



Belgravium Technologies plc

Interim Results
for the six months ended 30 June 2011

A mobile solution for every environment



Welcome to Belgravium Technologies plc



We are a market leader in enterprise mobile computing solutions. We help capture, move and manage critical information, providing businesses the means to access real-time information anytime and anywhere.

Key Financials:

	30 June 2011	30 June 2010
Turnover	£4,773,000	£3,657,000
Profit before tax	£321,000	£26,000
Basic earnings per share	0.24p	0.03p
Net Cash/(Debt)	£638,000	(£711,000)

“Belgravium has delivered a first half performance in line with expectations and orders received to date mean that the Group will have a second half which is constrained only by supply chain and production capabilities. I am also pleased to report a significant strengthening of our balance sheet which shows net cash of £638,000 versus a net debt position of £711,000 twelve months ago.”

John Kembery, Chairman



Our Applications

- ✓ **Warehouse and Logistics**
Barcode readers, RFID readers, voice recognition systems, labelling and line marking, pick-by-light
- ✓ **Point of Delivery**
Electronic proof of delivery and airline point of sale
- ✓ **Vehicle Telematics**
Vehicle tracking and vehicle condition telematics, routing & scheduling systems
- ✓ **IT Solutions**
Mobile computers, application software, after sales IT support, bespoke development

Our clients include: Tata Steel, Lakeland, BP, TotalGaz, GSK, Palletline, EDF Energy, Wincanton, SHV Group, Coca-Cola Enterprises, Port of Tyne, Air-Berlin, Ceva Logistics, Gulf Oil, Thomas Cook

Contents

- 2 Chairman's Statement
- 4 Consolidated Income Statement
- 4 Consolidated Statement of Changes in Equity for the six months ended 30 June 2011
- 5 Consolidated Balance Sheet as at 30 June 2011
- 6 Consolidated Cash Flow Statement for the six months ended 30 June 2011
- 7 Notes to the Interim Report for the six months ended 30 June 2011
- 10 Group Information

Chairman's Statement

Results

Belgravium entered 2011 with a stronger order book and better prospects, than for many years. We have capitalised on these conditions to produce a good interim result with more to come in the second half.

Sales in the six months period ended 30 June 2011 totalled £4,773,000, a 30% improvement over the first half of 2010 (£3,657,000). Profit before tax increased to £321,000 compared to £26,000 in 2010. After tax, this produced earnings of £247,000 or basic earnings per ordinary share of 0.24p per share compared to 0.03p per ordinary share in the first half of 2010.

The market

The Group is a specialist in providing complete data capture systems for the logistics, petrochemical and mobile retailing markets. There is a large international market for these products both as new systems and as replacement for older equipment. The last three years of financial restraint has not diminished this need but meant that opportunities have been more difficult to convert into orders. Belgravium has responded with a five point strategy aimed at helping the customer to eventually make a decision in our favour. This began to pay off in 2010 with orders reaching into 2011 and it is pleasing to report that the momentum has continued. Competitors do not appear to have fared so well and this should benefit the Group in the longer term, the only uncertainty being the effect of further financial problems in the Eurozone.

Operational review

In 2010, we negotiated a contract in France worth €4 million which will run until 2012. In addition, there were two mobile retailing orders early in 2011 and a variety of smaller orders which meant that the Group was significantly busier than in prior years. In the second quarter we gained a contract from Hermes (for delivery in the second half 2011) to replace an existing logistics system as well as a few smaller orders in the petrochemical market. For the second half of the year we have an order for a major airline retailing system, using our hardware and software, which is scheduled to be completed before the year end. Thus, all parts of the business are now working close to full capacity in order to meet this challenging schedule of procurement, assembly and delivery.

To ensure that we capitalise on improving trends in our markets we have recruited a limited number of technical people and will continue to do so where we find staff of the right calibre and experience.

Balance sheet

Cash generation has continued strongly and cash or equivalents at the period end stood out at £987,000 compared to £161,000 at the end of June 2010. We continue to repay the term loan at a monthly rate which will make the Group free of debt by early 2012. Allowing for the working capital requirements of the large orders in the production pipeline, we will consider paying off the loan slightly ahead of plan, so that the Group ends the year ungeared.

Chairman's Statement continued

Dividend

The Board continues to place high priority on the repayment of the term loan and managing cashflow, therefore, does not think it prudent to pay an interim dividend. However, once the financial needs of the Group are clearer at the year end, we will consider reinstating a final dividend for the current year.

Acquisitions

Our growth objectives always included acquisitions aimed at expanding geographic or sectoral coverage. These plans have had to be shelved whilst cash was scarce and our market capitalisation low. Now that the Group will soon be ungeared the time is right to start examining suitable acquisition prospects. We are already examining some opportunities.

Outlook

Belgravium has produced results in the first half of 2011 in line with expectations and orders received to date mean that the Group will have a second half which is constrained only by supply chain and production capabilities. Whilst we are mindful of wider economic challenges, our strategic and competitive strength gives us confidence that we are well placed to continue our steady sales and profit improvement in the longer term.



