

For immediate release

BGLOBAL PLC
("Bglobal" or the "Company" or the "Group")

HALF-YEARLY FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

Bglobal plc (AIM: BGBL), the leading provider of smart energy solutions and services to the UK energy market is pleased to announce its half-yearly financial report for the six months ended 30 September 2011.

Commenting on the results Peter Kennedy, Chairman said: "That the Group has remained profitable at EBITDA and cash generative despite difficult trading conditions is pleasing. Our management team led by Tim Jackson-Smith has taken the decisive action needed to enable us to take advantage of the opportunities that lie ahead. The Utiligroup acquisition and its integration into the Group gives us a platform to deliver many of the solutions required to enable new energy suppliers to compete in what we believe will be an increasingly competitive environment. We believe our smart solutions will give new entrants a competitive edge."

Highlights:

- Group profitable at EBITDA level and cash generative despite difficult trading conditions
- Revenues decreased by 16.3% to £10.43 million (2010: £12.46 million)
- Gross margins increased to 53.6% (2010: 44.6%)
- EBITDA of £1.67 million¹ (2010: £1.03 million)
- Profit before taxation of £0.67 million¹ (2010: £0.77 million)
- Adjusted profit before taxation of £0.05 million² (2010: £1.45 million²)
- Net cash generated from operating activities £0.94 million (2010: £0.27 million)
- Cash balances at 30 September 2011 of £3.58 million
- Annualised cost savings of £1.5 million made during the period

¹ After crediting £1.46 million due to the reversal of the contingent consideration accrual relating to the acquisition of Utiligroup

² Before the credit of £1.46 million arising from the reversal of contingent consideration accrual relating to the acquisition of Utiligroup, share based payments charges of £0.07 million and amortisation of acquired intangibles of £0.77 million (2010: £0.20m exceptional charge, share based payments charge of £0.14m and amortisation of £0.35m).

Tim Jackson-Smith, Group Chief Executive Officer added: "I am pleased with the progress that the Group has made over the last six months. The markets that the Group operates in are about to undergo major change and the type of systems needed by suppliers to operate in a smart world are radically different to those that are used today. The ability of the Group to develop and deliver a fully integrated "Smart from the Start™" service will create significant value for shareholders and mean that we are well positioned to play a major role in the future development and direction of the market."

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CHAIRMAN'S STATEMENT

I am pleased to report the Group's results for the half year ended 30 September 2011. The Group was profitable at EBITDA level and cash generative in the period.

This has been a challenging yet exciting six months for the Group. Our CEO Tim Jackson-Smith has taken the decisive action required to enable us to take advantage of the opportunities ahead. I am confident that under his leadership we will start to reshape the industry. Our partnership with Samsung will help us deliver Smart Grid solutions from both the consumer and distribution network perspective.

Results

Revenue decreased by 16% to £10.43 million including £3.40 million from Utiligroup (2010: £3.05 million), with recurring and other services revenues increasing by 28.7% to £2.64 million (2010: £2.05 million). Administrative costs increased to £5.32 million (2010: £4.3420 million). Adjusted profit before taxation was £0.05 million (before the credit of £1.46 million arising from the reversal of contingent consideration accrual relating to the acquisition of Utiligroup, share based payment charges of £0.07 million and amortisation of acquired intangibles of £0.77 million) (2010: £1.45 million). Profit before taxation was £0.67 million (2010: £0.55 million). Earnings per share were 0.72p (2010: 0.62p). The Group generated £0.94 million of cash from its operating activities and its cash balances at 30 September 2011 were £3.58 million.

Dividend

The Board is not recommending a dividend, as all funds are needed at this time to be invested in the development of the business.

Business and market developments

In my last report I commented on the importance of secure, affordable and sustainable energy to governments around the world and how the energy sector will play a key role in meeting these challenges. Whilst this is still valid, the present is beset with economic challenges that must be overcome if we are to ensure the smart delivery of energy in the future. We should also remember that consumers have seen the price of energy rise way beyond the level of inflation which has led to more and more people slipping into fuel poverty.

