



**Belgravium
Technologies** plc



Interim Results

for the six months ended 30 June 2010

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.



**Belgravium
Technologies plc**

Contents

- 01** Chairman's Statement
- 03** Consolidated Income Statement
- 03** Consolidated Statement of Changes in Equity
- 04** Consolidated Balance Sheet
- 05** Consolidated Statements of Cash Flow
- 06** Notes to the Interim Report
- 08** Group Information

Key Financials:

	30 June 2010	30 June 2009
 Turnover	£3,657,000	£4,286,000
 Profit before tax	£26,000	£140,000
 Basic earnings per share	0.03p	0.11p

Highlights:

-  Progress made on strategy for restoration of profit growth
-  Improvement in sales expected from second half onwards
-  Contract worth £3m over next 30 months will benefit full year outcome

www.belgravium-ir.com



The first half saw a continuation of previously announced trends in our business, namely a subdued level of order intake as customers' financial concerns weighed on capital expenditure decisions. We nonetheless believe that our strategy for managing the business through the downturn has proved successful and look forward to an improvement in sales from the second half.

Results

Delays in confirming contracts due to financial uncertainty in the marketplace continued to be a problem in the first half of 2010, with the result that some anticipated orders did not mature until the period closed. Sales for the first half of 2010 were down 15% at £3,657,000 compared to £4,286,000 in the first half of 2009. Whilst margins were improved, profit before tax was affected by the low sales falling to £26,000 compared to £140,000 in 2009.

Basic earnings per share were 0.03p per share compared to 0.11p per share in 2009.

Orders gained at the end of the period, however, mean that sales and profits should be restored in the second half and that Belgravium is well positioned to achieve its strategic objectives.

The market

Belgravium manufactures and installs complete systems incorporating both hardware and software for real-time data capture in the logistics, petrochemical and mobile retailing markets. Such systems improve efficiency and operating costs

and their need is well established and accepted by our customers. Since 2007, however, financial constraints have produced a marked reluctance to commit to capital projects. The process of converting an enquiry from operational management into a financially authorised contract used to take weeks and now takes months, sometimes longer. Upgrades and renewals are equally difficult and whilst there is still an underlying international demand, the market has been frustratingly slow and difficult to forecast. Belgravium's reputation for quality products remains high whilst many competitors have reduced their offering to meet financial constraints.

Operational review

Challenging market conditions remained in force for the majority of the first half of 2010 but late in the period, we gained a major contract for the supply of petrochemical systems in Europe which we anticipate will be worth £3 million sales of hardware and software over the next two and a half years. Sufficient of this order is to be delivered in the second half of 2010 to restore sales and profits for the year and will be further supplemented by some smaller orders received recently. Whilst the logistics market



Chairman's Statement continued

remains difficult, there has been a lot of activity in mobile retailing and strategic advances in the area should generate some good opportunities over the next year. It would be dangerous to conclude that we have reached the expected turning point in the market but it would appear that our strategy to deal with the recession is working and that we can now anticipate sustained improvements in sales.

Strategy

A five point strategy for restoration of profit growth was outlined in the 2009 annual report. We have made progress as follows:

1. Sales focus

We have maintained a determined and persistent sales presence. We have pursued new sectors, widened our product offering and never lost sight of the objective. It has been hard work but we have won new orders and customers.

2. Ensuring that products are fit for purpose and the customer's stated requirement

This has been the main thrust of our development effort over the past year. Since the 'Boston' was launched we have sought to develop and improve existing products rather than bring in new designs for which there was no immediate demand.

3. Supply the complete solution with increasing repeat revenue

This policy remains in force with the aim of improving our margins and the visibility of earnings through repeat business.

4. Controlling costs

Numbers employed have fallen slightly through natural wastage. Particularly in the technical area, this has produced operational strain and must be reviewed as and when sales pick up.

5. Seek strategic partnerships in areas where we lack specific expertise

This has proved particularly important in mobile retailing where airlines have been seeking an in-flight 'chip and pin' device. It is a very specialised area in which we have developed a relationship with Ingenico, Europe's leading chip and pin hardware suppliers. Together with our own new software products and arrangements to reduce the initial capital cost of a system, we now have products to re-awaken interest in this strained market. This policy should bring in some important new contracts over the next year.

Balance sheet

Despite the reduced turnover, cash generation has remained strong and we have continued to pay off the Bank term loan as quickly as possible. For this reason we are unable to pay an interim dividend in 2010 but it remains the Board's policy to restore dividends as soon as conditions permit.

Outlook

There is still no general restoration of the international market for Belgravium's products but sales won towards the end of the first half of the year mean that prospects are better for the year as a whole. It is expected that this outlook will be sustained into 2011.

