

**Company** Ultima Networks PLC  
**TIDM** UTN  
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Ultima Networks PLC  
17 September 2009

Ultima Networks Plc  
("Ultima" or the "Company")

### Interim Results for the six months ended 30 June 2009

Ultima, the Green Technology Company, is pleased to announce its unaudited interim results for the six months ended 30<sup>th</sup> June 2009.

#### Highlights for the period

- **Turnover up 6% to £894,000 (H1 2008: £841,000)**
- **Operating loss of (£10,000) (H1 2008 profit of: £30,000)**
- **Debt free with cash at bank of £77,000 (31 December: £122,000)**
- **Land acquired and permission granted for development of solar parks in Italy and approval granted for development of pilot solar park in Spain.**

*Ultima operates through three divisions: the IT and related Services division, the Green technology products division and the newly established Green power division. The IT and related Services division develops and supplies computer based application software and services to the legal profession, the Green technology products division is responsible for the development and sale of consumer and specialist electronic goods whilst the Green power division is involved in the development of solar power parks.*

#### Professor Humayun Mughal, Chairman and CEO, commented:

*I am pleased to report that despite the tough economic environment during the six months ended 30<sup>th</sup> June 2009 the group has increased sales and introduced new products. The integration of the JCS management team has substantially strengthened the IT and related services division and the group's activity in the development of solar park solutions has resulted in permissions being granted for developments in Italy and Spain.*

*"Our main objective going forward continues to be based upon the pursuit of low risk, recurring revenues, and the expansion of the Company through a mixture of organic growth complemented by a highly selective acquisitions policy.*

*"I am excited by the development of solar parks in Italy and Spain and the opportunity this brings to Ultima in providing a platform to further enhance the group's green credentials and increase the prospects for strong recurring revenue. We look forward to announcing further news in this regard in the short term."*

**17 September 2009**

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**Chairman and Chief Executive's Statement**

**Overview**

The Company continues to make progress across all divisions with overall turnover up by 6% from the first half of 2008.

Despite tough trading conditions the IT and related services division has continued to make progress selling an expanded range of legal software products headed by the latest version of Cognito Office. The successful integration of the activities, product and management team of JCS Computing Solutions Limited has strengthened the division providing a strong platform for continued growth.

The Green technology products division has experienced extremely difficult market conditions during the period. Despite this the division managed to retain a large part of its turnover although, the weakening of the pound to lows of \$1.45 against previous average rates of \$1.85 negatively impacted profit margins during the period. The recent recovery of the pound against the US \$ is expected to have a positive impact on margins for the Company in the second half of the year reflecting lower component costs purchased in dollars from China. On 15<sup>th</sup> May 2009 the Company announced that its Green technology products division had designed a bicycle in conjunction with EQ-Bikes of Holland using the Company's own lightweight battery technology aimed at the BENELUX market. A 3 year distribution contract with EQ-bikes was secured for sale of the Infineum product range in the BENELUX region. This agreement, which complements the division's sales activity in the UK, is expected to offer strong growth opportunities.

The period under review also saw the achievement of significant milestones in the proposed development of solar parks in Italy and Spain. The announcement of 15 May 2009 explained the connection agreement for the 3 MW Italian Solar Park. Subsequent to this announcement an agreement has been reached with the Italian Grid (ENEL) to build a substation for connection to the High Voltage grid which will enable an uptake of up to 100 MW. This will allow Ultima to develop further capacity on or near the same site. The division also announced that the 100 KW Solar Park planned for Spain received Spanish government approval for the off take of energy created by the park, once financed and built, at a fixed price of 32 euro cents per kilowatt hour for a period of 25 years. As announced in the Company's full year results in May 2009, it is the intention of the Company to seek further funding to facilitate the construction and commissioning of its solar farms and to enable the Company to further develop its solar presence.

The directors believe that these developments in green technology and solar power are strategically important for the future development and growth of the group and represent an opportunity for Ultima to significantly grow revenues over the coming years.

## Financial Summary

In the six months to 30 June 2009 the Group achieved increased sales of £894,000 (H1 2008: £841,000) and an operating loss of £10,000 (H1 2008: profit £30,000). Product cost increases in the Green technology products division due to adverse £/\$ exchange rates in the period was the major contributing factor to the Company incurring a small loss in the period.

The IT and related services division made an operating profit of £39,000 (H1 2008: loss £21,000) on sales of £354,000 (H1 2008: £264,000). This division comprises Cognito Software a provider of application software and services to the legal profession and JCS Computing Solutions Limited whose activities and management team have been merged into Cognito Software.

The Green technology products division made an operating loss of £35,000 (H1 2008: profit £51,000) on sales of £539,000 (H1 2008: £577,000). This division solely comprises UTN Solutions (North) and has had continuing success with its PowaCycle branded range of electric bicycles, which continue to be expanded by the regular introduction of new models and expansion into continental European markets.

The Green power division made an operating loss of (£12,000) (H1 2008: £0). This division holds the land and planning consent for the development of solar parks which are hoped will provide the basis for rapid growth in areas of solar park development and electricity generation.

