



BELGRAVIUM

LEADERS IN REAL-TIME TECHNOLOGY



07

INTERIM REPORT

welcome to belgravium technologies plc



Belgravium Ltd designs and manufactures mobile computers and real time electronic data capture systems, which are largely applied to the logistics and supply chain sectors.

www.belgravium.com



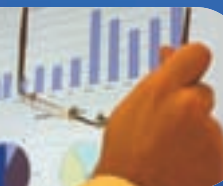
TouchStar Technologies designs and manufactures mobile computers and key peripheral accessories, such as card readers and printers, which are largely applied to the mobile point of sale and fuel delivery sectors.

www.touchstar.co.uk



Novo Ivc mobile sales and stock control software systems are used on more than 2000 daily journeys by over 50,000 attendants, handling sales in excess of \$460 million. Novo software provides optimum retail control for airlines and railways.

www.novoivc.com



Belgravium Investor Relations Web Site

This web site contains full and interim Report and Accounts in PDF format, as well as information on share price, advisers, broker coverage etc.

www.belgravium-IR.com

Chairman's Statement

Results

I am delighted to report a strong start to 2007, with profit before interest and taxation for the six months to 30 June 2007 having increased by 41% to £1,101,000 (2006: £780,000). This is based on sales of £5,222,000, a 5% rise from the prior year (2006: £4,982,000).

These results clearly demonstrate the growing strength of the business, which now includes Touchstar Technologies Ltd ("Touchstar") and Novo IVC Ltd ("Novo"), both of whom have contributed well towards the half year numbers. Based on these figures, and an assumed tax rate of 30%, basic earnings per share for the half year to 30 June 2007 increased by 39% to 0.71p (2006: 0.51p).

The Market

The Group now supplies, installs and maintains data capture systems for warehousing and distribution, petrochemical delivery systems, mobile retailing and proof of delivery applications. All of these sectors provide real growth opportunities. As information technology becomes more widely understood, Belgravium is perfectly placed with its offering of high quality products, specifically designed to meet the demands of each market in which the Group operates. In order to achieve further organic growth, Belgravium has expanded its range of products and has reduced costs through improved efficiencies. Very good progress has been made in our historical logistics market. At the same time, we have integrated two acquisitions and phased out the inevitable legacies in design and services. The result is that the Group now represents a restructured, balanced business with a first class product range in a growing market place.

Our sales operation has also seen significant improvements, and we are actively seeking to expand sales partnerships abroad, particularly in Europe and the USA.

Operations

The acquisition of Touchstar and later Novo was not only aimed at increasing the Group's turnover. It was also anticipated that a major benefit would be derived from a larger operating base plus a reduction in costs from better use of shared resources, with less outsourced components and services. A comparison of costs in the first half of 2007 with the same period in 2006 demonstrates this cost reduction very clearly, with further benefits to come. This has been particularly evident across our technical operations where considerable progress has been made through a unified development programme. The range and scope of products continues to improve with some excellent new designs in the pipeline. Any technical and operating difficulties have been systematically overcome and we believe effective management teams are now in place across all divisions.

Balance Sheet

Our balance sheet clearly demonstrates the benefits of the acquisitions of Touchstar and Novo for the Group. Of particular note is the cash position, which stood at £590,000 at 30 June 2007 (31 December 2006: £171,000). This achievement is even more significant given the monthly repayments of the term loan used to partly fund the purchase of Touchstar, and demonstrates that Belgravium remains highly cash generative.



Chairman's Statement

Employees

The integration of Touchstar and Novo into the Group could not have happened without the active co-operation of employees at all levels. The new operational structure makes optimum use of individual skills as well as improving job satisfaction.

Dividend

The Directors remain committed to as high a level of dividend as the Group's cash generation will allow. Given the good performance in the first half of 2007, we propose paying an interim dividend of 0.14p per share on 6 December 2007 to shareholders on the Register on 9 November 2007. This represents an increase of 8% (2006: 0.13p).

Acquisitions

To continue the progress of the past year, Belgravium is exploring new sectors within the vast data capture markets. Our experience tells us that the most successful way of achieving this is by acquiring specialised market focused businesses that trigger each new application. This is not easy to do because such companies are not always classified in a way that makes their synergy with Belgravium obvious. But, when identified and added to a group with existing hardware, the results can be very worthwhile, as we successfully experienced with our acquisition of Novo. Our search for further suitable acquisition opportunities continues and has already resulted in close investigation of many companies.

