



BELGRAVIUM TECHNOLOGIES PLC (AIM: BVM)
INTERIM RESULTS
FOR THE SIX MONTH PERIOD ENDING 30 JUNE 2004

The Board of Belgravium Technologies Plc (“Belgravium” or “the Company”), designers and manufacturers of real-time data capture systems, are today pleased to announce their Interim Results for the six month period ending 30 June 2004.

HIGHLIGHTS

- Operating profits **UP 16%** to **£350,000** (£303,000 30 June 2003)
- Sales **UP 10%** **£1,935,000** (£1,767,000 30 June 2003)
- Cash in bank **UP 25%** **£1,987,000** (£1,592,00 30 June 2003)
- Earnings per Share **0.41p** (0.42p at 30 June 2003)
- Interim Dividend **INCREASED** to **0.13p** per share (0.12p at 30 June 2003)

Commenting today, Executive Chairman John Kembery said:

“Sales in the second quarter were better than the first and we are now beginning to see some good prospects for the larger complete data capture systems which had slowed during 2003.

New products are selling well and increasing sophistication throughout the market means that we continue to invest extensively in developing and improving our product range.

The Company has formed an association with a systems integrator which has helped us to sell a fully integrated solution. This flexible response to more fragmentation in the data capture market has meant that we continue to supply high quality products and dependable service to a wide range of blue chip customers.

We have delivered a good result in a weak market in the first half of 2004 and we would expect this momentum to be continued in the second half and to be trading well in line with expectation. Our search for an earnings enhancing acquisition will continue.”

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FULL STATEMENT ATTACHED BELOW

INTERIM REPORT 2004
CHAIRMAN'S STATEMENT

Results

Sales in the six months to the end of June 2004 were £1,935,000, 10% higher than in the same period in 2003 and operating profit increased by 16% to £350,000.

In the first half of 2003 we gained a one-off profit of £56,000 from the sale of a property and in 2004 interest received increased to £43,000. These factors meant that profit on ordinary activities before taxation showed a small increase over the previous year to £393,000. Since the tax charge is expected to be 19% up at £118,000, earnings per share were almost identical to the first half of 2003 at 0.41p.

In what is still a cautious market, this was a good result and within expectation. We have, therefore, increased the interim dividend to 0.13p per ordinary share from 0.12p paid last year.

Balance Sheet

The most noteworthy change in the balance sheet was the steady increase in cash. At the end of June 2003 cash totalled £1,592,000 and by the end of June 2004 it had increased by 25% to £1,987,000. This provided a useful increase in interest received and is a sound basis for future activities.

The Market

Two years ago, in the 2002 interim statement, we noted a slow down in the speed with which quotations were converted into contracts and orders. Born of capital restraints in IT spend and caution in the logistics industry, this feature has remained. Belgravium deals in the provision of complete real-time data capture systems. During the past twelve months we have experienced some changes in the market place, and in particular, a growing trend of customers wanting an increased breadth of services in our scope of supply. To adapt and embrace this we have formed an association with a systems integrator which has helped us to sell a fully integrated solution. This plan seems to be working well, and Belgravium will continue to strengthen this strategy.

Sales in the second quarter were better than the first and we are now beginning to see some good prospects for the larger complete systems which had slowed during 2003.

New products are selling well and the increasing sophistication of data capture systems means that we continue to invest extensively in developing and improving our product range.

Acquisitions

Our search for an earnings enhancing acquisition, which could demonstrate a technical and market synergy with Belgravium, has continued. The fact that we continue to generate cash and would be able to part-fund any such acquisition from our balance sheet is most helpful in this respect. There has been little to

report in the recent years because, although we have talked to a great many companies, none have met our stringent criteria. We shall continue to work hard towards finding an attractive target.

Dividend

Consistent with our dividend policy and increasing confidence in the future, the Directors are declaring an interim dividend of 0.13p per share payable on 3rd December 2004.

Outlook

There has undoubtedly been a change in market towards more fragmentation and competitively priced systems. Belgravium's flexible response to this change has meant that we continue to supply high quality products and dependable service to a wide range of blue chip customers. We have delivered a good result in a weak market in the first half of 2004 and we would expect this momentum to be continued in the second half and to be trading well in line with expectation.

