

4th September 2013



Belgravium
Technologies plc

Belgravium Technologies plc
Interim Results for the six months ended 30 June 2013

The Board of Belgravium Technologies plc ((AIM:BVM) 'Belgravium' or 'the Group'), suppliers of mobile data computing solutions and managed services to a variety of industrial sectors, is pleased to announce interim results for the six months ended 30 June 2013.

Key Financials:

	30 June 2013	30 June 2012
• Turnover	£4,082,000	£4,320,000
• Adjusted profit before tax*	£142,000	£151,000
• Adjusted earnings per share*	0.14p	0.13p
• Cash & cash equivalents	£239,000	£1,620,000

* Calculated before exceptional items

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

“Although order intake was slow at the start of the year, the second quarter picked up, enabling the Belgravium Group to finish the half year with profits in line with the equivalent period last year. We also successfully completed a promising acquisition which we expect to bring significant benefits in the years to come.”

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Information on Belgravium Technologies plc can be seen at: www.belgravium-technologies.com

CHAIRMAN'S INTERIM STATEMENT 2013

Although order intake was slow at the start of the year, the second quarter picked up, enabling the Belgravium Group to finish the half year with profits in line with the equivalent period last year. We also successfully completed a promising acquisition which we expect to bring significant benefits in the years to come.

Results

Group sales amounted to £4,082,000 compared to £4,320,000 in the first half of 2012. This shortfall is explained by an export sale in which the hardware was supplied directly rather than being part of the main contract. Adjusted profit, before exceptional costs, associated with some restructuring and the acquisition, was £142,000 compared to £151,000 in the prior year. There was no tax charge due to research and development tax credits which meant that earnings per ordinary share, before exceptional items, were 0.14p per share compared to 0.13p per share in 2012.

The Market

The Belgravium Group designs, installs and maintains data capture systems for a variety of industries. In recent years we have expanded our product range in order to supply complete solutions and in a time when capital restraint has prevailed this has proved beneficial to the Group. In many instances we have been able to supply additional functionality to new and existing customers' solutions. Belgravium was once a hardware supplier but that is now only part of the solution. Our scope of supply now includes elements such as; in house packaged software, annually licenced, vehicle telematics and tracking services. We also offer fully managed support services tailored to customer demands and the ability to maintain and support customers' outsourced software, where source code is under their ownership. Our position in the market of mobile retail sales into the airline arena continues to be strong and, as with the logistics market, adding functionality to the offering has proved beneficial. This year we secured an order which includes our recently developed back office logistics system interfacing between the mobile EPOS terminals on the plane and the customers ERP system, again offering a complete solution.

Adapting in this way means we need a wide range of skills and products. When we do not have our own products to satisfy the market need we have strong working relationships with those who have. The first half of 2013 has shown significant progress in this redefinition of Belgravium's role from hardware manufacturer to supply and management of integrated systems, vitally important to the long term health of the Group.

Operational Review

Entering 2013 we reduced costs to improve profitability but only where this did not impinge on the central strategy of seeking to expand sales through supplying complete solutions. This strategy also requires a different sales approach..

In a changing market we have achieved some real success. For example, in Quarter 2, 2013, we secured a contract with Peters Foods to supply their van-based retail software system across their entire fleet. This comprised in-vehicle mobile computers, as well as additional hardware and software. An agreement is also in place to provide a fully managed support service for both hardware and software.

We were also successful in regaining an old customer of ours, Jetstar which is based in Australia. Jetstar went live with our mobile retail system for all domestic and international flights during the second quarter of 2013. This included the supply of software for an operation utilising 240 chip

and pin approved mobile devices. It is especially pleasing when a customer returns to our fold and is a testament to our commitment to offer a quality system with excellent support.

In addition to up-grading existing systems, the first half of 2013 has seen us secure 19 new clients. We are particularly encouraged by gains made in the Transport and Logistics market place through a new vehicle telematics and tracking product set. This initiative started in late 2012 and is producing encouraging results.

The reshaping of Belgravium into a solution provider over the last couple of years has required extra work and commitment from our highly skilled workforce. Small changes in customer needs often require as much work as the big ones and it is this willingness to go the extra mile that has built our quality reputation and will help ensure the success of our approach to the current market.

