20 November 2012

Byotrol plc

Interim results for the six months ended 30 September 2012

'Strong progress in revenues and costs'

Byotrol plc ('Byotrol', the 'Group' or the 'Company'), the developer of anti-microbial hygiene technologies, is pleased to announce its unaudited Interim results for the six months ended 30 September 2012.

Operational highlights include:

- Landmark commercial licensing agreement with Kimberly Clark through joint venture Byotrol Consumer Products
- Revenues increased by 11%
- Revenues in core UK Food & Beverage up by 88%
- A significant improvement in gross profit margin to 34% (up by 7 percentage points)
- A 33% reduction in overhead expenses resulting in a saving of £516k in the six month period
- A 51% improvement in underlying operational result for the period
- Cash outflow from operating activities, pre-working capital, has reduced significantly by 58% to £551k (2011: £1,325k)
- Byotrol Consumer Products makes its first profit contribution to Byotrol plc
- New product listings with Office Depot, Greenhams and Needlers in the UK business to business sector
- Continued Petcare progress with product launches in China and new listing in Sainsbury's
- New licensing agreement signed with Afrivet for Petcare, Veterinary and Agriculture markets in South Africa

Commenting on the results, Gary Millar, Chief Executive of Byotrol, said:

"Byotrol has had a strong half year. Overall revenues have continued their upward momentum, and in particular core Food and Beverage sales in the UK were up by 88%, reflecting the successful implementation of the refocused strategy.

"Major progress has been made in reducing costs and hence cash burn. A 33% reduction in fixed costs resulted in significant improvements in margin and operational result for the period, and these will continue.

"We have put in place additional building blocks for further growth, which will be reflected in the second half of the year. These include new catalogue listings with key facilities management and business services providers; geographic and product expansion of our Petcare activities; product launches in several territories through our agreement with Rentokil Initial; and a strategy to develop our US business supported by unique claims.

"We are delighted with progress in our consumer products joint venture Byotrol Consumer Products ("BCP"). Kimberly Clark has signed a global licensing deal with BCP following completion of a two year technical validation program. This is in addition to further excellent progress in BCP's agreement with the McBride Group for the additional supply of products to Tesco plc, and a maiden profit contribution from BCP to Byotrol plc."

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Notes to Editors

Byotrol plc (BYOT.L), quoted on AIM, is a leading anti-microbial technology hygiene company, operating globally in the Healthcare, Food and Consumer sectors, providing a low toxicity product with a broad-based and long lasting efficacy across all microbial classes; bacteria, viruses, fungi, moulds, mycobacteria and algae.

Powerful, long lasting and gentle, Byotrol's products can be used stand alone or as an ingredient brand where, as a complementary addition within existing products, Byotrol can significantly improve their performance in personal hygiene, domestic and industrial disinfection, odour control, food production and food management.

Founded in 2005, the Company has prioritised the development of a technology that creates easier, safer and cleaner lives through partnering with providers of essential goods and services. Byotrol is the catalyst behind the global 'Hygiene Revolution'.

For more information, please go to www.byotrol.co.uk

Chief Executive's Report

I am delighted to present positive results for the six months ended 30 September 2012. During this period we have continued the revenue growth momentum achieved in the latter half of the preceding period, whilst at the same time putting in place additional growth platforms.

Simultaneously we have implemented our leaner innovation strategy outlined in our previous annual report, aimed at radically addressing our cost base and driving margins forward. I am particularly pleased to report we are ahead of expectation on our fixed costs targets and delivering the significant margin improvement anticipated. Both of these have contributed to a marked improvement in the underlying operational result, with the loss reduced by more than half.

These changes, and other operational efficiency measures, are essential to achieving our objective of sustained profitability. Simultaneously, we have continued to invest in our technology and business development capability to ensure a refreshed product pipeline and an improved ability to drive the top line.

