site selection critical – 45% of cases by sites on board <6 months
- **Enrollment drivers for pivotal trial**
 - MI procedure
 - Single unit system
 - 15 modifications to existing inclusion/exclusion criteria
 - Market to patients using variety of media with <48 hour follow up
 - Has site performed in past trials for Class III patients, do they have a patient database, cardiology referral system in place?

C-Pulse U.S. device reimbursement



- C-Pulse – category B designation
- Hospitals reimbursed under DRG 1
- C-Pulse selling price: US\$ 54,000
- Received payment in all but three U.S. patients

U.S. pivotal trial



- Team of 5 physician advisors/InCHOIR to develop protocol
- 270 patient randomized trial – Q1 2012
- 30 sites targeted
- Control group - medical therapy
- Primary EP – reduction in re-hospitalization due to HF related events
- Re-hospitalization is defined as:
 - Signs and symptoms of HF
 - Treatment with IV HF therapy
 - Minimum of 24 hours in hospital or hospitalization for VAD/Tx
- Recently published papers cite this is #1 expense in U.S.
- FDA has recently approved a similar endpoint

Product pipeline

Product pipeline



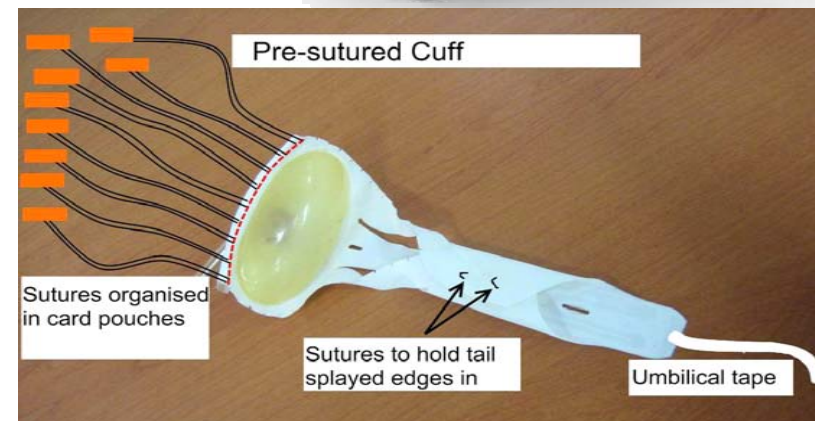
1. C-Pulse Next Generation Driver

- Reduce bulk, weight, noise
- Single unit
- On target for release: Q3 2011
- Introduce to existing implanted patients that have met 6 month endpoint



2. MIS Cuff

- Pre-suture and pre-mark cuff
- Reduce procedure time
- Easier to insert in MI cases
- Q4 release



Product pipeline



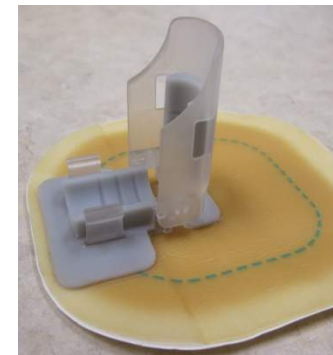
3. PIL II

- More robust design
- Used in pivotal trial



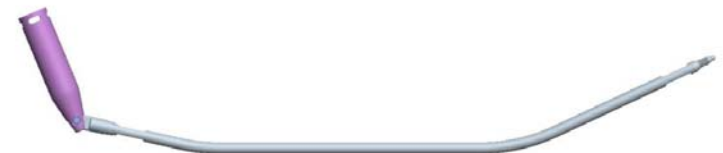
4. C-Patch

- Securement of driveline
- May help minimize local infections
- Scheduled for completion in August
- Will be included in pivotal trial



4. Tunneler

- Facilitates tunneling in MI procedures
- Planned for inclusion in pivotal trial