The Government's eagerly awaited Spring Package delivered a blow to our strategic objectives by delaying the start of the rollout of smart meters until at least 2014. The current programme is in my view overly complex and beset with issues and even for the rollout to commence in 2015 looks like an ambitious goal. Fortunately the Government will allow smart meters to be rolled out during what it is calling the "foundation phase" before 2014 and this has allowed us to set objectives to deliver a "Smart from the Start™" platform of systems and services that will enable a major retail player to come into the market at scale in 2012.

I firmly believe that our model of supplying an end-to-end fully funded "Smart from the Start™" solution will deliver benefits to consumers by empowering them to manage their energy consumption dynamically and to achieve the concomitant savings.

Outlook

Our strategic direction is now clear and we have the team in place lead by Tim Jackson-Smith to deliver on the objectives we have set ourselves. Our “Smart from the Start™” proposition will increase competition and help the consumer.

Peter B Kennedy
Chairman

CHIEF EXECUTIVE'S STATEMENT

Despite the first six months of this financial year having presented the Group with a number of challenging conditions, I am pleased to report that the Group made significant progress over the period and has continued to be profitable at EBITDA level, and cash generative at an operational level. The Group has a strong balance sheet with in excess of £3.5 million of cash and is well positioned to become a trusted provider of smart energy efficiency services to end users.

Bglobal Metering

There continues to be uncertainty around the mass rollout of smart metering in the UK and this has led to some of our customers reducing the rate at which they are installing smart meters. Accordingly, the business has seen a marked slowdown in the volume of installations taking place in the industrial and commercial sector. However, despite this expected slow down the business has delivered an operating profit in the period. Revenue from meter installations was £4.56m (2010: £8.76m). The Group's accredited data collection, data aggregation and meter operation revenue for the period was £2.08m (2010: £1.66m).

It became apparent during the first 6 months of this financial year that the cost savings made at the beginning of the financial year had not gone far enough and the Board has, therefore, taken additional steps to further reduce the cost base within the business. These steps will generate annual savings of approximately £1.5 million in addition to the £1 million achieved earlier this year. The savings have been achieved by reducing head count within the business and by a reduction in certain associated costs. This process was completed at the end of October and these additional savings will be seen in the second half of this financial year.

Utiligroup

Utiligroup has performed in line with the Board's expectations in the period and has been profitable and cash generative. Revenue for the period was £3.40m (2010: £3.05m). In the UK, Utiligroup continues to see strong and growing interest from new entrants to the energy supply sector, with a range of domestic and SME focused companies in advanced discussions for their market entry underpinned by our solutions. In addition, the service offering has been expanded to address further complex areas, such as the energy settlement process, to provide additional support to new entrants.

Utiligroup's solutions for energy wholesale trading continue to attract new clients, and we are seeing signs of this market being stimulated by the government's Electricity Market Review. Likewise, the evolution of the electricity distribution role is creating an opportunity for us to expand our offerings and client base.

In Australia, Utilisoft continues to grow its customer base with new contract wins including Endeavour Energy and APA Group, who have both completed successful software implementations. Existing customers, Essential Energy, Aurora Energy and TRUenergy have all moved into production with major projects using Utilisoft software and services. Furthermore, energy retailer TRUenergy has awarded a contract to Utilisoft to provide 24 x 7 market interaction support services, thus increasing recurring revenues and providing a platform to offer further services to TRU and similar support for other clients.

Strategy

As mentioned in our recent trading update, the Group is currently working with an experienced retail player to establish a new energy supplier that will enter the market at scale. I am pleased to report that we are making good progress in these discussions and I hope to be able to provide further details about this transaction early in the New Year. Our relationship with Samsung C&T is also valuable to this initiative as it will help to provide the new entrant with a fully funded solution for the installation of smart meters across its portfolio of customers. We are also continuing to move this initiative forward and again should be in a position to update shareholders on the structure and nature of this deal in the New Year.

