

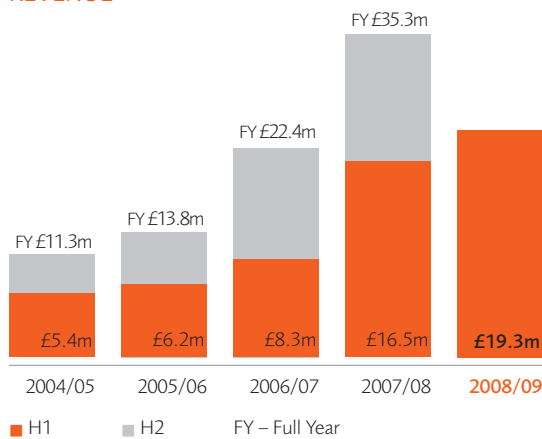
group NBT

INTERIM REPORT 2008
www.groupnbt.com

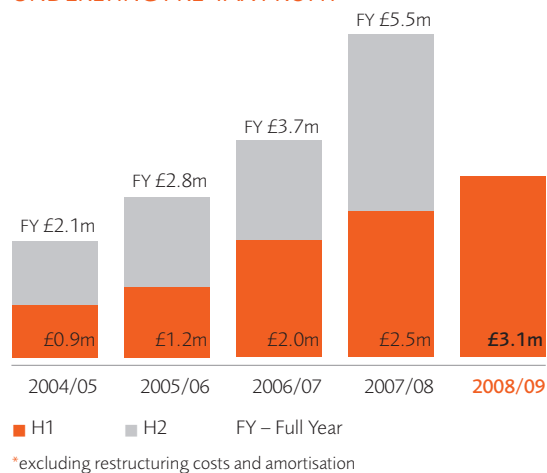


- Group NBT is a leading provider of domain names, hosting and brand protection services.
- It provides the essential building blocks to create, maintain and protect online brands.
- Customers include British Airways, The New Statesman and Centrica.
- Group NBT has 283 employees and is based in London with offices in Copenhagen, Cambridge, Nice, Munich, Zurich, Oslo and New York.

