

02 March 2006

Belgravium Technologies Plc

(BVM:AIM)

Preliminary Results for the

Year Ended December 31 2005

The Board of Belgravium Technologies plc (“Belgravium” or “the Group”), designers and manufacturers of real-time data capture systems, is pleased to announce the Preliminary Results for the year ended 31 December 2005.

HIGHLIGHTS

- Turnover up 41% £5,430,000 (2004: £3,859,000)
- Pre tax profits up 31% (before amortisation) £982,000 (2004: £751,000)
- Dividend policy maintained
- Acquisition of Touchstar Technologies Ltd (“Touchstar”) in October 2005 (Touchstar sales and profits for the last two months of 2005 are included in the Group results)
- Integration of Touchstar product range
- Expansion into new markets and territories - international petrochemical supply and mobile retail
- Acquisition of Novo IVC Ltd in January 2006
- Both acquisitions earnings enhancing and complimentary to the Group’s growth potential

Commenting today, Executive Chairman John Kembery said:

“The Group made significant progress in 2005 and delivered a solid result, with the largest contribution coming from Belgravium Limited.

It is also pleasing to report that a major acquisition was completed in October and a further acquisition in January 2006, fully consistent with our policy of augmenting organic growth through acquisition. Due both to their strategic importance and earnings enhancement, the Board believes these to be compelling deals for Belgravium. Clearly shareholders agreed, the share placement in relation to the acquisition of Touchstar being over-subscribed and the EGM endorsing the proposal unequivocally.

The teams in all three companies have made a good start in co-operation on matters of finance, sales and technology. Order prospects are excellent, and with the enhanced strength of the enlarged Group, we are optimistic for 2006.’

For further information please contact:

Buchanan Communications Ltd Kelly-Ann French

Mob: 07958 972164

Belgravium Technologies plc John Kembery

Mob: 07770 731021

www.belgraviuminvestorrelations.com

FULL RESULTS BELOW

Chairman's statement

Introduction

Belgravium Technologies plc ("Belgravium" or the "Group") designs, manufactures and installs real time, electronic data capture systems. Historically, these have largely been applied to the UK logistics and the supply chain sectors, but recent acquisitions have moved the Group into international petrochemical supply and mobile retail systems.

Results

The Group made significant progress in 2005 and delivered a solid result, with the largest contribution coming from Belgravium Limited. Turnover for the year was £5,430,000, 41% up on 2004 (£3,859,000). Profit before tax and amortisation of goodwill was £982,000, 31% up on prior year (£751,000). An excellent result, although a little less than expected, due to seasonal delays in some contracts.

Balance Sheet and Acquisitions

The Group balance sheet at the end of 2005 was radically different from that of 2004, due to the major acquisition of Touchstar Technologies Limited ("Touchstar"), financed partly in cash and partly by a term loan and placement of new shares. The net worth of the Group increased from £2,646,000 to £7,406,000 and the year end balance sheet contained £1,799,000 (2004: £2,219,000) in cash, some of which was used for the acquisition of Novo IVC, subsequent to the year end.

Dividend

It is Belgravium's policy to pay dividends and, even though cash reserves have been utilised for acquisitions, future prospects for the enlarged Group are excellent. The Board is therefore pleased to recommend a final dividend of 0.32p per ordinary share. This will be paid on 7 June, subject to the approval at the AGM of shareholders on the register on 12 May 2005.

Belgravium Limited Operations in 2005

Belgravium Limited had another good year in 2005, completing the company's biggest ever contract to supply proof of delivery systems for Grattan. Overall turnover increased by 12% compared to the prior year and the company made good progress in increasing the range and functionality of its products, whilst maintaining the quality of its goods and services. The logistics sector continues to expand but there is no doubt that the market has become more competitive, such that more rapid growth could only be achieved at the expense of margin. In this environment the Group needed to be bigger and to have a larger platform for its technical and geographical development. It is therefore pleasing to report that a major acquisition was completed in October, fully consistent with our policy of augmenting organic growth through acquisition.

Touchstar Technologies Ltd

Like Belgravium Limited, Touchstar supplies data capture systems but into the petrochemical distribution and retail passenger sales market on a much more international scale. The company has been known to Belgravium for several years and there had been some discussions in the past on the benefits that would accrue from a merger. In the second half of 2005 it became clear that many of the historic barriers to such an agreement could be overcome and the deal was completed before the year end.