Revenues for the period were £1.03m (2011: £0.92m) representing 11% growth. The reported loss for the period was £0.68m (2011: loss of £1.38m) demonstrating a 51% improvement. The balance sheet at 30 September 2012 had cash and cash equivalents of £0.78m (2011: £0.47m).

Margins for the period were significantly improved at 34% (2011: 27%) as the beneficial results of the operational actions taken towards the end of the previous year have started to feed through. Elsewhere, we continue to eliminate all non-essential cost from the business, which together with expected second half growth and continued EBITDA improvement will further improve our operational cash performance.

Over the period we have continued to work to identify partners with significant geographic and sector reach, and we have successfully put in place new supply and/or licensing agreements. At the same time we have supported the roll out of previously announced deals focused on more effective distribution partners, to help maximise the adoption of our market leading technology.

I am pleased therefore to be able to report continued good progress in each of our core sectors and in particular the quality of partners with whom we are routinely engaging. The growing number of market-leading hygiene enterprises who are prepared to put Byotrol's technological advantage at the heart of their marketing platforms is a key indicator of progress towards our achieving the strategic objective of making Byotrol the ingredient brand of choice for anti-microbial protection.

Markets

Business services

During the period we have seen further progress following the launch of UltraProtect, our co-branded offering with Rentokil Initial. Following the previously reported introduction of UltraProtect in UK, France and Germany, further launches have taken place in Scandinavia.

Whilst early sales have been modest, we remain encouraged by the plans for the wider country roll-out of UltraProtect across the Rentokil Initial group in 2013 and by the potential for market, product and geographic expansion opportunities in addition to those within the 14 country agreement reached in July 2011.

During the period we were chosen as a partner for Office Depot's UK facilities management supply initiative and included as the lead hygiene supplier in their recently launched catalogue. This is a significant development as it provides access to 5,000 contracted Office Depot customers and over 500,000 customers via their Viking catalogue range.

At the same time we were listed with Bunzl Greenhams, one of the UK's leading suppliers of hygiene consumables. Both these catalogue listings were firsts for Byotrol and our inclusion opens up multiple channels to further business to business opportunities.

In the leisure sector we built on the adoption of Byotrol in high contact areas on cruise liners with the further adoption of our hand hygiene products by the Holland America fleet.

Consumer products

During the period we announced a landmark commercial licensing deal between Kimberly Clark and Byotrol Consumer Products, our joint venture with ?What If! Ventures. This was the result of a two year programme of technical and marketing collaboration and represents an unequivocal endorsement of the technical credentials of the Byotrol technology. This is the most significant example of our strategy of positioning Byotrol as the "Intel of Hygiene" by partnering with one of the world's largest and best recognised companies.

BCP has continued to build upon its successful supply position with Tesco (via the McBride Group) with further extensions to its successful 24 hour antibacterial offering and a new all-purpose antibacterial bathroom product launch.

In the period BCP has contributed an operating profit to Byotrol plc for the first time.

Our Petcare business reported significant progress with a refreshed range of products for Pets at Home; a new partnership agreement leading to the introduction of three product SKU's in Sainsbury's; a licensing deal for Veterinary and Agricultural products via AfriVet in sub Saharan Africa and a Petcare product range launched in

China. This progress will help mitigate the one-off effect of overstocking, which impacted sales, at one UK customer.

Food & Beverage

We have made excellent progress in the UK food sector where Byotrol is considered a ground breaking hygiene technology with applications across the food processing chain. Working closely with partners to implement the Food Standards Agency '*Safer Food Better Business'* initiative, we have seen increased adoption of Byotrol – whether in helping combat *Campylobacter* in poultry, *Listeria* in food processing, or the hygiene challenges within supermarkets.

Our strategy in UK food of building more sustainable and repeatable end-user demand is now delivering on its potential. We are delighted to have significantly improved on the previous year on year revenue growth with an impressive 88% growth in the period under review. This has been achieved with increased direct sales to major food processors, including the Bakkavor, Vion and Tulip food groups and we are particularly pleased to have established an initial supply position in the UK with the global food processor ADM.