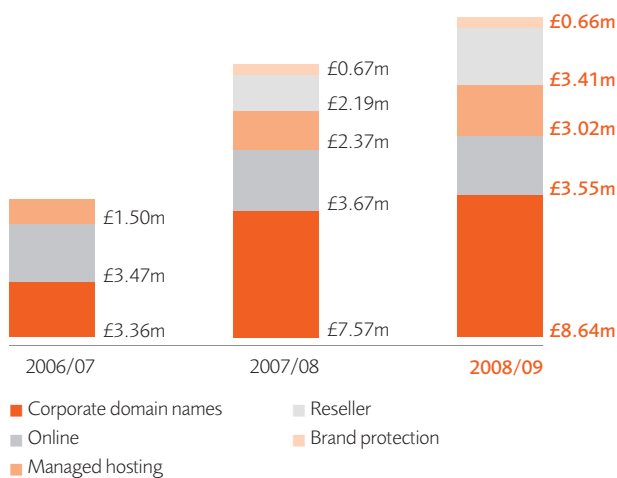
REVENUE



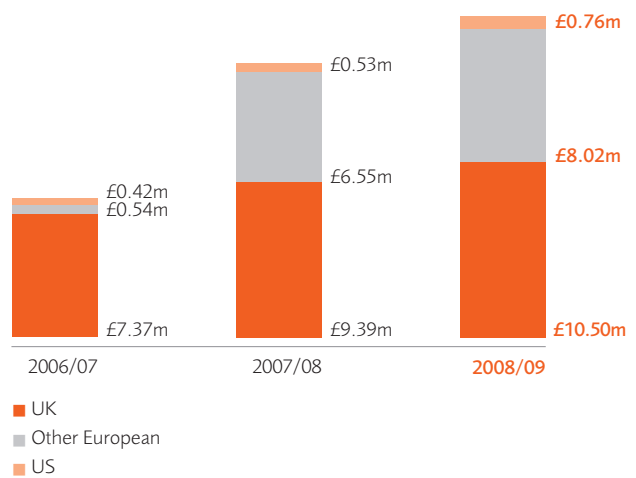
UNDERLYING PRE-TAX PROFIT*



REVENUE BY SERVICE



REVENUE BY REGION



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Highlights

Revenue growth

+17%

Underlying
pre-tax profit¹

+24%

Underlying diluted EPS¹

+24%

Interim dividend

+25%

- Strong growth continues in core business
- Revenue up 17% to £19.28 million
- Underlying pre-tax profit¹ up 24% to £3.07 million
- Underlying diluted EPS¹ up by 24% to 8.72 pence
- Proposed interim dividend increased by 25% to 1.00 pence
- NetNames Platinum Service revenue up 27% to £5.89 million
- Managed hosting revenue up 28% to £3.02 million
- Net cash at year end of £1.84 million, up from £0.66 million at 30 June 2008

¹ excluding restructuring costs and amortisation

Chairman's Statement

Group NBT extended its record of sales and profit growth throughout the six months to 31 December 2008. Performance was good in our two chief business activities, which generate strongly recurring revenues from corporate clients: one managing portfolios of domain names, and the other providing web-hosting. A third corporate business, which provides infrastructure to companies retailing domain names to consumers, also grew well.

Underlying pre-tax profit increased by 24% to £3.07 million and underlying diluted EPS increased by 24% to 8.72 pence. These underlying figures exclude amortisation and restructuring costs at the acquisitions we made in 2007. We had net gains from currency, and at constant rates growth for both underlying pre-tax profit and underlying diluted EPS would have been 17%. In view of our good performance, we are confidently increasing the interim dividend by 25% to 1.00 pence.

We have experienced only two limited effects of recession: slower new contract wins for our corporate domain name services; and a higher churn rate in managed hosting. However this gives us little concern about performance for the full year.

Given our recurring revenue base and forward visibility, we are confident of further growth in the second half, which has started well. Despite the global economic turmoil, we continue to benefit from the ongoing structural shift towards internet commerce, in which our services are increasingly seen as essential business inputs.

JOHN PARCELL
CHAIRMAN



Given our recurring revenue base and forward visibility, we are confident of further growth in the second half, which has started well. Despite the global economic turmoil, we continue to benefit from the ongoing structural shift towards internet commerce, in which our services are increasingly seen as essential business inputs.



Chief Executive's Review

While markets have become more challenging Group NBT has continued to show good growth across its business. The Group's core products, NetNames Platinum Service and managed hosting demonstrated the value of their business models through their excellent performance. Good growth continued in the Nordic countries led by our Ascio Reseller and Partner business which had an excellent result. Although costs, particularly technical costs, have risen as we invest in improved infrastructure and as data centre costs rise, the Group's profits have again improved on the same period last year.

The Company has made good progress with the integration of acquisitions. There remains some integration of systems to be completed before the full benefits of integration will be realised.

Group revenue for the half year to 31 December 2008 was £19.28 million, up 17% on the same period last year. Growth was 9% on a constant currency basis, this was held back by the Danish operation which grew by 5% year on year as we continue to migrate our corporate domain name business to a subscription model. It was also impacted by Envisional where revenue was flat. Excluding those two acquisitions, revenue growth remained strong at 15% or 12% at constant currency rates.

Underlying pre-tax profit of £3.07 million increased 24% year on year and 17% on a constant currency basis. Underlying diluted EPS increased by 24% to 8.72 pence. These underlying figures exclude amortisation and restructuring costs.

At 31 December 2008 the Group had net cash of £1.84 million, up from £0.66 million at 30 June 2008.

CORPORATE DOMAIN NAME SERVICES

Revenue from corporate domain name services was £8.64 million for the half year, up 14% on last year. Within this, revenue from NetNames Platinum Service was £5.89 million, up 27% on the same period last year. Our Platinum Service has once again grown strongly with the recurring element of this growing at a faster pace, offset by lower growth of one-off revenue.