Touchstar turnover, in its financial year to the end of May 2005, was £7.4 million with a profit before interest and tax of £2.1 million. The acquisition by Belgravium was therefore, a reversal, requiring shareholders' approval. The benefits of this protracted and expensive process were to add to the Group:

- an established brand name with international recognition and real growth opportunities in its target sectors and territories
- additional routes to market and cross-selling opportunities into new geographical areas
- increased buying power and leverage with suppliers of components
- opportunity to streamline product development and realise synergies from combined technical capability
- a higher profile from which to target new markets

In addition, the Directors' believe that the acquisition will enhance earnings in the first year of operation and, partly funded by a share placement, has left the Group's gearing at an appropriate level. Touchstar was acquired for a total of £10.75 million in cash but, since the vendors agreed to leave a minimum of £2.55 million cash in the balance sheet at completion, the debt free/cash free price for the company was £8.2 million, or 3.9 times Touchstar's pre-tax earnings in the year to May 2005.

Due both to the strategic importance and the earnings enhancement, the Board believes this to be a compelling deal for Belgravium. Clearly shareholders agreed, the share placement being over-subscribed and the EGM endorsing the proposal unequivocally. Touchstar sales and profits for the last two months of 2005 are included in the Group results.

Future Group Operations

We believe it to be important to maintain the brand names of Belgravium and Touchstar since both have significant value in their chosen market sectors. Beyond this aspect, many of the functions of the two companies can be merged with substantial benefits, arising not so much from cost saving but from shared use of resources and experience. This is particularly true on the technical front where both companies have, in the past, solved the same technical issues in different ways. Coordination of this function is already bringing benefits. However, we do not intend to rush the merger process, preferring to let the operations grow together rather than force synergies which may not exist. This is a process predicated much more on growth potential than on cost saving.

Novo IVC

Touchstar's other main market is in the travel industry where its data capture hardware is used in retail systems, largely on aircraft but more recently on trains. This sector has historically been handled exclusively by a Leamington Spa based company called Novo IVC ("Novo"), owned by the Swedish software Group, WM-Data.

This company has historically been very profitable and, with its software combined with Touchstar hardware, offers substantial growth opportunities in yet another sector. Subsequent to the year end, Belgravium completed the purchase of this company from WM-Data on 13 January 2006. The consideration of £1,316,000 was paid in cash. At the time of the acquisition Novo had over £600,000 in cash and although the costs of the transaction were high at £350,000, the purchase is highly attractive as the company is expected to make a profit before tax of £250,000 in 2006.

Novo works closely with WM-Data whose products include software for data collection analysis. As part of the deal, the two companies have signed a co-operation agreement aimed at future development of the mobile retail markets. The whole of Novo staff will be retained and, as with Touchstar, many of its functions will be

gradually assimilated into the Group. Thus, the acquisition will be both earnings enhancing and complimentary to the growth potential of the whole Group. 1

Product Development

In 2005, we launched the vehicle mounted Monaco terminal with Windows CE capability. Work has been completed on integrating Radio Frequency Identification (RFID) into the Atlanta terminal and two contracts have been completed in Europe. The functional range of the Atlanta was significantly increased to include voice recognition and GPRS communication. An extensive programme of product development was inherited at Touchstar and has been complimented by sharing resources between the two sites.

Employees

As in previous years Belgravium's staff have coped admirably with all of the changes inevitable in such an active year. The two acquisitions more than double the numbers employed within the Group and bring additional skills with which to approach the substantial growth potential of our chosen markets. We welcome these new members to Belgravium, and they may look forward to a secure future in the enlarged Belgravium.

Outlook

The Group has made two investments which the Board believes to be earnings enhancing. The teams in all three companies have made a good start in co-operating on matters of finance, sales and technology. Seasonality in trading has repeatedly shown us that the early part of the year is typically a quiet period and the trend has continued in 2006. However, order prospects are excellent and with the enhanced strength of the enlarged Group, we are optimistic for 2006.1

J P Kembery

Executive Chairman

1 March 2006

1 This statement should not be taken to mean that the earnings per share of the Group will necessarily match or exceed the historical reported earnings per share of the Group and no forecast is intended or implied.

Belgravium Technologies plc
Preliminary announcement for the year ended 31 December 2005

**Audited Group profit and loss account for the year ended
31 December 2005**

	2005			2004
	Continuing operations £'000	Acquisitions £'000	Total £'000	(as restated) Total £'000
Turnover	4,351	1,079	5,430	3,859
Cost of sales	1,700	580	2,280	1,369
Gross profit	2,651	499	3,150	2,490
Distribution costs	32	12	44	31
Administrative expenses	1,936	264	2,200	1,800
	1,968	276	2,244	1,831
Operating profit before goodwill amortisation	683	223	906	659
Goodwill amortisation	-	(80)	(80)	-
Operating profit	683	143	826	659
Net interest receivable			76	92
Profit on ordinary activities before taxation			902	751
Tax charge on profit on ordinary activities			(273)	(148)
Profit for the financial year			629	603
Basic earnings per ordinary share			0.86p	0.90p
Diluted earnings per ordinary share			0.85p	0.89p

There are no recognised gains or losses other than the profit for the year and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year as stated above, and their historical cost equivalents.