-ENDS-

Unaudited Profit and Loss Account

for 6 months to 30th June 2004

	Total 6 months to 30/06/2004 (Unaudited) £'000	Total 6 months to 30/06/2003 (Unaudited) £'000
Turnover	1,935	1,767
Operating profit	350	303
Profit on sale of property held for resale	-	56
Profit before interest and taxation	350	359
Interest receivable	43	28
Profit on ordinary activities before taxation	393	387
Tax charge on ordinary activities	(118)	(99)
Profit on ordinary activities after taxation	275	288
Ordinary dividend	(87)	(81)
Retained profit for period	188	207
Basic earnings per ordinary share (pence)	0.41	0.42
Diluted earnings per ordinary share (pence)	0.40	0.42

Group Balance Sheet
at 30th June 2004

	As at 30 June 2004 (Unaudited) £'000	As at 30 June 2003 (Unaudited) £'000	As at 31 Dec. 2003 (Audited) £'000
Fixed assets			
Tangible assets	250	329	294
	250	329	294
Current assets			
Stocks	452	467	443
Debtors	1,408	1,236	1,232
Cash at bank and in hand	1,987	1,592	2,043
	3,847	3,295	3,718
Creditors:			
Amounts falling due within one year	(1,713)	(1,381)	(1,691)
Net current assets	2,134	1,914	2,027
Total assets less current liabilities	2,384	2,243	2,321
Provision for liabilities and charges	(66)	(79)	(70)
	2,318	2,164	2,251
Capital and reserves			
Called up share capital	3,341	3,391	3,391
Share premium	120	120	120
Capital redemption reserve	2,100	2,050	2,050
Profit and loss account	(3,243)	(3,397)	(3,310)
	2,318	2,164	2,251

Group cash flow statement

for 6 months to 30th June 2004

	<u>2004</u> (Unaudited) £'000	<u>2003</u> (Unaudited) £'000
Net cash inflow from operating activities	<u>272</u>	<u>392</u>
Returns on investments and servicing of finances		
Interest received	<u>43</u>	<u>24</u>
Taxation		
Corporation tax paid	(62)	(140)
Corporation tax received	26	-
Net corporation tax paid	<u>(36)</u>	<u>(140)</u>
Capital expenditure and financial investment		
Purchase of tangible assets	(10)	(29)
Proceeds from disposal of property held for resale	-	281
	<u>(10)</u>	<u>252</u>
Equity dividends paid to shareholders	(204)	(162)
Net cash inflow before financing	<u>65</u>	<u>366</u>
Financing		
Purchase of own ordinary share capital	(121)	(116)
	<u>(121)</u>	<u>(116)</u>
Increase in cash	<u>(56)</u>	<u>250</u>

Reconciliation of net cash flow to movement in net debt

for 6 months to 30th June 2004

	<u>2004</u> (Unaudited) £'000	<u>2003</u> (Unaudited) £'000
Increase in cash	(56)	250
Movement in net funds during year	<u>(56)</u>	<u>250</u>
Net funds at 1st January	2,043	1,342
Net funds at 30th June	<u>1,987</u>	<u>1,592</u>

Group cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

	<u>2004</u> (Unaudited) £'000	<u>2003</u> (Unaudited) £'000
Operating profit	350	303
Depreciation	54	25
Movement in provisions	(4)	(8)
Funds generated by operations	<u>400</u>	<u>320</u>
(Increase)/decrease in stocks	(9)	23
Increase in debtors	(176)	(176)
Increase in creditors	57	225
Decrease/(increase) in working capital	<u>(128)</u>	<u>72</u>
Net cash inflow from operating activities	<u>272</u>	<u>392</u>

(b) Analysis of net funds

	At 1st January 2004 (Audited) £'000	Cash flow (Unaudited) £'000	At 30th June 2004 (Unaudited) £'000
Cash at bank and in hand	2,043	(56)	1,987
	<u>2,043</u>	<u>(56)</u>	<u>1,987</u>

Notes to the interim report for 6 months to 30th June 2004

1. The interim report has not been audited and the information contained in this interim statement does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The audited accounts for the year ended 31 December 2003, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.
2. (a) Earnings per share has been calculated on the average number of ordinary shares in issue of 67,600,484 (30 June 2003 : 68,328,521).

(b) Fully diluted earnings per share has been calculated on the average number of ordinary shares, assuming conversion of all dilutive potential ordinary shares of 68,015,637 (30 June 2003 : 68,662,003).
3. The record date for the proposed dividend for Belgravium Technologies plc is 5 November 2004 (Ex-Dividend Date 3 November 2004).
4. Copies of this statement will be posted to shareholders and further copies will be made available to the public at the company's office: Campus Road, Listerhills Science Park, Bradford, West Yorkshire, BD7 1HR.