

For Immediate Release

2 September 2009



Belgravium Technologies plc
Interim Results for the Six Months ended 30 June 2009

The Board of Belgravium Technologies plc ('Belgravium' or 'the Group'), designers and manufacturers of real-time data capture systems, is pleased to announce Interim results for the six months ended 30 June 2009.

Key Financials:

	30 June 2009	30 June 2008	
• Turnover	£4,286,000	£3,942,000	+9%
• Profit before tax	£140,000	£72,000	+94%
• Earnings per share	0.11p	0.05p	+120%

Highlights:

- Improvement in sales and profitability over corresponding period in 2008
- First contract secured for new Boston handheld terminal
- Market share maintained
- Sales pipeline encouraging although timing of firm orders still difficult to predict

Commenting on the Interim results, John Kembery, Chairman of Belgravium, said:

“I am pleased to report that sales and profits in the first half showed progress over the corresponding period in 2008. Whilst the timing of a sustained recovery in our end markets remains difficult to predict, I am encouraged by the interest shown in our products and remain confident that Belgravium is well positioned as and when the wider economic picture improves”.

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Chairman's Statement

Interim 2009

RESULTS

At the AGM in May we reported that, whilst 2009 was showing improvement over 2008, the timing of a sustained market recovery was difficult to predict. This remains the case but the Group has continued to make progress in both turnover and profits.

In the six months ended 30 June 2009, sales totalled £4,286,000 compared with £3,943,000 in the first half of 2008, an increase of 9%. Profit before tax and after interest charges was £140,000, a 94% increase on the prior year of £72,000. Basic earnings per ordinary share increased from 0.05p per share in 2008 to 0.11p per share in 2009.

OPERATIONAL REVIEW

We are pleased to announce early success with our new Boston hand-held terminal which greatly assisted us in securing a major new contract for the location and tracking of palletised goods. This contract was largely completed in the first half of 2009 but could lead to more business as other users recognise it's operational advantages. The emphasis of the Boston programme was to develop a user-friendly, rugged industrial product with a wider range of operational functions than ever before. It is encouraging that this product has been widely acclaimed by potential users.

Overall, there has been a slight improvement in activity in the logistics sector; based upon persistent hard work and determined selling.

We were also very active in the petrochemical market where we have unique products; making improvements with existing customers and progress on new long-term contracts. For example, an international agreement has been signed with SHV Group for the supply of systems for control and delivery of bottled and bulk LPG in each of their many countries of operation. This has now to be translated into sales orders and into systems which recognise local variations in requirements. It is difficult to say with any certainty how long it will take to meet these requirements but the signing of the general agreement is a big step forward. There are also promising opportunities with other European petrochemical companies, some of which are expected to materialise shortly.

There are some positive signs of improvement in the mobile retailing sector. The principle customer base is airlines, many of whom are undergoing drastic economies in the face of a downturn in air travel. However, we continue to widen our technical offering to customers and these developments are being well received. More recently, we have introduced flexible payment plans that include the standard capital purchase programme through to a “Pay per transaction” model. The latter has assisted in gaining interest in these quieter times and underlines one of our principal objectives to strengthen our recurring revenue stream.

Cost controls have also been a feature of this half year with supply agreements renegotiated and a reduction in our staff numbers employed. This has been partially achieved by natural wastage. The reduction in costs is evident but technical resources will need to be addressed once the market improves.

Compared with the first half of 2008, orders from the USA have increased, with bigger opportunities for the future.

THE MARKET

All of the available evidence suggests that the Group has maintained market share in its chosen sectors and there are very few examples of orders lost to competition. Indeed there is evidence to suggest that many of our competitors are finding life tough at the moment. Interest in and demand for our products remains strong with the problem continuing to be conversion of this interest into firm orders. Despite the fact that our products always have operational and cost advantages, there is general resistance to what is regarded as capital spending. This has led to a frustrating series of delays and re-appraisals, leading to a lengthening of the usual sales cycle.

STRATEGY

In these circumstances our policy is to put the Group in the best position to capitalise on whatever opportunity is available by –

1. Persistent and determined sales focus. Overcoming purchasing objections and refusing to accept delays.
2. Making sure that our products, whether hardware or software, are completely fit for purpose and tailored to meet the customer's needs.
3. Ensuring that product development is focussed on current and future market needs.
4. Reducing and controlling costs with a focus on cash management.
5. Supplying the complete solution with increased elements of recurring revenue.

We are convinced that our chosen market sectors will recover as financial confidence is regained. Where we have identified longer term opportunities for which we are not fully prepared, we seek strategic relationships with existing providers. Some such relationships are developing well.

DIVIDEND

Whilst the Group is making a profit, cash generation is well below a level which would enable a dividend to be recommended. The Directors are committed to restoring a dividend payment, once financial conditions permit.

OUTLOOK

In the first half of 2009, Belgravium has made real progress towards capitalising on market recovery. There are some very good projects in the sales pipeline and we have the products and services to satisfy these needs. In some cases we have general agreement with customers but we still need to translate these intentions into actual orders with financial authorisation. This will happen, but as has been the case for the past two years, it is difficult to predict exactly when.