We have also put in place more effective distributor agreements, particularly our inclusion in the Needlers catalogue for the first time. Within the retail environment we continue to support the Marks & Spencer's *Deli* roll out programme and are well positioned for further store-wide adoption. Our focus now is to continue to build upon this successful UK model and replicate it in other geographies.

Healthcare

During the period we undertook a strategic market assessment of geographies, prospective partners and new routes to the wider healthcare market. We have put in place non-exclusive arrangements to service the NHS in the UK and have augmented our Healthcare business development resource to drive growth.

Byotrol team

The Byotrol team has worked tirelessly during the period and continues to demonstrate an exemplary level of dedication and professionalism, and I am extremely proud of their achievements. We have continued to reshape and up-skill the team which is well placed to rise to the market challenges and opportunities presented.

During the period our Board structure was also reshaped with the retirements of Stephen Falder, Adrian Smith and Richard Bell, who has continued as Company Secretary, and the appointment of Duncan Grosvenor as Finance Director.

Outlook

The business has performed well in difficult market conditions. Byotrol has continued its sales growth momentum and is now seeing the clear benefits of the operational improvements and significant cost reductions put in place over the last 12 months, and is well on track to achieve our near term objective of break even.

At the same time we have established further growth platforms through a number of new or improved commercial agreements and key catalogue listings whilst further bolstering our business development capacity.

The team is excited by the progress made in this first half and the quality of commercial partners that we have added to our client list. We look forward to building upon this performance and expect further progress in the second half of the year.

Gary Millar
Chief Executive

Byotrol plc

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the 6 months ended 30 September 2012

	Notes	6 mths ended 30 September 2012 £	6 mths ended 30 September 2011 £	Year ended 31 March 2012 £
Revenue	3	1,027,100	923,384	1,962,813
Cost of sales		(674,094)	(674,877)	(1,535,905)
Gross profit		353,006	248,507	426,908
Administration expenses excluding depreciation and amortisation		(1,056,479)	(1,572,663)	(3,104,366)
Share based payments		(27,039)	-	63,593
Share of joint venture profit/(loss) before tax		108,284	(5,557)	(20,488)
Loss before interest, depreciation, amortisation and tax		(622,234)	(1,329,713)	(2,634,353)
Amortisation		(30,374)	(26,476)	(56,564)
Depreciation		(24,814)	(24,995)	(51,061)
Finance income		569	447	197
Finance costs		(534)	(237)	(15,143)
Loss before tax credit		(677,387)	(1,380,974)	(2,756,924)
Tax credit		-	-	-
Loss for the financial period attributable to owners of the parent		(677,387)	(1,380,974)	(2,756,924)
OTHER COMPREHENSIVE INCOME, NET OF TAX				
Currency translation difference		36,006	4,492	(6,382)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		(641,381)	(1,376,482)	(2,763,306)
Loss per share	4			
Basic per share (pence)		(0.47)	(1.25)	(2.23)
Diluted per share (pence)		(0.47)	(1.25)	(2.23)

The loss for the period arises from the Group’s continuing operations

Byotrol plc

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2012

	As at 30 September 2012 £	As at 30 September 2011 £	As at 31 March 2012 £
ASSETS			
Property, plant and equipment	106,420	154,675	126,744
Intangible assets	458,819	463,191	463,790
	565,239	617,866	590,534
Current assets			
Inventories	464,015	669,915	392,616
Trade and other receivables	1,342,499	1,911,795	1,611,329
Cash and cash equivalents	781,538	475,633	1,624,620
	2,588,052	3,057,343	3,628,565
TOTAL ASSETS	3,153,291	3,675,209	4,219,099
LIABILITIES			
Current liabilities			
Trade and other payables	503,410	866,862	841,579
Obligations under finance leases	-	6,597	5,013
Joint venture	217,608	582,092	325,892
	721,018	1,455,551	1,172,484
Equity attributable to owners of the parent			
Share capital	358,949	276,957	358,949
Share premium account	18,154,985	15,959,603	18,154,985
Merger reserve	1,064,712	1,064,712	1,064,712
Translation reserve	29,624	-	(6,382)
Retained earnings	(17,175,997)	(15,081,614)	(16,525,649)
TOTAL EQUITY	2,432,273	2,219,658	3,046,615
TOTAL EQUITY AND LIABILITIES	3,153,291	3,675,209	4,219,099