Speednames Business is the other component of our corporate domain name services. We no longer offer this service to new customers as we are, over time, migrating customers to NetNames Platinum Service. As a result revenue for the half year was down 5% or 19% on a constant currency basis.

Overall there are signs that customers in the corporate domain name market have become more cautious, and while we continue to see good growth from within our existing accounts, new customer acquisition has slowed. We have also seen lower than expected one-off revenue with customers delaying or deferring new projects. This impact is being felt more in the UK with continental Europe showing strong growth especially in France and Germany and we continue to experience good growth in the US.



While markets have become more challenging Group NBT has continued to show good growth across its business. The Group's core products, NetNames Platinum Service and managed hosting demonstrated the value of their business models through their excellent performance.



MANAGED HOSTING

Revenue from managed hosting was £3.02 million, up 28% on the same period last year. The rate of growth is slower than last year although the base has grown significantly. The rate of new business acquisition remained high but this was offset by higher levels of attrition as customers adjust to the impact of market conditions.

There are still significant opportunities in this market with the trend towards online business continuing. Technology changes also impact this market with increasing requirements for security and resilience as more business goes online. However costs are rising as data centre space has become more expensive due to a shortage of good facilities especially in London.

ASCIO RESELLER AND PARTNER BUSINESS

Ascio had an excellent half year. Revenue of £3.41 million, was up 33% on the same period last year on a constant currency basis and up 56% on a reported basis. The product is a white labelled domain name registration service. It has benefited from several significant sales in the period with new customers transferring names to Ascio and existing customers increasing their usage of the service. Renewal rates have also been strong which has helped to produce this good performance.

We benefit from its competitive advantage of being able to register domain names throughout the world. New customers are very often acquired on the basis that they will register the more exotic domain names through us while registering more common domain name suffixes directly.

ONLINE SERVICES

Online revenue was £3.55 million for the first half of the year, down 3% on last year. Revenue declined in all regions with UK being down 4% year on year. This result is in line with expectations as we focus our resources primarily on managed services. Only the Easily and Speednames Online brands are targeted at the online market whereas other brands have legacy online revenue which is expected to continue to decline.

ENVISIONAL

Envisional provides brand protection services monitoring the Internet for brand abuse, fraud, piracy and counterfeiting. Since its acquisition in July 2007 we have rebuilt the sales and marketing function and re-packaged the products. Revenue was £0.66 million for the first half of the year, 1% down on the same period last year. During the period several unfavourable contracts for the original products were not renewed, however we have made good progress rebuilding the business.

The sales cycle for Envisional's services is longer than for our other products and a number of new contracts signed are with resellers where onward sales by them will take time. We also have a number of paid trials of our services which gives us confidence that revenue will grow as these are converted. Envisional has also enhanced our competitive ability in the corporate domain name market as the market moves to brand protection, a combination of the two services.

PROFIT

The Group's overall gross margin rate was 73.5% in the period under review down from 78.1% in the previous year. This was attributable to a number of factors; Ascio, which has a lower gross margin compared to other services, grew strongly thus impacting the mix of gross margins from our businesses; data centre costs increased significantly and additional capacity was added during the period; and domain name costs, which are largely in US dollars, were impacted by the strength of that currency.

Operating expenses excluding amortisation, restructuring costs and share-based payments increased from £10.18 million in the previous year to £10.99 million. Much of this comes from increased staff costs as a result of our investment in additional technical headcount as we develop our infrastructure to cope with more complex solutions. These increases have been offset to some extent by net foreign exchange gains arising from normal trading activities.

Chief Executive's Review continued

Underlying operating profit, excluding share-based payments, amortisation and restructuring costs, was £3.18 million, up 19% from £2.68 million last year. Underlying operating profit margin at 16.5% was up slightly from 16.3% last year as revenue gains were held back by a lower gross margin rate and a flat performance from Envisional.