Outlook

The acquisitions of Touchstar and Novo have been very successful in supplementing the Group's profitable growth with improved profits and earnings per share in the first half of 2007.

Whilst we have fully met our expectations for the first half of 2007 and succeeded in building a full pipeline of sales opportunities for the second half of 2007 and beyond, recent economic uncertainty has introduced some caution into customers' buying patterns. So, while we have every reason to believe that the Group will continue to successfully convert its pipeline of sales opportunities in the second half, there remains the prospect of some small delays in the timing of certain contracts. In overall terms, however, we remain confident that the progress achieved in the first half will continue into the second and that plans already actioned will continue to bring further benefits.

In summary, we have worked hard to restructure and refine Belgravium into a Group with a portfolio of first class products, an efficient operational structure and wider offering through successful integration of new businesses. Belgravium is now well positioned to take advantage of opportunities ahead in an international market.



John Kembery

Executive Chairman

Consolidated Income Statement

for the six months to 30 June 2007

	Notes	6 months to 30 June 2007 Total (Unaudited) £'000	6 months to 30 June 2006 Total (Unaudited) £'000
Revenue		5,222	4,982
Operating profit		1,101	780
Finance income		19	24
Finance costs		(96)	(73)
Profit before income tax		1,024	731
Income tax expense		(307)	(218)
Profit for the period		717	513
Basic earnings per ordinary share (pence)	2	0.71	0.51
Diluted earnings per ordinary share (pence)	2	0.71	0.51



Consolidated Statement of Changes in Shareholders' Equity

for the six months to 30 June 2007

	Called up share capital (Unaudited) £'000	Share premium account (Unaudited) £'000	Capital redemption reserve (Unaudited) £'000	Retained earnings (Unaudited) £'000	Total (Unaudited) £'000
At 1 January 2006	5,021	2,915	2,100	(2,630)	7,406
Profit	–	–	–	513	513
Equity dividends	–	–	–	(321)	(321)
At 30 June 2006	5,021	2,915	2,100	(2,438)	7,598
Profit	–	–	–	762	762
Equity dividends	–	–	–	(131)	(131)
At 31 December 2006	5,021	2,915	2,100	(1,807)	8,229
New shares issued	16	14	–	–	30
Profit	–	–	–	717	717
Equity dividends	–	–	–	(363)	(363)
At 30 June 2007	5,037	2,929	2,100	(1,453)	8,613

Consolidated Balance Sheet

at 30 June 2007

	As at 30 June 2007 (Unaudited) £'000	As at 30 June 2006 (Unaudited) £'000	As at 31 December 2006 (Unaudited) £'000
Non-current assets			
Intangible assets			
Goodwill	9,124	9,124	9,124
Development expenditure	193	177	201
Property, plant and equipment	308	381	361
Deferred tax asset	27	7	27
	9,652	9,689	9,713
Current assets			
Inventories	1,078	1,225	1,157
Trade and other receivables	2,585	2,264	3,298
Cash and cash equivalents	590	817	171
	4,253	4,306	4,626
Current liabilities			
Borrowings	1,000	750	1,000
Trade and other payables	2,521	2,721	2,980
Current corporation tax liabilities	475	593	324
Provision for other liabilities and charges	46	83	51
	4,042	4,147	4,355
Net current assets	9,863	9,848	9,984
Non current liabilities			
Borrowings	1,250	2,250	1,755
Net assets	8,613	7,598	8,229
Shareholders' equity			
Share capital	5,037	5,021	5,021
Share premium reserve	2,929	2,915	2,915
Capital redemption reserve	2,100	2,100	2,100
Profit and loss account	(1,453)	(2,438)	(1,807)
Total equity	8,613	7,598	8,229