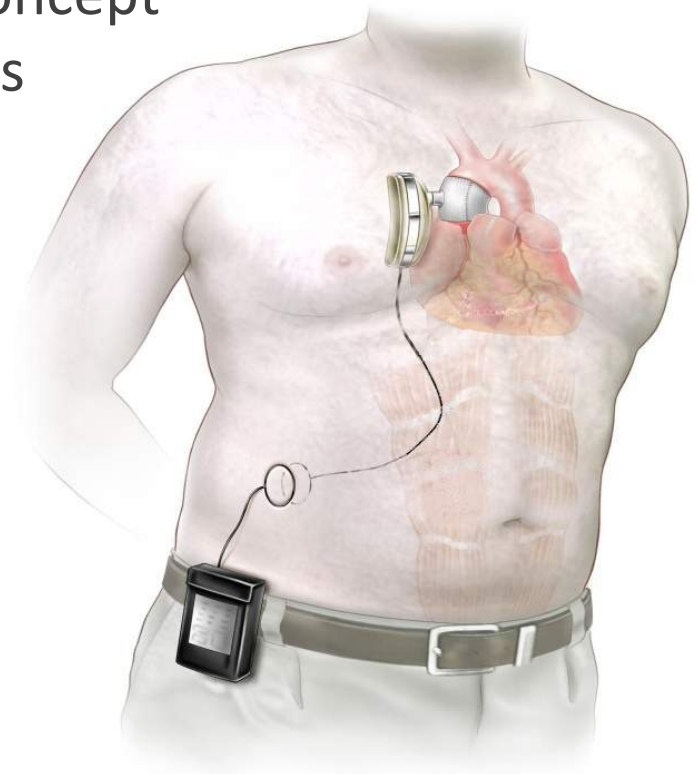


Product pipeline



6. Fully implantable C-Pulse System

- Initial company patents based on this concept
- Feasibility by end of Q2 2011 vs previous estimate of Q2 2012
- TET used to power system
- Project objective: similar insertion method and care requirements of pacemaker



C-Pulse technology progression



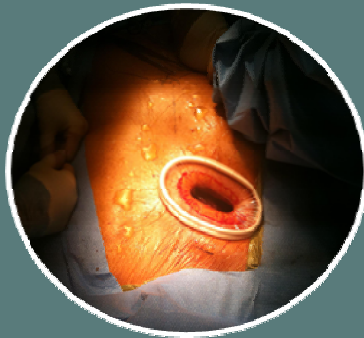
2009

**Full sternotomy
2 unit system**



2010

**Minimally invasive
2 unit system**



2011

**Minimally invasive
1 unit system**



2012

**Minimally invasive
Fully implantable**



CE Mark – outside U.S. market opportunity



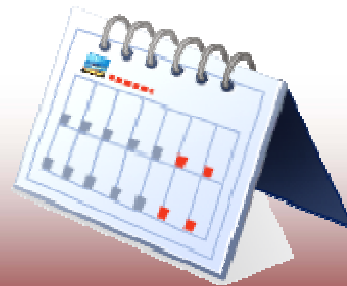
- EU notified body will accept 20 patient feasibility data
- Expect late Q4 2011/Q1 2012 approval
- C-Pulse has broad applicability – VAD infrastructure not needed
- Investigate countries with large HF markets (India, Asia, EU)
- In house marketing consultant evaluating opportunities
- VAD manufacturers has sold ~ US \$100 million in 2010/2011
- CE Mark - use for implantable system first in man

Financing



- Cash position as of 3/31/11 - AU\$ 9.3 million
- Burn rate: ~ AU\$ 1 million per month
- 20 employees, 2 full time contractors
- Market cap : AU \$54 million
- Capital funds required for pivotal trial, implantable system development and other R&D, outside US commercialization and infrastructure requirements