On a statutory basis: operating profit was £2.28 million, up 11% from £2.06 million; profit before tax was £2.25 million, up 16% from £1.94 million last year; basic EPS was 6.57 pence, up 16% from 5.67 pence last year and diluted EPS was 6.40 pence, up 16% from 5.50 pence last year.

TAXATION

A tax charge of £0.60 million (2007: £0.51 million) arose in the period under review representing an effective tax rate of 26.5% (2007: 26.4%).

The effective tax rate on profit excluding amortisation, restructuring costs and related tax credits was 26.5% (2007: 26.4%) and was higher than the equivalent rate of 23.4% for the full year to June 2008. This was largely due to the recognition of deferred tax assets relating to previously unrecognised losses and other timing differences in the previous year.

As a result of the acquisitions made over the past two years the Group now operates in a far wider range of jurisdictions and in an increasingly complex international tax environment. We have a complex structure which we are currently reviewing in order to simplify the structure relative to the size of the Group and to protect and optimise our tax position.

CASHFLOW

At 31 December 2008 the Group had cash balances of £5.34 million (2007: £3.5 million) and debt of £3.5 million (2007: £4.5 million) before amortised facility fees, resulting in a net cash balance of £1.84 million compared to net debt of £1 million at 31 December 2007 and net cash of £0.66 million at 30 June 2008.

Net cash inflow from operating activities in the period was £2.44 million, up from £2.39 million in the previous half year.

Expenditure on tangible fixed assets increased to £1.02 million from £0.64 million with just under half of the expenditure relating to customers' managed hosting assets. A large part of the balance related to network upgrades and additional data centre capacity.

FOREIGN CURRENCY

Prior to the acquisition of our Danish business in January 2007 almost 90% of the Group's revenue came from the UK compared to 55% in the half year to 31 December 2008. Over 40% of revenue is now generated in mainland Europe. As our Danish operations have moved to profitability an increasing proportion of profits now arise outside the UK.

In addition to the translation exposure from a more diverse geographic group, a large proportion of domain name costs are denominated in US dollars and therefore are exposed to movements in exchange rates. The Group will continue to manage its currency exposure on an ongoing basis as part of its risk management process.

GEOFF WICKS

CHIEF EXECUTIVE OFFICER

Consolidated Income Statement

	Note	Unaudited Six months ended 31 Dec 2008 £'000	Unaudited Six months ended 31 Dec 2007 £'000	Audited Year ended 30 June 2008 £'000
REVENUE	2	19,278	16,467	35,281
Cost of sales		5,100	3,600	7,926
GROSS PROFIT		14,178	12,867	27,355
Operating expenses		11,897	10,810	22,939
OPERATING PROFIT		2,281	2,057	4,416
Operating profit		2,281	2,057	4,416
Share-based payments		85	83	177
Amortisation		453	393	782
Restructuring costs		365	149	515
UNDERLYING OPERATING PROFIT		3,184	2,682	5,890
Interest receivable and similar income		75	14	124
Interest payable and similar charges		(104)	(135)	(329)
PROFIT BEFORE TAXATION	2	2,252	1,936	4,211
Income tax expense		(597)	(512)	(939)
PROFIT FOR THE PERIOD		1,655	1,424	3,272
Earnings per share				
Basic	3	6.57p	5.67p	13.02p
Diluted	3	6.40p	5.50p	12.64p

All amounts relate to continuing activities.