Consolidated Cash Flow Statement

for the six months to 30 June 2007

	6 months to 30 June 2007 (Unaudited) £'000	6 months to 30 June 2006 (Unaudited) £'000
Cash flows from operating activities		
Operating profit	1,101	780
Depreciation	89	97
Amortisation	32	25
Movement in provisions	(5)	(90)
Inventories	79	23
Trade and other receivables	715	457
Trade and other payables	(452)	(180)
Cash generated from operations	1,559	1,112
Interest received	17	26
Interest paid	(98)	(35)
Corporation tax paid	(156)	(714)
Corporation tax received	-	150
Net cash generated from operating activities	1,322	539
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	-	(700)
Acquisition expenses	-	(357)
Purchase of intangible fixed assets	(24)	(56)
Purchase of tangible fixed assets	(36)	(87)
Net cash used in investing activities	(60)	(1,200)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	30	-
Proceeds from bank borrowings	-	2,580
Repayment of bank borrowings	(500)	-
Repayment of loan notes	-	(2,580)
Repayment of hire purchase contracts	(10)	-
Equity dividends paid to shareholders	(363)	(321)
Net cash used in financing activities	(843)	(321)
Net increase/(decrease) in cash and cash equivalents	419	(982)
Cash and cash equivalents at the beginning of the period	171	1,799
Cash and cash equivalents at the end of the period	590	817

Notes to the Interim Report

for the six months to 30 June 2007

- 1 This financial information comprises the consolidated interim balance sheet as at 30 June 2007 and 30 June 2006 and related consolidated interim statements of income and cash flows for the six months then ended of Belgravium Technologies plc (hereinafter referred to as 'financial information'). The interim consolidated financial statements for the half year ended 30 June 2007 are unaudited and do not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985.

These interim financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as adopted by the EU and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The Group has chosen not to adopt IAS 34, 'Interim financial statements' in preparing its interim statements. The financial statements have been prepared under the historical cost convention.

The comparative figures for the financial year ended 31 December 2006 are not the Group's statutory accounts for the financial year, but have been extracted from the statutory accounts, which were unqualified by the auditors and did not contain statements under section 237(2) or (3) of the Companies Act 1985 and have been delivered to the Registrar of Companies.

2 Earnings per ordinary share

	2007 (Unaudited) £'000	2006 (Unaudited) £'000
Basic earnings per ordinary share	0.71p	0.51p
Diluted earnings per ordinary share	0.71p	0.51p

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 year.

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.



Notes to the Interim Report

2 Earnings per ordinary share (continued)

	2007 (Unaudited)		2006 (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	717	100,541	513	100,426
Effect of dilutive securities				
Options	–	461	–	679
	<hr/>	<hr/>	<hr/>	<hr/>
Diluted EPS				
Adjusted earnings	717	101,002	513	101,105
	<hr/>	<hr/>	<hr/>	<hr/>

- 3 The record date for the interim dividend for Belgravium Technologies plc is 9 November 2007 (ex-Dividend date 7 November 2007).

Notes to the Interim Report

4 Explanation of transition to IFRS

The only adjustment on transition to IFRS from UK GAAP relates to the non amortisation of goodwill £232,000 at 30 June 2006 and £464,000 at 31 December 2006.

Reconciliation of profit for the half-year ended 30 June 2006

	UK GAAP £'000	Goodwill £'000	IFRS £'000
Revenue	4,982	–	4,982
Operating profit	548	232	780
Finance income	24	–	24
Finance costs	(73)	–	(73)
Profit before income tax	499	232	731
Income tax expense	(218)	–	(218)
Profit for the year	281	232	513
Basic earnings per ordinary share (pence)	0.28		0.51
Diluted earnings per ordinary share (pence)	0.28		0.51

Reconciliation of profit for the year ended 31 December 2006

	UK GAAP £'000	Goodwill £'000	IFRS £'000
Revenue	10,922	–	10,922
Operating profit	1,529	464	1,993
Finance income	32	–	32
Finance costs	(181)	–	(181)
Profit before income tax	1,380	464	1,844
Income tax expense	(569)	–	(569)
Profit for the year	811	464	1,275
Basic earnings per ordinary share (pence)	0.81		1.27
Diluted earnings per ordinary share (pence)	0.80		1.26



