

05 September 2005



BELGRAVIUM TECHNOLOGIES PLC
(BVM:AIM)
INTERIM RESULTS FOR THE
6 MONTH PERIOD ENDED 30 JUNE 2005

The Board of Belgravium Technologies plc (“Belgravium” or “the Company”), designers and manufacturers of real-time data capture systems, are pleased to announce the Interim Results for the six month period ended 30 June 2005.

HIGHLIGHTS

- Profit on ordinary activity before tax **UP 23%** £484,000 (£393,000 30 June 2004)
- Sales **UP 22%** £2,359,000 (£1,935,000 30 June 2004)
- Cash in bank **UP 25%** £2,484,000 (£1,987,000 30 June 2004)
- Earnings per Share **UP 24%** 0.51p (0.41p 30 June 2004)
- Interim Dividend Maintained 0.13p (0.13p 30 June 2004)

Commenting today, Chief Executive John Kembery said:

“The first half of 2005 has been very positive. Belgravium started the year having received the largest order in its history, a £750,000 contract to supply a proof of delivery ‘POD’ system for Grattan. We are now beginning to see many more POD systems being specified and this is an area for which the Belgravium Atlanta product was specifically developed.

Prospects, both at home and abroad, look very encouraging and in the longer term there is a great deal of interest in Radio Frequency Identification ‘RFID’, which offers a large potential market.

We still believe that an acquisition demonstrating real synergy with Belgravium would be highly desirable. The search continues and we are confident that we will succeed.

As we start the second half there is greater visibility of forward orders than in previous years and greater confidence that our products are right for market developments.”

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Chairman's Statement

Sales in the six months to the end of June 2005 were £2,359,000, 22% higher than in the same period in 2004. Profit on ordinary activities before tax also increased to £484,000, 23% up on the first half of 2004. It is expected that the tax charge will be maintained at 30%, so that undiluted earnings per share show a healthy increase to 0.51p per share, 24% higher than earnings per share in the first half of 2004 (0.41p per share).

In what is still a competitive market this was a positive result and in line with market expectations. We have maintained an interim dividend at 0.13p per ordinary share, the level to which it was increased last year.

Balance Sheet

As with the first half of 2004, the most noteworthy element in the balance sheet was a steady increase in cash. At the end of June 2005, Belgravium had cash totalling £2,484,000, compared to £1,987,000 at the end of June 2004. Whilst this provided a useful interest payment (£54,000), its real benefit is as a reserve for future activities.

The Market

Belgravium started 2005 having received the largest order in its history, a £750,000 contract to supply a proof of delivery 'POD' system for Grattan. As in previous years and in line with the seasonal trend, the first quarter was light on sales. However, the second quarter was much better and whilst we are aware of few prospective orders of the Grattan size, we are now beginning to see many more POD systems being specified. This is an area for which the Belgravium Atlanta product was specifically developed. Prospects, both at home and abroad, look very encouraging and in the longer term there is a great deal of interest in Radio Frequency Identification 'RFID', currently only applied in Belgravium's test projects but which offers a large potential market.

As we reported a year ago, the market continues to seek more refined systems and we are continually upgrading and improving the functions of Belgravium's product suite. We have continued to invest in our technical and sales teams and whilst this has added somewhat to costs, we believe the investment to be justified for future growth.

Acquisitions

We still believe that an acquisition demonstrating real synergy with Belgravium would be highly desirable. It is, of course, vital that we find the right opportunity at the right price. The search continues and we are confident that we will succeed.

Employees

The first half of 2005 has provided the usual challenges associated with seasonal trends. Belgravium's reputation for quality and service can only grow when it matches these variations with good service. That this has happened is a real tribute to the commitment of its staff who have, as always, responded brilliantly.

Dividend

Last year we increased the interim dividend and, whilst there is sufficient cash to do so again, the Directors feel that maintaining the dividend at 0.13p per share will conserve cash for future activities. The record date is 4 November 2005 and the interim dividend will be payable on 3 December 2005.

Outlook

The first half of 2005 has been very positive. As we start the second half there is greater visibility of forward orders than in previous years and greater confidence that our products are right for market developments. We would therefore expect the second half of 2005 to be equally as strong as the first.