Consolidated Balance Sheet

	Unaudited as at 31 Dec 2008 £'000	Unaudited as at 31 Dec 2007 £'000	Audited as at 30 June 2008 £'000
ASSETS			
NON-CURRENT ASSETS			
Goodwill	31,657	24,696	27,430
Other intangible assets	3,334	3,368	3,370
Property, plant and equipment	2,886	1,879	2,661
Deferred tax asset	802	836	1,050
	38,679	30,779	34,511
CURRENT ASSETS			
Trade and other receivables	6,715	5,387	4,995
Cash and cash equivalents	5,343	3,498	4,658
	12,058	8,885	9,653
TOTAL ASSETS	50,737	39,664	44,164
LIABILITIES			
CURRENT LIABILITIES			
Bank loan	(983)	(983)	(983)
Trade and other payables	(12,448)	(10,571)	(11,290)
Taxation	(955)	(500)	(620)
Provision	(160)	—	—
	(14,546)	(12,054)	(12,893)
NON-CURRENT LIABILITIES			
Bank loan	(2,465)	(3,448)	(2,957)
Provision	(483)	(907)	(643)
	(2,948)	(4,355)	(3,600)
TOTAL LIABILITIES	(17,494)	(16,409)	(16,493)
NET ASSETS	33,243	23,255	27,671
CAPITAL AND RESERVES			
Called up share capital	254	251	251
Share premium account	3,537	3,487	3,487
Merger reserve	12,008	12,008	12,008
Other reserve	1,244	1,327	1,269
Cumulative translation reserve	6,970	(48)	3,081
Retained profit	9,230	6,230	7,575
TOTAL EQUITY	33,243	23,255	27,671

Consolidated Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Merger reserve £'000	Other reserve £'000	Cumulative translation reserve £'000	Retained profit £'000	Total £'000
SIX MONTHS ENDED 31 DECEMBER 2008							
Balance at 1 July 2008	251	3,487	12,008	1,269	3,081	7,575	27,671
Exchange translation differences	—	—	—	—	3,889	—	3,889
Deferred tax recognised directly in equity	—	—	—	(110)	—	—	(110)
Net income recognised directly in equity	—	—	—	(110)	3,889	—	3,779
Profit for the period	—	—	—	—	—	1,655	1,655
Total recognised income and expense	—	—	—	(110)	3,889	1,655	5,434
Share-based payment credit	—	—	—	85	—	—	85
Issue of share capital	3	50	—	—	—	—	53
BALANCE AT 31 DECEMBER 2008	254	3,537	12,008	1,244	6,970	9,230	33,243
SIX MONTHS ENDED 31 DECEMBER 2007							
Balance at 1 July 2007	248	3,487	10,751	1,355	71	4,806	20,718
Exchange translation differences	—	—	—	—	(119)	—	(119)
Deferred tax recognised directly in equity	—	—	—	(111)	—	—	(111)
Net income recognised directly in equity	—	—	—	(111)	(119)	—	(230)
Profit for the period	—	—	—	—	—	1,424	1,424
Total recognised income and expense	—	—	—	(111)	(119)	1,424	1,194
Share-based payment credit	—	—	—	83	—	—	83
Issue of share capital	3	—	1,257	—	—	—	1,260
Balance at 31 December 2007	251	3,487	12,008	1,327	(48)	6,230	23,255
YEAR ENDED 30 JUNE 2008							
Balance at 1 July 2007	248	3,487	10,751	1,355	71	4,806	20,718
Exchange translation differences	—	—	—	—	3,010	—	3,010
Deferred tax recognised directly in equity	—	—	—	(263)	—	—	(263)
Net income recognised directly in equity	—	—	—	(263)	3,010	—	2,747
Profit for the period	—	—	—	—	—	3,272	3,272
Total recognised income and expense	—	—	—	(263)	3,010	3,272	6,019
Dividends	—	—	—	—	—	(503)	(503)
Share-based payment credit	—	—	—	177	—	—	177
Issue of share capital	3	—	1,257	—	—	—	1,260
Balance at 30 June 2008	251	3,487	12,008	1,269	3,081	7,575	27,671