Byotrol plc

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
for the 6 months ended 30 September 2012

	6 mths ended 30 September 2012 £	6 mths ended 30 September 2011 £	Year ended 31 March 2012 £
Cash flow from operating activities			
Loss before tax for the period	(677,387)	(1,380,974)	(2,756,924)
Adjustments for:			
Share based payments	27,039	-	(63,593)
Depreciation	24,814	24,995	51,061
Amortisation	30,374	26,476	56,564
Loss on disposal of fixed assets	8,872	-	4,409
Finance income	(569)	(447)	(197)
Finance costs	534	237	15,143
Foreign exchange gains and losses	36,006	4,492	(6,417)
Share of (profit)/ loss of joint venture	(108,284)	5,557	20,488
Increase in joint venture account	(74,598)	(62,234)	(73,810)
Changes in working capital			
(Increase)/decrease in inventories	(71,399)	(104,550)	172,749
Decrease in trade and other receivables	343,431	67,256	479,298
(Decrease)/increase in trade and other payables	(338,169)	345,655	320,372
Net cash used in operating activities	(799,336)	(1,073,537)	(1,780,857)
Income taxes received	-	-	-
Net cash used in operating activities	(799,336)	(1,073,537)	(1,780,857)
Cash flows from investing activities			
Payments to acquire property, plant and equipment	(27,112)	(30,363)	(32,872)
Payments to acquire intangible assets	(25,403)	(64,212)	(94,899)
Proceeds from sale of property, plant and equipment	13,747	-	-
Receipts on behalf of joint venture	-	371,131	-
Interest received	569	447	197
Net cash used in investing activities	(38,199)	277,003	(127,574)
Cash flows from financing activities			
Proceeds of issue of ordinary shares	-	-	2,459,747
Share issue costs	-	-	(182,373)
Capital element of finance lease	(5,013)	(1,593)	(3,177)
Interest paid	(534)	(237)	(15,143)
Net cash (outflow)/inflow from financing	(5,547)	(1,830)	2,259,054
Net (decrease)/ increase in cash and cash equivalents	(843,082)	(798,364)	350,623
Cash & cash equivalents at the beginning of the financial period	1,624,620	1,273,997	1,273,997
Effect of foreign exchange rates	-	-	-
Cash & cash equivalents at the end of the financial period	781,538	475,633	1,624,620

Byotrol plc

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 6 months ended 30 September 2012

	Share Capital £	Share Premium £	Merger Reserve £	Translation Reserve £	Retained Deficit £	Total £
Balance at 1 April 2011	276,957	15,959,603	1,064,712	-	(13,705,132)	3,596,140
Placing of shares	-	-	-	-	-	-
Placing costs	-	-	-	-	-	-
Loss for the period	-	-	-	-	(1,380,974)	(1,380,974)
Other comprehensive income, net of tax:	-	-	-	-	-	-
Currency translation difference	-	-	-	-	4,492	4,492
Total comprehensive loss for the period	-	-	-	-	(1,376,482)	(1,376,482)
Share based payments	-	-	-	-	-	-
Balance at 30 September 2011	276,957	15,959,603	1,064,712	-	(15,081,614)	2,219,658
Placing of shares	81,992	2,377,755	-	-	-	2,459,747
Placing costs	-	(182,373)	-	-	-	(182,373)
Loss for the period	-	-	-	-	(1,380,442)	(1,380,442)
Other comprehensive income net of tax:	-	-	-	-	-	-
Currency translation difference	-	-	-	(6,382)	-	(6,382)
Total comprehensive loss for the period	-	-	-	(6,382)	(1,380,442)	(1,386,824)
Share based payments	-	-	-	-	(63,593)	(63,593)
Balance at 31 March 2012	358,949	18,154,985	1,064,712	(6,382)	(16,525,649)	3,046,615
Loss for the period	-	-	-	-	(677,387)	(677,387)
Other comprehensive income net of tax:	-	-	-	-	-	-
Currency translation difference	-	-	-	36,006	-	36,006
Total comprehensive loss for the period	-	-	-	36,006	(677,387)	(641,381)
Share based payments	-	-	-	-	27,039	27,039
Balance at 30 September 2012	358,949	18,154,985	1,064,712	29,624	(17,175,997)	2,432,273