Consolidated income statement
for the six months ended 30 June 2009

	Notes	6 months to 30 June 2009 Total (Unaudited) £'000	6 months to 30 June 2008 Total (Unaudited) £'000
Revenue		4,286	3,942
Operating profit		182	129
Finance income		-	5
Finance costs		(42)	(62)
Profit before tax		140	72
Income tax expense		(33)	(22)
Profit for the period attributable to equity shareholders		107	50
Basic earnings per ordinary share (pence)	2	0.11	0.05
Diluted earning per ordinary share (pence)	2	0.11	0.05

Consolidated statement of changes in shareholders' equity
for the six months ended 30 June 2009

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
	(Unaudited) £'000	(Unaudited) £'000	(Unaudited) £'000	(Unaudited) £'000	(Unaudited) £'000
At 30 June 2008	5,047	2,932	2,100	(1,226)	8,853
Profit	-	-	-	348	348
At 31 December 2008	5,047	2,932	2,100	(878)	9,201
Profit	-	-	-	107	107
At 30 June 2009	5,047	2,932	2,100	(771)	9,308

Consolidated balance Sheet
at 30 June 2009

	As at 30 June 2009 (Unaudited) £'000	As at 30 June 2008 (Unaudited) £'000	At at 31 December 2008 (Audited) £'000
Non-current assets			
Intangible Assets			
Goodwill	9,124	9,124	9,124
Other intangible assets	280	271	285
Property, plant and equipment	378	304	354
Deferred income tax assets	-	7	-
	<hr/> 9,782	9,706	9,763
Current assets			
Inventories	1,443	1,497	1,358
Trade and other receivables	2,076	2,518	2,647
Cash and cash equivalents	3	1	2
	<hr/> 3,522	4,016	4,007
Total assets	<hr/> 13,304	13,722	13,770
Current liabilities			
Trade and other payables	2,197	2,871	2,818
Current corporation tax liabilities	67	205	34
Deferred income tax liabilities	21	-	21
Financial liabilities: Borrowings	814	789	962
Short term provisions	26	46	26
	<hr/> 3,125	3,911	3,861
Non current liabilities			
Financial liabilities:			
Borrowings	871	958	708
Total liabilities	<hr/> 3,996	4,869	4,569
Capital and reserves attributable to equity holders of the company			
Ordinary shares	5,047	5,047	5,047
Share premium reserve	2,932	2,932	2,932
Capital redemption reserve	2,100	2,100	2,100
Profit and loss account	(771)	(1,226)	(878)
Total equity	<hr/> 9,308	8,853	9,201
Total equity and liabilities	<hr/> 13,304	13,722	13,770

Consolidated cash flow statement

For 6 months to 30 June 2009

	6 months to 30 June 2009 (Unaudited) £'000	6 months to 30 June 2008 (Unaudited) £'000
Cash flows from operating activities		
Operating profit	182	129
Depreciation	89	66
Amortisation	69	55
Movement in:		
Inventories	(85)	(235)
Trade and other receivables	571	1,383
Trade and other payables	(619)	(278)
Cash generated from operations	207	1,120
Interest received	-	5
Interest paid	(44)	(58)
Corporation tax paid	-	(289)
Net cash generated from operating activities	163	778
Cash flows from investing activities		
Expenditure on intangible fixed assets	(64)	(59)
Purchase of property, plant and equipment	(113)	(119)
Net cash used in investing activities	(177)	(178)
Cash flows from financing activities		
Repayment of bank borrowings	(81)	(292)
Dividends paid to company's ordinary shareholders	-	(384)
Net cash used in financing activities	(81)	(676)
Net decrease in cash and cash equivalents	(95)	(76)
Cash, cash equivalents and bank overdrafts at the beginning of the period	(460)	(212)
Cash, cash equivalents and bank overdrafts at the end of the period	(555)	(288)

Notes to the interim report

For 6 months to 30 June 2009

1. This financial information comprises the condensed consolidated interim balance sheet as at 30 June 2009 and 30 June 2008 and related consolidated interim statement of income and cash flows for the six months then ended of Belgravium Technologies plc (hereinafter referred to as 'financial information'). This financial information for the half year ended 30 June 2009 are unaudited and do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. This financial information was approved by the Board on 1 September 2009.

This financial information has been prepared in accordance with pronouncements on interim reporting issued by the ASB and the accounting policies set out in the 2008 annual report and financial statements which are prepared in accordance with IFRS as adopted by the European Union. The Group has chosen not to adopt IAS 34 'Interim financial statements' in preparing this financial information. This financial information has been prepared under the historical cost convention.

The audited accounts for the year ended 31 December 2008 upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies. The audit report on the 2008 accounts did not contain an emphasis of matter paragraph and did not contain a statement made under section 498 of the Companies Act 2006.

2. Earnings per ordinary share

	<u>2009</u> (Unaudited) £	<u>2008</u> (Unaudited) £
Basic earnings per ordinary share	0.11p	0.05p
Diluted earnings per ordinary share	0.11p	0.05p

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive ordinary shares. The dilutive ordinary shares represent the share options and warrants granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the period.

	<u>2009</u> (Unaudited)		<u>2008</u> (Unaudited)	
	Earnings £'000	Weighted average number of shares (in thousands)	Earnings £'000	Weighted average number of shares (in thousands)
Basic EPS				
Earnings attributable to ordinary shareholders	107	100,937	50	100,937
Effect of dilutive securities				
Options	-	-	-	16
Diluted EPS				
Adjusted earnings	107	100,937	50	100,937

3. The Company did not declare any dividends in the half year ended 30 June 2009.
4. Copies of this statement will be made available to the public at the Company's office:- 2 Campus Road, Listerhills Science Park, Bradford, West Yorkshire, BD7 1HR, or can be obtained from our website at www.belgravium-IR.com