Consolidated Cash Flow Statement

	Unaudited Six months ended 31 Dec 2008 £'000	Unaudited Six months ended 31 Dec 2007 £'000	Audited Year ended 30 June 2008 £'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax	2,252	1,936	4,211
Finance costs (net)	29	121	205
Depreciation and amortisation	1,248	1,125	2,271
Loss on disposal of assets	—	—	6
Share-based payments	85	83	177
Exchange differences	(621)	(119)	(408)
Increase in trade and other receivables	(1,720)	(446)	(54)
Increase/(decrease) in trade and other payables	1,162	(314)	1,420
Cash generated from operations	2,435	2,386	7,828
Taxation paid	(262)	(504)	(1,151)
NET CASH INFLOW FROM OPERATING ACTIVITIES	2,173	1,882	6,677
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received	75	14	124
Purchase of property, plant and equipment	(1,018)	(644)	(2,190)
Purchase of subsidiary undertakings	—	(212)	(1,223)
Net cash acquired with subsidiary undertaking	—	34	34
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(943)	(808)	(3,255)
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid	(104)	(135)	(329)
Dividends paid	—	—	(503)
Long term loan repayments	(492)	(492)	(983)
Proceeds from the issue of share capital	51	—	—
NET CASH GENERATED FROM FINANCING ACTIVITIES	(545)	(627)	(1,815)
NET INCREASE IN CASH AND CASH EQUIVALENTS	685	447	1,607
CASH AND CASH EQUIVALENTS AT START OF PERIOD	4,658	3,051	3,051
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5,343	3,498	4,658

Notes to the Unaudited Interim Accounts

six months ended 31 December 2008

1 ACCOUNTING POLICIES

BASIS OF PREPARATION

This report was approved by the Directors on 11 March 2009.

The interim results for the six months ended 31 December 2008 have been prepared in accordance with the AIM Rules for Companies. The Group has not elected to apply IAS 34 'Interim Financial Reporting'.

This financial information has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively Adopted IFRS). The principal accounting policies used in preparing the interim results are those the Group expects to apply in its financial statement for the year ending 30 June 2009 and are unchanged from those disclosed in the Group's Report and Financial Statements for the year ended 30 June 2008.

The results for the half year are unaudited. The financial information in this interim announcement does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The comparative financial information for the year ended 30 June 2008 does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The statutory accounts of Group NBT plc for the year ended 30 June 2008 have been reported on by the Company's auditors and have been delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain an emphasis of matter statement. The auditors' report did not contain statements under Section 237(2) or 272(3) of the Companies Act 1985.

2 SEGMENTAL ANALYSIS

At present the Group's activities are operated largely through a common infrastructure and support functions and therefore in the opinion of the Directors its activities constitute one business segment through which it provides its services. The Group reviews the operating performance of the business by revenue from each of its services; corporate domain name services - management of corporate domain name portfolios, managed hosting services – dedicated hosting solutions for SMEs, reseller services – white-labelled domain name registration services for ISPs and other intermediaries, online services – domain name, email and shared hosting, and brand protection services – monitoring the internet for brand abuse, fraud, piracy and counterfeiting. The format set out below is used to report results internally.

	Unaudited Six months ended 31 Dec 2008 £'000	Unaudited Six months ended 31 Dec 2007 £'000	Audited Year ended 30 June 2008 £'000
Revenue by service			
Corporate domain names	8,637	7,572	15,707
Managed hosting	3,017	2,367	5,074
Reseller	3,410	2,187	5,371
Online	3,554	3,674	7,773
Brand protection	660	667	1,356
	19,278	16,467	35,281
Gross profit	14,178	12,867	27,355
Underlying operating profit*	3,184	2,682	5,890
Share-based payments	(85)	(83)	(177)
Net finance expense	(29)	(121)	(205)
Underlying profit before tax**	3,070	2,478	5,508
Restructuring costs	(365)	(149)	(515)
Amortisation	(453)	(393)	(782)
Profit before taxation	2,252	1,936	4,211

* Underlying operating profit is defined as operating profit excluding amortisation, restructuring costs and share-based payments and is shown on the face of the income statement.