Outlook

The markets in which the Group operates are evolving and this has resulted in the Group needing to fundamentally alter its approach to the way it wins work and who its customers are. It is clear that this financial year will be a transitional period for the Group in which we will seek to position ourselves so as to benefit from the opportunities that this evolution will bring. As key Government policy and industry initiatives take shape around smart metering, such as the Renewable Heat Incentive and the Green Deal, we also anticipate new opportunities opening up for the Group in which its broad, integrated capability can play a major role.

Tim Jackson-Smith
Chief Executive Officer

Bglobal plc**Consolidated statement of Financial Position at 30 September 2011**

	As at 30 Sept 11 Unaudited £'000	As at 30 Sept 10 Unaudited £'000	As at 31 Mar 11 Audited £'000
ASSETS			
NON CURRENT ASSETS			
Intangible assets	7,974	8,915	8,828
Property, plant & equipment	719	900	761
Deferred tax assets	1,218	1,991	1,251
Assets held for sale	-	214	-
	<u>9,911</u>	<u>12,020</u>	<u>10,840</u>
CURRENT ASSETS			
Inventories	1,724	2,023	2,538
Subsidiaries held for sale	295	-	214
Trade and other receivables	5,055	5,762	6,888
Cash and cash equivalents	3,584	4,741	6,618
	<u>10,658</u>	<u>12,526</u>	<u>16,258</u>
TOTAL ASSETS	<u>20,569</u>	<u>24,546</u>	<u>27,098</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1,063	995	997
Share premium	20,709	19,978	20,027
Share based compensation	454	376	388
Merger reserve	792	792	792
Translation reserve	21	-	22
Retained deficit	(10,343)	(9,077)	(11,070)
TOTAL EQUITY	<u>12,696</u>	<u>13,064</u>	<u>11,156</u>
NON CURRENT LIABILITIES			
Deferred taxation	1,418	1,877	1,634
Other financial liabilities	950	950	950
	<u>2,368</u>	<u>2,827</u>	<u>2,584</u>
CURRENT LIABILITIES			
Trade and other payables	4,930	5,227	6,802
Other financial liabilities	130	3,013	6,248
Current tax	445	415	308
	<u>5,505</u>	<u>8,655</u>	<u>13,358</u>
TOTAL LIABILITIES	<u>7,873</u>	<u>11,482</u>	<u>15,942</u>
TOTAL EQUITY AND LIABILITIES	<u>20,569</u>	<u>24,546</u>	<u>27,098</u>

Bglobal plc**Consolidated statement of comprehensive income for the period ended 30 September 2011**

	Note	6 Months ended 30 Sept 11 Unaudited £'000	6 Months ended 30 Sept 10 Unaudited (restated) £'000	Year ended 31 Mar 11 Audited (restated) £'000
REVENUE		10,427	12,456	28,995
Cost of sales		(4,834)	(6,764898)	(15,865)
Gross profit		5,593	5,695558	13,130
Share-based compensation		(66)	(137)	(139)
Administrative expenses		(5,315)	(4,335198)	(8,967)
EBITDA		212	1,223	4,024
Amortisation and depreciation		(208)	(129)	(347)
Amortisation of acquired intangibles		(773)	(347)	(1,219)
PROFIT / (LOSS) FROM OPERATIONS		(769)	747	2,458
Separately disclosable items	3	1,461	(194)	(3,109)
Profit on disposal of subsidiary		-	253	-
Finance costs		(38)	(47)	(90)
Finance income		15	9	19
PROFIT / (LOSS) BEFORE TAXATION		669	768	(722)
Taxation	4	58	(207)	(709)
PROFIT / (LOSS) FOR THE PERIOD		727	(561)	(1,431)
Currency translation difference		(1)	-	22
Other comprehensive income		(1)	-	22
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD		726	(561)	(1,409)
Earnings per share – basic (pence)	5	0.72	0.62	(1.51)
Earnings per share – diluted (pence)	5	0.70	0.58	(1.51)

The results for the period are derived from continuing activities.

