

EMBARGOED UNTIL 24 February 2005



BELGRAVIUM TECHNOLOGIES PLC

(BVM:AIM)

PRELIMINARY RESULTS FOR THE

YEAR ENDED TO DECEMBER 31 2004

The Board of Belgravium Technologies plc ("Belgravium" or "the Company"), designers and manufacturers of real-time data capture systems, are pleased to announce the Preliminary Results for the year ended 31 December 2004.

HIGHLIGHTS

- Turnover £3,859,000 (2003: £3,895,000)
- Cash in bank up 9% £2,219,000 (2003: £2,043,000)
- Total dividends for year increased 0.45p (2003: 0.42p)
- Pre tax profits £751,000 (2003: £795,000)
- Basic earnings per share increased 0.90p (2003: 0.85p)

Commenting today, Chief Executive John Kembery said:

"2004 was a year of solid achievement. The Company finished the year better positioned, both technically and commercially, to take on the challenges of an evolving market.

Belgravium's great strength is the quality of its goods and services and its ability to respond to customers' needs. In the 2004 interim report, we noted changes in the market place, particularly customers wanting a greater breath of services. We see the present market as an opportunity and have further improved our organisation to respond.

With this approach we have proved that we can rival bigger suppliers and closed 2004 with the biggest order ever secured by Belgravium; a £750,000 system to control Grattan's Parcelnet division. We are seeking more orders of this type and have set up our sales and technical organisation to achieve this aim.

We start 2005 with a good order book, with an encouraging range of prospects and more ability to serve market needs than ever before. Provided the market strength holds, it should be a better year and one in which we can build on the foundations securely laid in previous years."

For further information please contact:

Buchanan Communications Ltd

Kelly-Ann French Mob: 07958 972164

Alastair Watson 0207 466 5000

Belgravium Technologies plc

John Kembery Mob: 07770 731021

www.belgraviuminvestorrelations.com

FULL STATEMENT ATTACHED

Chairman's Statement

Introduction

Belgravium Technologies designs and manufactures real time electronic data capture systems, which are largely applied to the logistics and supply chain sectors in the UK and Europe.

Results

2004 was a year of solid achievement. The company finished the year better positioned, both technically and commercially, to take on the challenges of an evolving market.

Turnover for the year was very similar to 2003 at £3,859,000 (2003: £3,895,000). Profit before tax at £751,000 was in line with expectation and would have been almost exactly the same as the previous year (2003: £795,000) had it not been for the costs of a failed acquisition.

The tax charge for 2004 was lower than 2003, due to credits arising from previous years. As a result, earnings were higher than the previous year at £603,000 (2003: £577,000) and basic earnings per ordinary share went up to 0.90p per share (2003: 0.85p).

Balance sheet

Once again the Group has continued to accumulate cash. At the end of 2004 cash in hand totalled £2,219,000, a 9% increase on the previous year (2003: £2,043,000). In 2003 the company sold a property generating £281,000 and without this bonus the continued cash accumulation in 2004 is very satisfactory and leaves the Group balance sheet in a very strong position to finance future growth.

Dividend

Consistent with our policy of improving dividends wherever possible, the Board is pleased to recommend a final dividend of 0.32p per ordinary share. This will be paid on 26 May, subject to the approval at the AGM of shareholders on the register at 29 April 2005. This will provide total dividends paid and proposed in the year of 0.45p per ordinary share compared to 0.42p per ordinary share in 2003.

The market

In the 2004 interim report we noted changes in the market place, particularly customers wanting a greater breadth of services. This trend has continued and combined with the caution on IT spend which has been evident for some years, has produced a difficult market to supply with standard products.

Belgravium's great strength is the quality of its goods and services and its ability to respond to customers' needs. We see the present market as an opportunity and have further improved our organisation to respond. For 2005 we have strengthened the sales team with particular emphasis on Europe and have increased marketing spend and technical support. With this approach we have proved that we can rival bigger suppliers and closed 2004 with the biggest order ever secured by Belgravium; a £750,000 system to control Grattan's Parcelnet division's Proof of Delivery requirements. We are seeking more orders of this type and have set up our sales and technical organisation to achieve this aim.

Operations

During 2004 the operational team was reorganised to blend technical development with manufacturing and to increase emphasis on forward technical planning. The market is becoming more demanding and sophisticated and we need to respond in a cost effective manner, making sure that we have the right product at the right time. So far this plan has worked well and is part of the reason why we feel better equipped to meet further challenges. Also noteworthy is the way in which costs have been controlled in 2004, again a by-product of improved planning.

Acquisitions

Belgravium has consistently tried to increase turnover by organic means and, whilst we still expect this type of growth, a big step forward could be achieved by an acquisition with real synergy. Since research and development costs are comparatively high in a technical business, this would have the effect of making more solutions economically available.