** Underlying profit before tax is defined as pre-tax profit excluding amortisation and restructuring costs.

Notes to the Unaudited Interim Accounts continued

six months ended 31 December 2008

2 SEGMENTAL ANALYSIS continued

The Group operates in three main geographic areas: UK, other European countries and the USA. Revenue and profit before tax by origin of geographical segment are as follows:

	Revenue			Profit before tax		
	Unaudited Six months ended 31 Dec 2008 £'000	Unaudited Six months ended 31 Dec 2007 £'000	Audited Year ended 30 June 2008 £'000	Unaudited Six months ended 31 Dec 2008 £'000	Unaudited Six months ended 31 Dec 2007 £'000	Audited Year ended 30 June 2008 £'000
UK	10,497	9,388	19,496	1,129	1,336	2,050
Other European	8,017	6,552	14,559	897	435	1,844
USA	764	527	1,226	226	165	317
	19,278	16,467	35,281	2,252	1,936	4,211

3 EARNINGS PER SHARE

The basic and diluted earnings per share for the period ended 31 December 2008 are based on the profit for the period of £1,655,000 (31 December 2007: £1,424,000 and 30 June 2008: £3,272,000) and on the weighted average number of shares of 25,206,000 (31 December 2007: 25,111,000 and 30 June 2008: 25,128,000).

The number of non-dilutive shares under options excluded from the diluted earnings per share calculations were 1,776,000 (31 December 2007: 1,429,000 and 30 June 2008: 1,454,000).

An adjusted earnings per share has also been presented in addition to the statutory earnings per share and is based on earnings adjusted to eliminate the effects of amortisation on intangible assets and restructuring costs. It has been calculated to allow shareholders to gain a clearer understanding of the trading performance of the Group.

The basis of the calculation of the basic and diluted profit per share is set out below:

	Unaudited Six months ended 31 Dec 2008 £'000	Unaudited Six months ended 31 Dec 2007 £'000	Audited Year ended 30 June 2008 £'000
Profit for the period	1,655	1,424	3,272
Amortisation of intangible assets (net of tax)	337	291	578
Restructuring costs (net of tax)	263	109	360
Profit before amortisation and restructuring costs	2,255	1,824	4,210

Weighted average and adjusted weighted average number of ordinary shares (000s):

	Unaudited Six months ended 31 Dec 2008 Number	Unaudited Six months ended 31 Dec 2007 Number	Audited Year ended 30 June 2008 Number
Shares used for basic earnings per share	25,206	25,111	25,128
Share options	667	769	756
Shares used for diluted earnings per share	25,873	25,880	25,884

Notes to the Unaudited Interim Accounts continued

six months ended 31 December 2008

3 EARNINGS PER SHARE continued

Earnings per share:

	Unaudited Six months ended 31 Dec 2008 pence	Unaudited Six months ended 31 Dec 2007 pence	Audited Year ended 30 June 2008 pence
Basic			
Profit for the period	6.57	5.67	13.02
Amortisation of intangible assets (net of tax)	1.34	1.16	2.30
Restructuring costs (net of tax)	1.04	0.43	1.43
Profit before amortisation and restructuring costs	8.95	7.26	16.75
Diluted			
Profit for the period	6.40	5.50	12.64
Amortisation of intangible assets (net of tax)	1.30	1.12	2.23
Restructuring costs (net of tax)	1.02	0.42	1.39
Profit before amortisation and restructuring costs	8.72	7.04	16.26

4 DIVIDEND

Equity dividends are recognised when they become legally payable. Interim dividends are recognised when paid. Final dividends are recognised when approved by the shareholders at an Annual General Meeting.

A final dividend of 1.60 pence per share (2007: 1.20 pence) was paid on 7 January 2009 to shareholders on the register at 5 December 2008. The Board of Directors has declared an interim dividend of 1.00 pence per share (2007: 0.80 pence) which is payable on 21 April 2009 to shareholders on the register at 20 March 2009.

Independent Review Report

to the shareholders of Group NBT plc

INTRODUCTION

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2008 which comprises the consolidated income statement, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

DIRECTORS' RESPONSIBILITIES

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the Directors. The Directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

OUR RESPONSIBILITY

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2008 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

BDO STOY HAYWARD LLP

CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS, LONDON

11 MARCH 2009

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