Bglobal plc**Consolidated statement of cash flows for the period to 30 September 2011**

	6 Months ended 30 Sept 11 Unaudited £'000	6 Months ended 30 Sept 10 Unaudited £'000	Year ended 31 Mar 11 Audited £'000
Cash flow from operating activities			
Profit / (Loss) before taxation	669	768	(722)
Movement in contingent and deferred consideration	(1,461)	-	2,915
Cost of fundamental restructuring	-	194	-
Share based compensation	66	127	139
Finance costs	38	47	90
Finance income	(15)	(9)	(19)
Depreciation	208	78	196
Amortisation	773	399	1,369
(Increase) / decrease in inventories	814	(429)	(944)
(Increase) / decrease in trade and other receivables	1,848	(1,538)	(2,988)
Increase / (decrease) in trade and other payables	(1,859)	825	2,276
(Profit) / Loss on forward contracts	(56)	-	13
Movement on subsidiaries held for sale	(81)	-	107
Foreign exchange difference	(1)	-	22
Profit from sale of segment lines	-	(253)	-
Cash generated from operations	943	209	2,454
Taxation received	-	57	(132)
Net cash generated by operating activities	943	266	2,322
Investing activities			
Payments to acquire property, plant and equipment	(85)	(102)	(204)
Payments to acquire intangible assets	-	(96)	(313)
Payments to acquire subsidiary undertaking	(3,823)	(4,494)	(4,300)
Finance income	15	9	19
Net cash acquired with subsidiary undertaking	-	604	604
Cash (used in) investing activities	(3,893)	(4,079)	(4,194)
Financing			
Net proceeds on issue of ordinary shares	-	6,366	6,418
Net movement on short term cash borrowings	-	(9)	-
Repayment of bank loan	(15)	-	(24)
Payments in respect of obligations under finance leases	(31)	-	(57)
Finance costs	(38)	(47)	(90)
Cash (used in)/generated by financing activities	(84)	6,310	6,247
(Decrease) / increase in cash and cash equivalents	(3,034)	2,497	4,375
Cash and cash equivalents at the beginning of the financial period	6,618	2,244	2,243
Cash and cash equivalents at the end of the financial period	3,584	4,741	6,618

Bglobal plc-
Consolidated statement of changes in equity for the period ended 30 September 2011

	Share capital	Share premium	Share Based Compensation reserve	Merger reserve	Translation Reserve	Retained deficit	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2010	791	12,766	249	792	-	(9,638)	4,960
Issue of shares	204	7,604	-	-	-	-	7,808
Issue costs of shares	-	(392)	-	-	-	-	(392)
Total comprehensive income for the period	-	-	-	-	-	561	561
Share based compensation	-	-	127	-	-	-	127
Balance as at 1 October 2010	995	19,978	376	792	-	(9,077)	13,064
Exercise of options	2	56	-	-	-	-	58
Issue costs of shares	-	(7)	-	-	-	-	(7)
Loss for the period	-	-	-	-	-	(1,993)	(1,993)
Share based compensation	-	-	12	-	-	-	12
Currency translation difference	-	-	-	-	22	-	22
Total comprehensive loss for the period	-	-	-	-	22	(1,993)	(1,971)
Balance as at 31 March 2011	997	20,027	388	792	22	(11,070)	11,156
Issue of shares	66	682	-	-	-	-	748
Profit for the period	-	-	-	-	-	727	727
Share based compensation	-	-	66	-	-	-	66
Currency translation difference	-	-	-	-	(1)	-	(1)
Total comprehensive profit for the period	-	-	-	-	(1)	727	726
Balance as at 30 September 2011	1,063	20,709	454	792	21	(10,343)	12,696

Notes to the accounts

1. Basis of preparation and accounting policies

Basis of preparation

The Group's half-yearly financial report consolidates the results of the company and its subsidiary undertakings made up to 30 September 2011. The company is a limited liability company incorporated and domiciled in England & Wales and whose shares are quoted on AIM, a market operated by The London Stock Exchange. The consolidated financial information of Bglobal plc is presented in Pounds Sterling (£), which is also the functional currency of the parent.

The financial information contained in this half-yearly financial report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. It does not therefore include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 March 2011.

The financial information for the 6 months ended 30 September 2011 is also unaudited.

