



3 February 2010

## **BGLOBAL PLC**

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

### **Contract Wins and Trading Update**

Bglobal plc (AIM:BGBL), the leading UK smart metering and energy data company, announces an update on trading and recent contract wins underpinning the future prospects for the year to 31 March 2011.

#### **British Gas Business**

Bglobal is pleased to announce that it has signed a new agreement to supply and install smart meters for British Gas Business during 2010. This contract value is anticipated at more than £12 million. In addition, the Company will provide new data services, delivering recurring revenues of more than £1 million per annum.

Bglobal has supplied British Gas Business with smart metering services under a preferred supplier framework contract since July 2006. The new agreement is a variation to this framework which will guarantee delivery of a fixed programme of meter installations by the end of the current calendar year.

British Gas Business is the market leader in providing energy services to UK businesses, including advanced and smart meters. The provision of smart metering and energy solutions is a key focus for British Gas Business, as it helps its business customers manage their energy usage and meet regulatory requirements such as the Carbon Reduction Commitment Energy Efficiency Scheme.

#### **Dual Energy**

Bglobal is also pleased to announce that it has signed an agreement to deliver end-to-end smart metering services to new electricity market entrant Dual Energy Direct Limited ("Dual").

Bglobal will supply, install and service its latest generation of smart electricity meters to Dual's business customers in the UK from April 2010 onwards in support of ambitions growth plans. Bglobal will also supply data collection and analysis services and its web-based energy management software platform.

Dual is the second new electricity market entrant that Bglobal has won in recent months following Gazprom Marketing and Trading Ltd with whom the Company has been working since September 2009.

#### **G4S Utility Services**

To support Bglobal's increased installation and field service requirement, the Company has sought to develop relationships with established national providers of field services. The Company has now established relationships with five such providers, all of whom are installing for the Company alongside Bglobal's own national field force. Since October 2009 the Company has been working on a trial basis

with G4S Utility Services, one of the UK's largest national providers of metering and field services and part of G4S plc (LON:GFS). We are pleased to announce that this trial has been successful and that Bglobal is to extend this working relationship by significantly increasing the volume and type of field services performed by G4S Utility Services in parts of the UK on the Company's behalf.

### **Recent Trading**

During the third quarter of the year Bglobal installed nearly 10,500 meters and recently installed its 80,000<sup>th</sup> meter in the large and medium business market.

The freezing weather conditions experienced in December and January throughout the UK affected our programme of installations with many schools, local authorities, public sector premises and business premises closed and hazardous driving conditions on roads making sites inaccessible. The Company's completion rate on booked meter exchange appointments therefore fell from our targets.

Despite the recent disruptions, the Company continues to trade broadly in line with current market revenue expectations for the year to 31 March 2010. However, a combination of the adverse weather conditions, the demand from customers for a new type of meter which led to the need to make larger and more frequent shipments of meters by air to the UK and the investment by the Group in additional field service capability ahead of the British Gas Business order has affected the gross margin. Profit for the period will therefore be lower than current market expectations.

**Tony Barnes, Chief Executive of Bglobal, said:** "We have seen a rapid bounce back in the daily installation rate following the disruption brought to our installation operations by the big freeze in December and early January.

"Looking forward, our new contracts and the move to a fixed programme of meter installations in the year ahead with British Gas Business underpins our forward order book for the year to 31 March 2011, which is currently more than 75 per cent covered. The contract also signals British Gas Business' clear intent to bring on the smart energy revolution and accelerate the benefits of smart metering for UK businesses.

"Until now we have been asked to deliver on broad framework agreements where exact monthly customer requirements have sometimes been difficult to forecast. By signing a fixed delivery agreement under our long-term framework we can set better expectations with our customer and plan ahead with more certainty."

**Jeff Whittingham, Head of Energy Services at British Gas Business, said:** "With over 50,000 smart meters already in use, British Gas Business is the largest provider of smart meters to UK businesses. Our customers have told us they're finding smart meters easy to use, and that they're helping them be more aware of how they use energy, and how they can save it. Today's contract announcement is an important element of our smart meter rollout plan, which is to have an additional 100,000 smart meters in operation by the end of 2010."

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**For further information, please visit [www.bglobalplc.com](http://www.bglobalplc.com) or contact:**

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