Over the past three years we have looked at a great many businesses but usually failed to find real synergy. In 2004 we thought we have found the right deal, only to have the vendor change his mind after we had incurred costs.

This disappointing experience has not altered our view that an acquisition would be of benefit to the business and its shareholders and we are currently examining some interesting prospects. We shall not however make any commitments unless we are convinced that any given acquisition will enhance Belgravium's earnings per share.

Product development

In 2004 Belgravium added extra skills to the technical team and continued to spend significant amounts on increasing the range and capabilities of its products, consistent with market needs. Future technical developments such as Radio Frequency Identification (RFID) offer the possibility of expanding our market and are being pursued vigorously. We have already supplied a pilot system utilising this technology within our Atlanta hand held product. This is proving successful and we expect to supply the complete order later in the year.

Employees

A business built on flexibility and service depends a good deal on the goodwill and, often good humour, of its staff. This has been no different from any other year in its demands and the whole company has responded brilliantly.

Outlook

The second half of 2004 was a little disappointing because we had factored into our forecasts an order from Grattan which, in the event, was larger than anticipated but mostly spread through 2005. Thus we start 2005 with a good order book, with an encouraging range of prospects and more ability to serve market needs than ever before. Provided the market strength holds it should be a better year and one in which we can build on the foundations securely laid in previous years.

J P Kembery

Executive Chairman

Audited Group profit and loss account for the year ended 31 December 2004

	2004 £'000	2003 £'000
Turnover	3,859	3,895
Cost of sales	1,369	1,367
Gross profit	2,490	2,528
Distribution costs	31	34
Administrative expenses	1,800	1,812
	1,831	1,846
Operating profit	659	682
Profit on sale of property held for resale	-	56
Profit on ordinary activities before interest and taxation	659	738
Interest receivable	92	57
Profit on ordinary activities before taxation	751	795
Tax charge on profit on ordinary activities	(148)	(218)
Profit on ordinary activities after taxation	603	577
Ordinary dividend	(301)	(283)
Profit retained for the year	302	294
Basic earnings per ordinary share	0.90p	0.85p
Diluted earnings per ordinary share	0.89p	0.84p

All activities in the years above relate to continuing operations.

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.

Audited Group balance sheet as at 31 December 2004

	2004 £'000	2003 £'000
Fixed assets		
Tangible assets	237	294
Current assets		
Stocks	443	443
Debtors	1,458	1,232
Cash at bank and in hand	2,219	2,043
	4,120	3,718
Creditors: amounts falling due within one year	(1,871)	(1,691)
Net current assets	2,249	2,027
Total assets less current liabilities	2,486	2,321
Provisions for liabilities and charges	(54)	(70)
Net assets	2,432	2,251
Capital and reserves		
Called up share capital	3,341	3,391
Share premium account	120	120
Capital redemption reserve	2,100	2,050
Profit and loss account	(3,129)	(3,310)
Total equity shareholders' funds	2,432	2,251

Audited Group cash flow statement for the year ended 31 December 2004

	2004 £'000	2003 £'000
Net cash inflow from operating activities	672	1,033
Returns on investment and servicing of finance		
Interest received	92	57
	92	57
Taxation		
Corporation tax paid	(180)	(260)
Corporation tax received	55	-
	(125)	(260)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(51)	(50)
Proceeds from disposal of property held for resale	-	281
	(51)	231
Equity dividends paid to shareholders	(291)	(244)
Net cash inflow before financing	297	817
Financing		
Purchase of own ordinary share capital	(121)	(116)
	(121)	(116)
Increase in cash in the year	176	701

Audited reconciliation of net cash flow to movement in net funds

	2004 £'000	2003 £'000
Increase in cash	176	701
Movement in net funds during year	176	701
Net funds at 1 January	2,043	1,342
Net funds at 31 December	2,219	2,043

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

	2004 £'000	2003 £'000
Operating profit	659	682
Depreciation	108	81
Movement in provisions	(16)	(17)
Funds generated by operations	751	746
Decrease in stocks	-	47
Increase in debtors	(239)	(186)
Increase in creditors	160	426
(Increase)/decrease in working capital	(79)	287
Net cash inflow from operating activities	672	1,033

Audited reconciliation of movements in Group equity shareholders' funds

	2004	2003
	£'000	£'000
Profit on ordinary activities after taxation	603	577
Dividends	(301)	(283)
	302	294
Purchase of own ordinary share capital	(121)	(116)
Net change in equity shareholders' funds	181	178
Opening equity shareholders' funds	2,251	2,073
Closing equity shareholders' funds	2,432	2,251

Basis of reporting

This preliminary announcement, which has been prepared on a basis consistent with the previous year, 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 2004. The statutory accounts for the year ended 31 December 2004 will be sent to the shareholders shortly.

The information for the year ended 31 December 2003 is an extract from the statutory accounts to that date 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.