Over the longer term, the identification of suitable acquisition opportunities remains an important part of our growth strategy. We seek primarily software businesses which would increase our sectoral coverage gaining entry into new markets. Since such businesses are notoriously difficult to find, we have re-opened the search to be ready when conditions allow.



J P Kembery

Executive Chairman
2 September 2010

Consolidated Income Statement

for the six months ended 30 June 2010



	Note	6 months to 30 June 2010 Total (Unaudited) £'000	6 months to 30 June 2009 Total (Unaudited) £'000
Revenue		3,657	4,286
Operating profit		56	182
Finance costs		(30)	(42)
Profit before tax		26	140
Income tax expense		—	(33)
Profit for the period attributable to equity shareholders		26	107
Basic earnings per ordinary share (pence)	2	0.03	0.11
Diluted earnings per ordinary share (pence)	2	0.03	0.11

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2010

	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 2009	5,047	2,932	2,100	(771)	9,308
Profit	—	—	—	330	330
At 31 December 2009	5,047	2,932	2,100	(441)	9,638
Profit	—	—	—	26	26
At 30 June 2010	5,047	2,932	2,100	(415)	9,664



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Technologies plc

interim results
2010 **02.03**

Consolidated Balance Sheet

at 30 June 2010

	As at 30 June 2010 (Unaudited) £'000	As at 30 June 2009 (Unaudited) £'000	At at 31 December 2009 (Audited) £'000
Non-current assets			
Intangible assets			
Goodwill	9,124	9,124	9,124
Other intangible assets	294	280	298
Property, plant and equipment	275	378	316
	9,693	9,782	9,738
Current assets			
Inventories	1,317	1,443	1,223
Trade and other receivables	1,581	2,076	2,527
Current tax asset	39	—	50
Cash and cash equivalents	161	3	2
	3,098	3,522	3,802
Total assets	12,791	13,304	13,540
Current liabilities			
Trade and other payables	2,199	2,197	2,420
Current corporation tax liabilities	—	67	—
Deferred income tax liabilities	39	21	39
Financial liabilities:			
Borrowings	523	814	815
Short-term provisions	17	26	17
	2,778	3,125	3,291
Non-current liabilities			
Financial liabilities:			
Borrowings	349	871	611
Total liabilities	3,127	3,996	3,902
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	(415)	(771)	(441)
Total equity	9,664	9,308	9,638
Total equity and liabilities	12,791	13,304	13,540

Consolidated Statements of Cash Flow

for the 6 months to 30 June 2010



	6 months to 30 June 2010 (Unaudited) £'000	6 months to 30 June 2009 (Unaudited) £'000
Cash flows from operating activities		
Operating profit	56	182
Depreciation	74	89
Amortisation	67	69
Movement in:		
Inventories	(94)	(85)
Trade and other receivables	946	571
Trade and other payables	(221)	(619)
Cash generated from operations	828	207
Interest paid	(30)	(44)
Corporation tax received	11	—
Net cash generated from operating activities	809	163
Cash flows from investing activities		
Expenditure on intangible fixed assets	(63)	(64)
Purchase of property, plant and equipment	(33)	(113)
Net cash used in investing activities	(96)	(177)
Cash flows from financing activities		
Repayment of bank borrowings	(195)	(81)
Net cash used in financing activities	(195)	(81)
Net increase/(decrease) in cash and cash equivalents	518	(95)
Cash, cash equivalents and bank overdrafts at the beginning of the period	(357)	(460)
Cash, cash equivalents and bank overdrafts at the end of the period	161	(555)



Belgravium
Technologies plc

interim results
2010 **04.05**

Notes to the Interim Report

for the 6 months to 30 June 2010

1. This financial information comprises the condensed consolidated interim balance sheet as at 30 June 2010 and 30 June 2009 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 2010 is unaudited 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 1 September 2010.

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 2009 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 2009 upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies. The audit report on the 2009 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

	2010 (Unaudited)	2009 (Unaudited)
Basic earnings per ordinary share	0.03p	0.11p
Diluted earnings per ordinary share	0.03p	0.11p

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.



2. **Earnings per ordinary share (continued)**

	2010 (Unaudited)		2009 (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	26	100,937	107	100,937
Effect of dilutive securities				
Options	—	—	—	—
Diluted EPS				
Adjusted earnings	26	100,937	107	100,937

3. The Company did not declare any dividends in the half year ended 30 June 2010.
4. Copies of this statement be 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



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2010 **06.07**

Group Information

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Belgravium Technologies plc

Mobile Computing Solutions in 2010



Our business thrives on information — but only the latest and most relevant will do. We provide business with effective, robust mobile computing solutions that share information between decision makers, customers and employees. **Our customers include:**



GlaxoSmithKline



TOTALGAZ



SHV Gas





**Belgravium
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