Balance Sheet

Cash and cash equivalents at the end of June 2013 stood at £239,000 compared to £1,614,000 at the end of 2012. This does not, however, mean a reversal of the previous strong cash generation. There were cash needs in 2013 which did not exist in 2012, financing an acquisition for example. The biggest change has arisen from the fact that Quarter 2 was much stronger in sales terms than Quarter 1 and therefore receivables have increased significantly. At the end of June 2013 receivables had increased by nearly £2,000,000 to £3,612,000. These debts will be collected in Quarter 3 and the Group's cash position is already strengthening.

Dividend

A dividend was paid during this period and based upon the 2012 results. The Board is committed to this policy and it is expected a year end dividend will be proposed for 2013.

Acquisition

To fully restore Belgravium's profitability to previous levels, turnover needs to grow faster than is probable by organic means alone. Following the strengthening of our cash position we have actively been seeking an acquisition that complements the existing product portfolio and allows growth in new market verticals. On 31 May 2013 we completed such an acquisition by purchasing all of the issued share capital in Feedback Data plc, (FDP) for £243,000, and they required a loan from Belgravium at completion to pay off inter-company loans of £368,000 and provide working capital. Goodwill of £371,000 arose on the acquisition.

With a broad range of data capture products and services FDP provides solutions to a network of long standing customers across two key areas:

Time and attendance – a range of industrial grade data capture terminals and mobile devices that gather data about the actions and movements of personnel within an operation, to enable core systems to control payroll and billing, whilst providing feedback on organisational effectiveness.

Access control – a range of hardware and software products that intelligently control actions of people and resources through an organisation. Machine to machine (M2M) device management – a cloud based software device that monitors, tracks and manages large fleets of remote and networked data capture devices from high grade industrial devices to standard issue smart phones which connect directly to the operation's core IT system.

There is overlap between with existing technologies between FDP and the group and we have already jointly developed an IP65 rated outdoor Time and Attendance Terminal, the TS2020R.

We are confident that FDP will make a valuable improvement in the Group turnover and following some additional costs in 2013, we expect improved profitability from 2014 onwards.

Outlook

We do not expect the financial restraint which has characterised our market for some time to change significantly, and as a result, we have reshaped the Group to provide and manage a broad range of products and services. After a slow start to 2013, we are pleased that the measures undertaken to improve profitability have been effective and that the commercial strategies are working. We will continue to seek to grow both organically and by acquisition.

We are confident that recent progress will be maintained and expect a better performance in the the second half of the year.

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Consolidated income statement
for the six months ended 30 June 2013

		6 months to 30 June 2013		6 months to 30 June 2012	
	Notes	Continuing Operations (Unaudited) £'000	Acquisitions (Unaudited) £'000	Total (Unaudited) £'000	Total (Unaudited) £'000
Revenue		3,920	162	4,082	4,320
Operating profit before exceptional items		121	16	137	154
Exceptional items	2	(99)	-	(99)	-
Operating profit		22	16	38	154
Finance income				7	1
Finance costs				(2)	(4)
Profit before income tax				43	151
Income tax expense				-	(22)
Profit for the period attributable to equity shareholders				43	129
Basic earnings per ordinary share (pence)	2			0.04	0.13
Adjusted earnings per ordinary share (pence)	2			0.14	0.13

Consolidated statement of changes in equity
for the six months ended 30 June 2013

	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 2012	5,047	2,932	2,100	845	10,924
Profit	-	-	-	207	207
At 31 December 2012	5,047	2,932	2,100	1,052	11,131
Profit	-	-	-	43	43
Equity dividends	-	-	-	(101)	(101)
At 30 June 2013	5,047	2,932	2,100	994	11,073