Belgravium Technologies plc
Preliminary announcement for the year ended 31 December 2005
Audited Group balance sheet as at 31 December 2005

	2005 £'000	2004 (as restated) £'000
Fixed assets		
Intangible assets	8,232	-
Tangible assets	325	237
	8,557	237
Current assets		
Stocks	1,103	443
Debtors	2,479	1,458
Cash at bank and in hand	1,799	2,219
	5,381	4,120
Creditors: amounts falling due within one year	(6,189)	(1,657)
Net current (liabilities)/assets	(808)	2,463
Total assets less current liabilities	7,749	2,700
Creditors: amounts falling due after more than one year	(170)	-
Provisions for liabilities and charges	(173)	(54)
Net assets	7,406	2,646
Capital and reserves		
Called up share capital	5,021	3,341
Share premium account	2,915	120
Capital redemption reserve	2,100	2,100
Profit and loss account	(2,630)	(2,915)
Total equity shareholders' funds	7,406	2,646

Belgravium Technologies plc
Preliminary announcement for the year ended 31 December 2005
Audited Group cash flow statement for the year ended 31 December
2005

	2005 £'000	2004 £'000
Net cash inflow from operating activities	870	672
Returns on investment and servicing of finance		
Interest received	96	92
Interest paid	(20)	-
	76	92
Taxation		
Corporation tax paid	(396)	(180)
Corporation tax received	-	55
	(396)	(125)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(28)	-
Purchase of tangible fixed assets	(52)	(51)
	(80)	(51)
Acquisitions		
Acquisition of subsidiary company	(8,170)	-
Acquisition expenses	(633)	-
Cash at bank and in hand acquired with subsidiary	3,362	-
	(5,441)	-
Equity dividends paid to shareholders	(344)	(291)
Net cash (outflow)/ inflow before financing	(5,315)	297
Financing		
Purchase of own ordinary share capital	-	(121)
Issue of own ordinary share capital	4,704	-
Expenses of share issue	(229)	-
New bank loans	420	-
	4,895	(121)
(Decrease)/increase in cash in the year	(420)	176

Belgravium Technologies plc
Preliminary announcement for the year ended 31 December 2005

Audited reconciliation of net cash flow to movement in net funds

	2005 £'000	2004 £'000
(Decrease)/increase in cash in the year	(420)	176
Cash inflow from increase in debt	(420)	-
Non cash changes		
Loan notes issued in connection with acquisition (see note 24)	(2,580)	-
Movement in net funds during year	(3,420)	176
Net funds at 1 January	2,219	2,043
Net (debt)/funds at 31 December	(1,201)	2,219

Audited reconciliation of operating profit to net cash inflow from operating activities:

	2005 £'000	2004 £'000
Operating profit	826	659
Depreciation	123	108
Amortisation	85	-
Movement in provisions	(16)	(16)
Funds generated by operations	1,018	751
Increase in stocks	(156)	-
Increase in debtors	(41)	(239)
Increase in creditors	49	160
Increase in working capital	(148)	(79)
Net cash inflow from operating activities	870	672

Belgravium Technologies plc
Preliminary announcement for the year ended 31 December 2005
Audited reconciliation of movements in Group equity shareholders' funds

	2005 £'000	2004 (as restated) £'000
Profit for the year	629	603
Dividends	(344)	(291)
	285	312
Issue of own ordinary share capital	4,704	-
Expenses of share issue	(229)	-
Purchase of own ordinary share capital	-	(121)
Net change in equity shareholders' funds	4,760	191
Opening equity shareholders' funds as at 31 December 2004 (previously £2,432,000 before prior year adjustment of £214,000)	2,646	2,455
Closing equity shareholders' funds	7,406	2,646

Belgravium Technologies plc

Preliminary announcement for the year ended 31 December 2005

Basis of reporting

This preliminary announcement, which has been prepared on a basis consistent with the previous year (except for the adoption of new accounting standards as explained in Note 20 of the audited financial statement for the year ended 31 December 2005), does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985.

This preliminary announcement contains information extracted from the audited financial statements of the group for the year ended 31 December 2005. The statutory accounts for the year ended 31 December 2005 will be sent to the shareholders shortly.

The information for the year ended 31 December 2004 is an extract from the statutory accounts to that date (except as explained in Note 20 of the audited financial statements for the year ended 31 December 2005) which have been delivered to the Registrar of Companies. These accounts included an audited report which was unqualified and which did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.