The Group's statutory accounts for the year ended 31 March 2011 have been delivered to the Registrar of Companies. The report of the auditors on these accounts was unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

Significant accounting policies

The accounting policies used in the preparation of the financial information for the six months ended 30 September 2011 are in accordance with the recognition and measurement criteria of International Financial Reporting Standards ('IFRS') as adopted by the European Union and are consistent with those which will be adopted in the annual statutory financial statements for the year ended 31 March 2012.

While the financial information included has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), this announcement does not in itself contain sufficient information to comply with IFRS's.

2. Segmental information

The Group has three reportable segments, Central costs, Metering and data services, and Software and related services. This disclosure correlates with the information which is presented to the Group's Chief Decision Maker, the CEO. The Group's revenue, profit before taxation and net assets were all derived from its principal activities. Operations are carried out within the United Kingdom and Australia.

6 months ended 30 September 2011	Metering and data services	Software and related services	Central Costs	Total
	£'000	£'000	£'000	£'000
REVENUE				
Total revenue – UK	7,030	2,369	-	9,399
Total revenue – Australia	-	1,027	-	1,027
Total revenue	7,030	3,396	-	10,426
RESULT				
Segment result	58	793	(159)	692
Finance income	-	12	3	15
Finance costs	-	-	(38)	(38)
Profit / (loss) before tax	58	805	(194)	669
ASSETS				
Total assets – UK	8,795	7,476	1,061	17,332
Total assets - Australia	-	3,237	-	3,237
Total Assets	8,795	10,713	1,061	20,569
LIABILITIES				
Total liabilities – UK	1,478	3,028	2,409	6,915
Total liabilities – Australia	-	958	-	958
Total Liabilities	1,478	3,986	2,409	7,873
NET ASSETS	7,317	6,727	(1,348)	12,696
CAPITAL ADDITIONS				
Property, plant and equipment – UK	14	37	-	51
Property, plant and equipment – Australia	-	34	-	34
	14	71	-	85

6 months ended 30 September 2010	Metering and data services	Software and related services	Total
	£'000	£'000	£'000
REVENUE			
Total revenue	10,422	2,034	12,456
RESULT			
Segment result	587	558	1,145
Amortisation of intangible assets	(51)	(347)	(398)
Profit on disposal of subsidiary	-	253	253
Separately disclosable items	-	(194)	(194)
Finance income	4	5	9
Finance costs	(47)	-	(47)
Profit before tax	493	275	768
ASSETS			
Total assets	21,384	3,162	24,546
LIABILITIES			
Total liabilities	9,369	2,113	11,482
NET ASSETS	12,015	1,049	13,064

Year ended 31 March 2011	Metering and data services	Software and related services	Adjustments	Total
	£'000	£'000	£'000	£'000
REVENUE				
Total revenue – UK	22,921	3,992	-	26,913
Inter segment sales – UK	-	-	(366)	(366)
Australia	-	2,448	-	2,448
	<u>22,921</u>	<u>6,440</u>	<u>(366)</u>	<u>28,995</u>

RESULT

Segment result before separately identifiable items	1,926	532	-	2,458
Separately identifiable items	-	-	(3,109)	(3,109)
Segment result after separately identifiable items	1,926	532	(3,109)	(651)
Finance income	11	8	-	19
Finance costs	(88)	(2)	-	(90)
Profit/(loss) before tax	<u>1,849</u>	<u>538</u>	<u>(3,109)</u>	<u>(722)</u>

CAPITAL ADDITIONS

Property, plant and equipment – UK	201	140	-	341
Property, plant and equipment – Australia	-	10	-	10
	<u>201</u>	<u>150</u>	<u>-</u>	<u>351</u>
Intangible assets – UK	313	4,687	-	5,000
Intangible assets – Australia	-	2,368	-	2,368
	<u>313</u>	<u>7,055</u>	<u>-</u>	<u>7,368</u>
Goodwill	-	2,337	-	2,337
	<u>313</u>	<u>9,392</u>	<u>-</u>	<u>9,705</u>