J P Kembery

Executive Chairman
7 September 2011

Consolidated Income Statement

for the six months ended 30 June 2011

		6 months to 30 June 2011	6 months to 30 June 2010
		Total (Unaudited)	Total (Unaudited)
	Notes	£'000	£'000
Revenue		4,773	3,657
Operating profit		334	56
Finance income		1	–
Finance costs		(14)	(30)
Profit before tax		321	26
Income tax expense		(74)	–
Profit for the period attributable to equity shareholders		247	26
Basic earnings per ordinary share (pence)	2	0.24	0.03
Diluted earnings per ordinary share (pence)	2	0.24	0.03

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2011

	Called up share capital (Unaudited) £'000	Share premium account (Unaudited) £'000	Capital redemption reserve (Unaudited) £'000	Profit and loss account (Unaudited) £'000	Total (Unaudited) £'000
At 30 June 2010	5,047	2,932	2,100	(415)	9,664
Profit	–	–	–	356	356
At 31 December 2010	5,047	2,932	2,100	(59)	10,020
Profit	–	–	–	247	247
At 30 June 2011	5,047	2,932	2,100	188	10,267

Consolidated Balance Sheet

at 30 June 2011

	As at 30 June 2011 (Unaudited) £'000	As at 30 June 2010 (Unaudited) £'000	As at 31 December 2010 (Audited) £'000
Non-current assets			
Intangible assets			
Goodwill	9,124	9,124	9,124
Other intangible assets	246	294	278
Property, plant and equipment	248	275	257
	9,618	9,693	9,659
Current assets			
Inventories	1,574	1,317	1,152
Trade and other receivables	2,627	1,581	3,466
Current tax asset	–	39	12
Cash and cash equivalents	987	161	346
	5,188	3,098	4,976
Total assets	14,806	12,791	14,635
Current liabilities			
Trade and other payables	4,015	2,199	3,927
Current corporation tax liabilities	97	–	–
Deferred income tax liabilities	61	39	61
Financial liabilities:			
Borrowings	349	523	523
Short term provisions	17	17	17
	4,539	2,778	4,528
Non-current liabilities			
Financial liabilities:			
Borrowings	–	349	87
Total liabilities	4,539	3,127	4,615
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	188	(415)	(59)
Total equity	10,267	9,664	10,020
Total equity and liabilities	14,806	12,791	14,635

Consolidated Statement of Cash Flows

for the six months ended 30 June 2011

	6 months to 30 June 2011 (Unaudited) £'000	6 months to 30 June 2010 (Unaudited) £'000
Cash flows from operating activities		
Operating profit	334	56
Depreciation	62	74
Amortisation	66	67
Movement in:		
Inventories	(422)	(94)
Trade and other receivables	839	946
Trade and other payables	88	(221)
Cash generated from operations	967	828
Interest paid	(14)	(30)
Interest received	1	–
Corporation tax received	35	11
Net cash generated from operating activities	989	809
Cash flows from investing activities		
Expenditure on intangible fixed assets	(34)	(63)
Purchase of property, plant and equipment	(53)	(33)
Net cash used in investing activities	(87)	(96)
Cash flows from financing activities		
Repayment of bank borrowings	(261)	(195)
Net cash used in financing activities	(261)	(195)
Net increase in cash and cash equivalents	641	518
Cash, cash equivalents and bank overdrafts at the beginning of the period	346	(357)
Cash, cash equivalents and bank overdrafts at the end of the period	987	161

Notes to the Interim Report

for the six months ended 30 June 2011

1. This financial information comprises the condensed consolidated interim balance sheet as at 30 June 2011 and 30 June 2010 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 Alternative Investment Market. This financial information for the half year ended 30 June 2011 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 6 September 2011.

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 2010 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 2010 upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies. The audit report on the 2010 accounts did not contain an emphasis of matter paragraph and did not contain a statement made under section 498 of the Companies Act 2006.

Notes to the Interim Report

for the six months ended 30 June 2011

2. Earnings per ordinary share

	2011 (Unaudited)	2010 (Unaudited)
Basic earnings per ordinary share	0.24p	0.03p
Diluted earnings per ordinary share	0.24p	0.03p

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.

	2011 (Unaudited)		2010 (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	247	100,937	26	100,937
Effect of dilutive securities				
Options	-	-	-	-
Diluted EPS				
Adjusted earnings	247	100,937	26	100,937

Notes to the Interim Report

for the six months ended 30 June 2011

3. The Company did not declare any dividends in the half year ended 30 June 2011.
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

Group Information

Registered Number in Scotland 5543

Secretary and Registered Office

C F Phillips
1 George Square
Glasgow
G2 1AL

Auditors

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

Solicitors

Harrison Clark
5 Deansway
Worcester
WR1 2JG

Registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Corporate Advisors

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

Stockbroker

WH Ireland Limited
3rd Floor
Royal House
28 Sovereign Street
Leeds
LS1 4BJ

Bankers

Barclays Corporate Bank
1st Floor
3 Hardman Street
Spinningfields
Manchester
M3 3HF



Belgravium Technologies plc

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

T: +44 (0) 1274 718800
F: +44 (0) 1274 718801
E: investor@belgravium.com

www.belgravium-ir.com