1 Basis of preparation

The interim financial statements have been prepared in accordance with the AIM rules and the basis of accounting policies set out in the accounts for the year ended 31 March 2012 and on the basis of all International Financial Reporting Standards ("IFRS") as adopted by the European Union that are expected to be applicable to the Group's statutory accounts for the year ended 31 March 2013. The interim financial statements are unaudited and were approved by the Directors on 19 November 2012. The information set out herein is abbreviated and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The results for the year ended 31 March 2012 are in abbreviated form and have been extracted from the published financial statements. These were audited and reported upon without qualification by Baker Tilly UK Audit LLP and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

The Group has not applied IAS 34, Interim Financial Reporting, which is not mandatory for UK Groups, in the preparation of these interim financial statements.

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 Byotrol plc is presented in Pounds Sterling (£), which is also the functional currency of the parent.

2 Going concern

The Group has continued to incur losses in the period to 30 September 2012, but had, at the period end, cash reserves and net assets of £781,538 and £2,432,273. Byotrol plc has prepared interim financial statements on a going concern basis, which assumes the Group will continue in operational existence for the foreseeable future. The Group's ability to meet its future funding and working capital requirements, and therefore continue as a going concern, is dependent upon being able to generate sustainable revenues and free cash flow. The Directors have prepared projected cash flow information for the period ending 12 months from the date of approval of these interim financial statements. The projections take into account the new business opportunities highlighted in the Chief Executive's Report, the timing and quantum of which will affect the Group's cash requirements, which are continually monitored by the Board. In addition the forecasts take into consideration continuation of the achieved cost savings as reported.

On the basis of these projections and having undertaken sensitivity analysis in respect of future sales growth and planned cost savings, the Directors are satisfied that the Group can meet its operational requirements and discharge its liabilities as and when they fall due. Accordingly they continue to adopt the going concern basis in preparing the interim report and accounts. In addition, as a matter of prudence negotiations are currently being undertaken to obtain additional working capital facility to support the future growth of the business and current indications are that these will come to a satisfactory conclusion.

The Directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for this reason they continue to adopt the going concern basis of accounting.

3 Segmental information

The Group has three reportable segments, being Product sales, License fees and Royalties. This disclosure correlates with the information which is presented to the Group's Chief Decision Maker, the CEO. The Group's revenue, result before taxation and assets and liabilities were all derived from its principal activities.

	Continuing operations			
	Product sales	Licence fees	Royalties	Total
6 months ended 30 September 2012	£	£	£	£
REVENUE				
External revenue	1,027,100	-	-	1,027,100
Total revenue	1,027,100	-	-	1,027,100
RESULT				
Segment result	(785,703)	-	-	(785,703)
Investment income	569	-	-	569
Share of joint venture profit	108,281	-	-	108,281
Finance costs	(534)	-	-	(534)
Loss before tax	(677,387)	-	-	(677,387)
OTHER INFORMATION				
Capital additions	52,515	-	-	52,515
Depreciation and amortisation	55,188	-	-	55,188
ASSETS				
Segment assets	3,153,291	-	-	3,153,291
Total assets	3,153,291			3,153,291
LIABILITIES				
/Segment liabilities	721,018	-	-	721,018
Net assets	2,432,273	-	-	2,432,273