Year ended 31 March 2011	Metering and data services	Software and related services	Total
	£'000	£'000	£'000
AMORTISATION AND DEPRECIATION			
Amortisation and depreciation – UK	283	905	1,188
Amortisation and depreciation – Australia	-	377	377
	<u>283</u>	<u>1,282</u>	<u>1,565</u>
ASSETS			
Total assets – UK	16,267	7,733	24,000
Total assets – Australia	-	3,098	3,098
	<u>16,267</u>	<u>10,831</u>	<u>27,098</u>
LIABILITIES			
Total liabilities – UK	11,572	3,394	14,966
Total liabilities – Australia	-	977	977
	<u>11,572</u>	<u>4,371</u>	<u>15,943</u>

3 Separately disclosable items

These comprise:	6 Months ended 30 Sept 11 Unaudited £'000	6 Months ended 30 Sept 10 Unaudited £'000	Year ended 31 Mar 11 Audited £'000
Release/(charge) for accrued contingent consideration on the acquisition of Utiligroup	1,461	-	(2,915)
Acquisition costs	-	(194)	(194)
	<u>1,461</u>	<u>(194)</u>	<u>(3,109)</u>

4 Taxation

	6 Months ended 30 Sept 11 Unaudited £'000	6 Months ended 30 Sept 10 Unaudited £'000	Year ended 31 Mar 11 Audited £'000
Current tax:			
Corporation tax at 26% (March 2011 28%)	126	332	244
R & D tax credit	-	(57)	(131)
Adjustment in respect of prior period	-	-	21
Total current tax	<u>126</u>	<u>(275)</u>	<u>133</u>
Deferred tax:			
Total deferred tax	(184)	(68)	576
Income tax charge/(credit)	<u>(58)</u>	<u>(207)</u>	<u>709</u>

5 Earnings per share

The calculation of basic earnings per ordinary share is based on profits attributable to equity holders of £726,483 (6 months ended 30 September 2010: £561,187, year ended 31 March 2011: £1,431,210 loss) and on 100,815,787 ordinary shares (6 months ended 30 September 2010: 90,431,035 year ended 31 March 2011: 94,975,117) being the weighted average number of shares in issue during the year.

	6 Months ended 30 Sept 11 Unaudited £	6 Months ended 30 Sept 10 Unaudited £	Year ended 31 Mar 11 Audited £
Profit attributable to shareholders	726,483	561,187	(1,431,210)
Interest on convertible debt net of tax	28,120	27,360	-
Adjusted profit for diluted earnings per share	<u>754,603</u>	<u>588,547</u>	<u>-</u>
Weighted average number of shares – basic	100,815,787	90,431,035	94,975,117
Weighted average number of shares – diluted	107,532,753	101,249,766	94,975,117
Earnings per share – basic (pence)	0.72	0.62	(1.51)
Earnings per share – diluted (pence)	0.70	0.58	(1.51)

6 Restatement of prior period comparatives

The directors have restated the prior period comparatives to exclude from administrative expenses and operating profits the costs relating to acquisitions. In the opinion of the directors this change in presentation is required in order for the financial information to reflect more fairly the results from normal operating activities of the group. They have reclassified "separately disclosable items", which represent exceptional non-recurring gains and losses relating to corporate acquisitions, including adjustments to contingent consideration, to be shown after operating profit. The effect of this restatement is to show a profit from operations of £2,458k (previously stated as loss of £651k) in the results for the year ended 31 March 2011. There is no impact on net loss for that year.

7 The half-yearly financial report was approved for issue by the Board of Directors on 12 December 2011.

8 A copy of this half-yearly financial report is available from the Company's Registered Office or by visiting our website at www.bglobalplc.com.

INDEPENDENT REVIEW REPORT TO BGLOBAL PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2011 which comprises the Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing and presenting the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee pronouncements as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the presentation, recognition and measurement criteria of International Financial Reporting Standards and International Financial Reporting Interpretations Committee pronouncements, as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2011 is not prepared, in all material respects, in accordance with the presentation, recognition and measurement criteria of International Financial Reporting Standards and International Financial Reporting Interpretations Committee pronouncements as adopted by the European Union, and the AIM Rules of the London Stock Exchange.

Baker Tilly UK Audit LLP

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13 December 2011