Notes to the Interim Report

4 Explanation of transition to IFRS (continued)

Reconciliation of the consolidated balance sheet as at 30 June 2006

	UK GAAP £'000	Goodwill £'000	IFRS £'000
Non-current assets			
Intangible assets			
Goodwill	8,892	232	9,124
Development expenditure	177	–	177
Property, plant and equipment	381	–	381
Deferred tax asset	7	–	7
	<hr/>	<hr/>	<hr/>
	9,457	232	9,689
	<hr/>	<hr/>	<hr/>
Current assets			
Inventories	1,225	–	1,225
Trade and other receivables	2,264	–	2,264
Cash and cash equivalents	817	–	817
	<hr/>	<hr/>	<hr/>
	4,306	–	4,306
	<hr/>	<hr/>	<hr/>
Current liabilities			
Borrowings	750	–	750
Trade and other payables	2,721	–	2,721
Current corporation tax liabilities	593	–	593
Provision for other liabilities and charges	83	–	83
	<hr/>	<hr/>	<hr/>
	4,147	–	4,147
	<hr/>	<hr/>	<hr/>
Net current assets	9,616	232	9,848
	<hr/>	<hr/>	<hr/>
Non current liabilities			
Borrowings	2,250	–	2,250
	<hr/>	<hr/>	<hr/>
Net assets	7,366	232	7,598
	<hr/>	<hr/>	<hr/>
Shareholders' equity			
Share capital	5,021	–	5,021
Share premium reserve	2,915	–	2,915
Capital redemption reserve	2,100	–	2,100
Profit and loss account	(2,670)	232	(2,438)
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Total equity	7,366	232	7,598
	<hr/>	<hr/>	<hr/>

Notes to the Interim Report

4 Explanation of transition to IFRS (continued)

Reconciliation of the consolidated balance sheet as at 31 December 2006

	UK GAAP £'000	Goodwill £'000	IFRS £'000
Non-current assets			
Intangible assets			
Goodwill	8,660	464	9,124
Development expenditure	201	–	201
Property, plant and equipment	361	–	361
Deferred tax asset	27	–	27
	<u>9,249</u>	<u>464</u>	<u>9,713</u>
Current assets			
Inventories	1,157	–	1,157
Trade and other receivables	3,298	–	3,298
Cash and cash equivalents	171	–	171
	<u>4,626</u>	<u>–</u>	<u>4,626</u>
Current liabilities			
Borrowings	1,000	–	1,000
Trade and other payables	2,980	–	2,980
Current corporation tax liabilities	324	–	324
Provision for other liabilities and charges	51	–	51
	<u>4,355</u>	<u>–</u>	<u>4,355</u>
Net current assets	<u>9,520</u>	<u>464</u>	<u>9,984</u>
Non current liabilities			
Borrowings	1,755	–	1,755
	<u>7,765</u>	<u>464</u>	<u>8,229</u>
Shareholders' equity			
Share capital	5,021	–	5,021
Share premium reserve	2,915	–	2,915
Capital redemption reserve	2,100	–	2,100
Profit and loss account	(2,271)	464	(1,807)
Total equity	<u>7,765</u>	<u>464</u>	<u>8,229</u>

Consolidated cash flow statement

The adoption of IFRS does not impact the amount of cash previously disclosed under UK GAAP in any of the periods of account in the interim results.

- 5 Copies of this statement will be posted to shareholders and further copies 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.belgraviu-IR.com



Group Information

Registered Number in Scotland 5543

Secretary and Registered Office

M.P. Unwin
151 St. Vincent Street
Glasgow, G2 5NJ

Auditors

PricewaterhouseCoopers LLP
101 Barbirolli Square
Lower Mosley Street
Manchester, M2 3PW

Solicitors

Harrison Clark
5 Deansway
Worcester, WR1 2JG

Registrars

Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield, HD8 0LA

Corporate Advisors

KPMG Corporate Finance
1 The Embankment
Neville Street
Leeds, LS1 4DW

Stockbroker

Landsbanki Securities (UK) Limited
Beaufort House
15 St Botolph Street
London, EC3A 7QR

Bankers

Barclays Bank plc
Barclays Corporate
7th Floor
1 Marsden Street
Manchester
M2 1HW



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Belgravium House,
2 Campus Road,
Listerhills Science Park,
Bradford,
West Yorkshire
BD7 1HR

T +44 (0) 1274 718 800

F +44 (0) 1274 718 801

E investor@belgravium.com

www.belgravium-IR.com