3 Segmental information (continued)

	Continuing operations			
	Product sales	Licence fees	Royalties	Total
6 months ended 30 September 2011	£	£	£	£
REVENUE				
External revenue	920,511	2,873	-	923,384
Total revenue	920,511	2,873	-	923,384
RESULT				
Segment result	(1,378,500)	2,873	-	(1,375,627)
Investment income	447	-	-	447
Share of joint venture loss	(5,557)	-	-	(5,557)
Finance costs	(237)	-	-	(237)
Loss before tax	(1,383,847)	2,873		(1,380,974)
OTHER INFORMATION				
Capital additions	94,575	-	-	94,575
Depreciation and amortisation	51,471	-	-	51,471
ASSETS				
Segment assets	3,675,209	-	-	3,675,209
Total assets	3,675,209	-	-	3,675,209
LIABILITIES				
Segment liabilities	1,455,551	-	-	1,455,551
Net assets	2,219,658	-	-	2,219,658

3 Segmental information (continued)

	Continuing operations			
	Product sales	Licence fees	Royalties	Total
Year ended 31 March 2012	£	£	£	£
REVENUE				
External revenue	1,958,270	4,543	-	1,962,813
Total revenue	1,958,270	4,543	-	1,962,813
RESULT				
Segment result	(2,746,521)	4,543	-	(2,741,978)
Investment income	197	-	-	197
Finance costs	(15,143)	-	-	(15,143)
Loss before tax	(2,761,467)	4,543	-	(2,756,924)
OTHER INFORMATION				
Capital additions	127,771	-	-	127,771
Depreciation and amortisation	107,625	-	-	107,625
ASSETS				
Segment assets	4,219,099	-	-	4,219,099
Total assets	4,219,099		-	4,219,099
LIABILITIES				
Segment liabilities	1,172,484	-	-	1,172,484
Net assets	3,046,615		-	3,046,615

3 Segmental information (continued)

Geographical segments

The Group's operations are located in the United Kingdom and the United States of America.

The following table provides an analysis of the Group's sales by geography based upon location of the Group's customers.

6 months ended 30 September 2012	United Kingdom £	North America £	Rest of the World £	Total £
External revenue	797,923	74,462	154,715	1,027,100
Segment assets	2,976,787	176,504	-	3,153,291

6 months ended 30 September 2011	United Kingdom £	North America £	Rest of the World £	Total £
External revenue	561,494	87,068	274,822	923,384
Segment assets	3,153,926	244,279	277,004	3,675,209

Year ended 31 March 2012	United Kingdom £	North America £	Rest of the World £	Total £
External revenue	1,428,663	186,944	347,206	1,962,813
Segment assets	3,968,371	250,728	-	4,219,099

4 Loss per ordinary share

The loss per ordinary share is based on the losses for the period of £677,387 (six months ended 30 September 2011: £1,380,974 loss; twelve months ended 31 March 2012: £2,756,924 loss) and the weighted average number of ordinary shares in issue during the period of 143,579,676 (six months ended 30 September 2011: 110,783,082; twelve months ended 31 March 2012: 123,776,268).

The loss for the period and the weighted average number of ordinary shares for calculating the diluted earnings per share for the six months ended 30 September 2012 and for the comparative periods are identical to those used for the basic earnings per share. This is because the outstanding share options would have the effect of reducing the loss per ordinary share and would therefore not be dilutive.

5 Taxation

No liability to UK corporation or overseas income taxes arises for the period due to losses incurred. The Directors have assessed the position in relation to deferred tax and concluded that no provision or asset should be created at this stage in respect of deferred tax in view of the timescale and uncertainty of the recovery of tax losses. This position will be reviewed again at 31 March 2013.

6 Interim announcement

The interim report was issued to the Stock Exchange and the press on 20 November 2012. A copy will be posted on the Company's website.

Independent Review Report to Byotrol 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 2012 which comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated cash flow statement, the 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 2012 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
Chartered Accountants
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19 November 2012