2011 Key milestones



2011

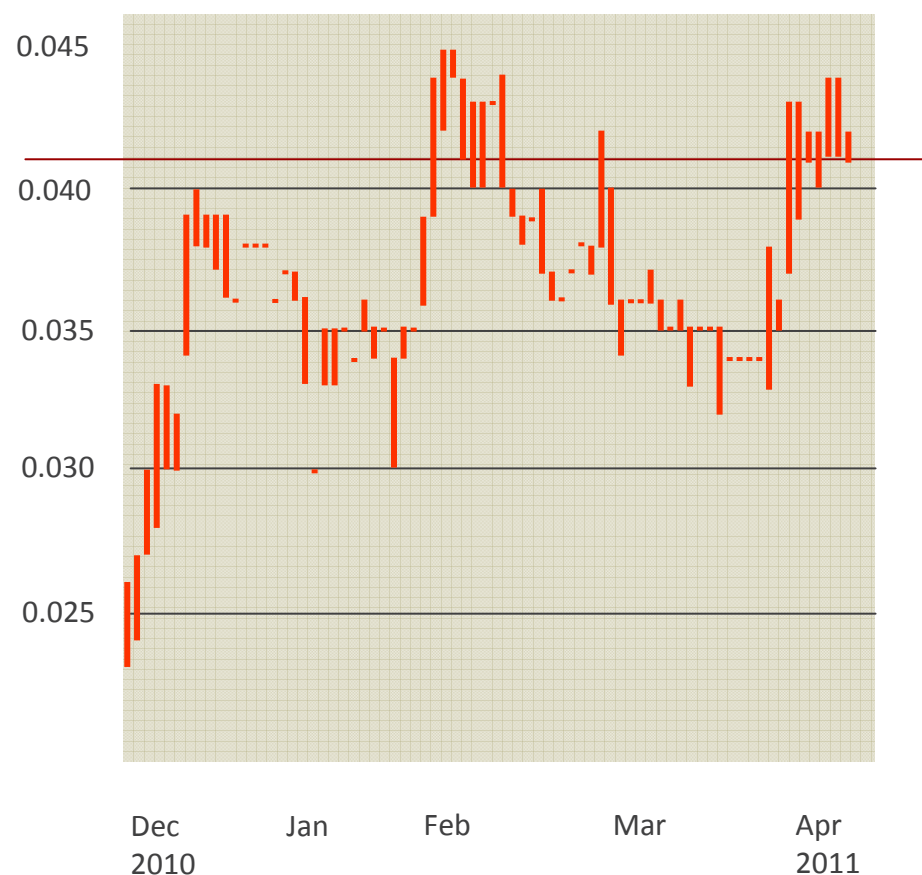
2010 Q4	Q1	Q2	Q3	Q4	2012 Q1
	FDA approves feasibility expansion	Implantable system feasibility	Six month feasibility trial data released	CE Mark approval	Pivotal trial initiation
	Completion of feasibility enrollment			Single unit driver released	
		NASDAQ listing	Cuff changes completed		

Selected financial snapshot at 1H FY11



ASX:	SHC
SHI Market cap:	A\$54 million
Stock on issue:	1,002 million
Monthly burn:	\$1.1 million
Cash @ 31/12/2010:	\$12 million
Employees:	19
Major holders:	77.05%
GBS Ventures	23.6%
CM Capital	27.16%
Straus USA	7.52%
JPMorgan	3.12%
RRC USA	2.6%

SHC share price since 31 December 2010



Management team with industry experience



- **Dave Rosa** – CEO, St. Jude, Boston Scientific, A-Med Systems, Bard
- **William Peters M.D.** – Founder & CMO, Heartport Inc
- **Jeff Mathiesen** – CFO, Zareba, Delphax (NASDAQ: DLPX)
- **Kevin Bassett** – VP of R&D/Quality, Acorn Cardiovascular Inc
- **Deb Kridner** – VP of Clin. & Reg. Affairs, St. Jude, Medtronic, Edwards
- **Sofia Rubalcaba** – Director of Regulatory Affairs, Edwards, St. Jude