Consolidated balance sheet

as at 30 June 2013

	As at 30 June 2013 (Unaudited) £'000	As at 30 June 2012 (Unaudited) £'000	As at 31 December 2012 (Audited) £'000
Non-current assets			
Intangible assets			
Goodwill	9,495	9,124	9,124
Development Expenditure	544	266	281
Property, plant and equipment	236	333	263
	10,275	9,723	9,668
Current assets			
Inventories	1,518	1,977	1,454
Trade and other receivables	3,612	1,674	2,106
Cash and cash equivalents	239	1,620	1,614
	5,369	5,271	5,174
Total assets	15,644	14,994	14,842
Current liabilities			
Trade and other payables	3,632	2,819	2,643
Current income tax liabilities	-	179	-
Deferred income tax liabilities	28	70	28
Borrowings	13	11	12
Short term provisions	22	13	22
	3,695	3,092	2,705
Non current liabilities			
Deferred income	846	935	970
Borrowings	30	43	36
Total liabilities	4,571	4,070	3,711
Capital and reserves attributable to equity holders of the company			
Share capital	5,047	5,047	5,047
Share premium account	2,932	2,932	2,932
Capital redemption reserve	2,100	2,100	2,100
Profit and loss account	994	845	1,052
Total equity	11,073	10,924	11,131
Total equity and liabilities	15,644	14,994	14,842

Consolidated statement of cash flows

For 6 months to 30 June 2013

	6 months to 30 June 2013 (Unaudited) £'000	6 months to 30 June 2012 (Unaudited) £'000
Cash flows from operating activities		
Operating profit	38	154
Depreciation	57	90
Amortisation	77	67
Movement in:		
Inventories	59	(433)
Trade and other receivables	(1,183)	1,332
Trade and other payables	371	(514)
Cash (used)/generated from operations	(581)	696
Interest received	7	1
Interest paid	(2)	(4)
Net cash (used)/generated from operating activities	(576)	693
Cash flows from investing activities		
Acquisition of subsidiary undertakings (net of cash acquired)	(232)	-
Amount to clear inter-company balances	(368)	-
Purchase of intangible fixed assets	(76)	(60)
Purchase of property, plant and equipment	(17)	(40)
Net cash used in investing activities	(693)	(100)
Cash flows from financing activities		
Repayment of finance lease contracts	(5)	(5)
Repayment of bank borrowings	-	(87)
Dividends paid to company's ordinary shareholders	(101)	(101)
Net cash used in financing activities	(106)	(193)
Net (decrease)/increase in cash and cash equivalents	(1,375)	400
Cash, cash equivalents and bank overdrafts at the beginning of the period	1,614	1,220
Cash, cash equivalents and bank overdrafts at the end of the period	239	1,620

Notes to the interim report

For 6 months to 30 June 2013

1. This financial information comprises the condensed consolidated interim balance sheet as at 30 June 2013 and 30 June 2012 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'). Belgravium Technologies plc is listed on the AIM, a market operated by London Stock Exchange plc. This financial information for the half year ended 30 June 2013 has neither been audited nor reviewed and does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. This financial information was approved by the Board on 3 September 2013.

This financial information has been prepared in accordance with pronouncements on interim reporting issued by the ASB, AIM Rule 18 and the accounting policies set out in the 2012 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 2012 upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies. The audit report on the 2012 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>2013</u> (Unaudited) £	<u>2012</u> (Unaudited) £
Basic earnings per ordinary share (pence)	0.04p	0.13p
Adjusted earnings per ordinary share (pence)	0.14p	0.13p

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

	<u>2013</u> (Unaudited)		<u>2012</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	43	100,937	129	100,937
Exceptional items	99	-	-	-
Adjusted earnings attributable to ordinary shareholders	142	100,937	129	100,937

Exceptional items comprise of the following:-

	£'000
Restructuring costs	44
Deal costs	<u>55</u>
	<u>99</u>

3. **Acquisitions**

On 31 May 2013 the Company acquired the entire share capital of Feedback Data plc for a total consideration of £243,000 being the fair value of the consideration

	£'000
The book and provisional fair value of the assets acquired are as follows:	
Intangible assets	
Other	264
Fixed assets	13
Stock	123
Debtors	323
Cash	11
Creditors	(862)
Net liabilities acquired	<u>(128)</u>
Goodwill	<u>371</u>
	<u>243</u>
Satisfied by	
Cash	<u>243</u>

4. The Company did not declare an interim dividend in the half year ended 30 June 2013.

5. 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-technologies.com