FULL RESULTS BELOW

Unaudited Profit and Loss Account
for 6 months to 30 June 2005

	Total 6 months to 30 June 2005 (Unaudited) £'000	Total 6 months to 30 June 2004 (Unaudited) £'000
Turnover	2,359	1,935
Operating profit	430	350
Profit before interest and taxation	430	350
Interest receivable	54	43
Profit on ordinary activities before taxation	484	393
Tax charge on ordinary activities	(145)	(118)
Profit on ordinary activities after taxation	339	275
Ordinary dividend	(87)	(87)
Retained profit for period	252	188
Basic earnings per ordinary share (pence)	0.51	0.41
Diluted earnings per ordinary share (pence)	0.50	0.40

Group Balance Sheet
at 30 June 2005

	As at 30 June 2005 (Unaudited) £'000	As at 30 June 2004 (Unaudited) £'000	As at 31 December 2004 (Audited) £'000
Fixed assets			
Tangible assets	213	250	237
	213	250	237
Current assets			
Stocks	548	452	443
Debtors	1,426	1,408	1,458
Cash at bank and in hand	2,484	1,987	2,219
	4,458	3,847	4,120
Creditors:			
Amounts falling due within one year	(1,939)	(1,713)	(1,871)
Net current assets	2,519	2,134	2,249
Total assets less current liabilities	2,732	2,384	2,486
Provision for liabilities and charges	(48)	(66)	(54)
	2,684	2,318	2,432
Capital and reserves			
Called up share capital	3,341	3,341	3,341
Share premium	120	120	120
Capital redemption reserve	2,100	2,100	2,100
Profit and loss account	(2,877)	(3,243)	(3,129)
	2,684	2,318	2,432

Group cash flow statement

for 6 months to 30 June 2005

	<u>2005</u> (Unaudited) £'000	<u>2004</u> (Unaudited) £'000
Net cash inflow from operating activities	511	272
Returns on investments and servicing of finances		
Interest received	54	43
Taxation		
Corporation tax paid	(55)	(62)
Corporation tax received	-	26
Net corporation tax paid	(55)	(36)
Capital expenditure and financial investment		
Purchase of tangible assets	(31)	(10)
Equity dividends paid to shareholders	(214)	(204)
Net cash inflow before financing	265	65
Financing		
Purchase of own ordinary share capital	-	(121)
Increase/(decrease) in cash	265	(56)

Reconciliation of net cash flow to movement in net debt

for 6 months to 30 June 2005

	<u>2005</u> (Unaudited) £'000	<u>2004</u> (Unaudited) £'000
Increase/(decrease) in cash	265	(56)
Movement in net funds during year	265	(56)
Net funds at 1 January	2,219	2,043
Net funds at 30 June	2,484	1,987

Group cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

	<u>2005</u> (Unaudited) £'000	<u>2004</u> (Unaudited) £'000
Operating profit	430	350
Depreciation	55	54
Movement in provisions	(6)	(4)
Funds generated by operations	<u>479</u>	400
Increase in stocks	(105)	(9)
Decrease/(increase) in debtors	32	(176)
Increase in creditors	105	57
(Increase)/decrease in working capital	<u>32</u>	(128)
Net cash inflow from operating activities	<u>511</u>	272

(b) Analysis of net funds

	At 1 January 2005 (Audited) £'000	Cash flow (Unaudited) £'000	At 30 June 2005 (Unaudited) £'000
Cash at bank and in hand	2,219	265	2,484
	<u>2,219</u>	265	<u>2,484</u>

Notes to the Interim report

for 6 months to 30 June 2005

The interim report has not been audited and the information contained in this interim statement does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The audited accounts for the year ended 31 December 2004, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.

(a) Earnings per share has been calculated on the average number of ordinary shares in issue of 66,825,759 (30 June 2004 : 67,600,484).

(b) Fully diluted earnings per share has been calculated on the average number of ordinary shares, assuming conversion of all dilutive potential ordinary shares of 67,274,654 (30 June 2004 : 68,015,637).

The record date for the proposed dividend for Belgravium Technologies plc is 4 November 2005 (Ex-Dividend Date 2 November 2005).

Copies of this statement will be posted to shareholders and further copies will be made available to the public at the company's office: Campus Road, Listerhills Science Park, Bradford, West Yorkshire, BD7 1HR.

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