There was an unallocated loss of £2,000 (H1 2008: £0) relating to depreciation of centrally held assets.

Due to expected availability of brought forward losses there has been no adjustment for taxation in the period.

**Prof. Humayun Akhter Mughal** Chairman and Chief Executive Officer

### Consolidated Income Statement Six Months ended 30th June 2009

		Unaudited Half Year	Unaudited Half Year	Audited Full Year
	Note	2009 £000's	2008 £000's	2008 £000's
<b>Continuing Operations</b>	1			
<b>Revenue</b>		894	841	1,977
Cost of Sales		380	326	648
<b>Gross Profit</b>		514	515	1,329
Selling and administration expenses		524	485	1,097
Other operating income		-	-	14
Operating (Loss)/Profit/		(10)	30	246
Finance Income		-	25	35

(Loss)/Profit before taxation	(10)	55	281
Tax Income/(expense)	-	-	(21)
Loss/Profit for the period attributable to equity holders of the parent	(10)	55	260
Basic and diluted earnings per share derived from total and continuing operations-pence	(0.005)	0.03	0.13

### Consolidated statement of financial position

	30/06/2009 Unaudited 2009 £000's	30/06/2008 Unaudited 2008 £000's	31/12/2008 Audited 2008 £000's
<b>ASSETS</b>			
<b>Non Current assets</b>			
Property, plant and equipment	816	119	621
Intangible assets-development costs	265	39	78
Goodwill	118	-	118
Intangible assets-others	172	-	181
Deferred tax asset	6	5	6
	<u>1,377</u>	<u>163</u>	<u>1,004</u>
<b>Total noncurrent assets</b>			
<b>Current assets</b>			
Inventories	395	240	452
Trade and other receivables	354	218	404
Cash and cash equivalents	77	1,028	122

<b>Total current assets</b>	826	1,486	978
<b>Total assets</b>	2,203	1,649	1,982
<b>LIABILITIES</b>			
Deferred tax	48	-	50
<b>Total noncurrent liabilities</b>	48	-	50
<b>Current liabilities</b>			
Trade and other payables	401	95	81
Current Tax Liabilities	93	45	132
Accruals and deferred income	243	285	291
<b>Total current liabilities</b>	737	425	504
<b>Total liabilities</b>	785	425	554
<b>Net assets</b>	1,418	1,224	1,428

**EQUITY****Capital and reserves attributable to equity holders of the parent**

Called up share capital	7,554	7,554	7,554
Share premium account	5,602	5,602	5,602
Other reserves	202	202	202
Retained earnings	(11,940)	(12,134)	(11,930)
<b>Total equity</b>	1,418	1,224	1,428

**Consolidated cash flow statement**

	Unaudited Half Year 2009 £000's	Unaudited Half Year 2008 £000's	Audited Full Year 2008 £000's
Profit/(Loss) for the Financial period	(10)	55	260
Taxation Expense	-	-	21
Interest Receivable	-	(25)	(35)
Depreciation Charge	6	6	13
Amortisation of Intangibles	15	3	19
<b>Operating profit before changes in working capital</b>	11	39	278
Increase/(decrease) in inventories	57	17	(195)
Increase/(decrease) in trade and other			

receivables	50	66	(19)
(Decrease)/increase in trade and payables and other current liabilities	232	(105)	(248)
<b>Net cash flow from/(used in) investing activities</b>	<b>350</b>	<b>17</b>	<b>(184)</b>
Taxation	-	-	-
<b>Net cash (used in)/generated from operating activities</b>	<b>350</b>	<b>17</b>	<b>(184)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(202)	(5)	(510)
Development Expenditure	(193)	(35)	(82)
Acquisition of subsidiaries net of cash acquired	-	-	(163)
<b>Net cash used in investing activities</b>	<b>(395)</b>	<b>(40)</b>	<b>(755)</b>
<b>Cash flows from financing activities</b>			
Interest Received	-	25	35
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>25</b>	<b>35</b>
<b>Net(decrease)/increase in cash and cash equivalents</b>	<b>(45)</b>	<b>2</b>	<b>(904)</b>
Cash and equivalents at beginning of the period	122	1,026	1,026
<b>Cash and cash equivalents at end of the period</b>	<b>77</b>	<b>1,028</b>	<b>122</b>

### Consolidated statement of changes in equity

(i) Six months ended 30 June 2009 - Unaudited

	Called up Share capital £000	Share Premium £000	Other Reserve £000	Retained Earnings £000	Total Equity £000
At 1 January 2009	7,554	5,602	202	(11,930)	1,428
Loss for the period	-	-	-	(10)	(10)
At 30 June 2009	<b>7,554</b>	<b>5,602</b>	<b>202</b>	<b>(11,940)</b>	<b>1,418</b>

**(ii) Six months ended 30 June 2008 - Unaudited**

	Called up Share capital £000	Share Premium £000	Other Reserve £000	Retained Earnings £000	Total Equity £000
At 1 January 2008	7,554	5,602	202	(12,190)	1,168
Profit for the period	-	-	-	55	55
At 30 June 2008	<b>7,554</b>	<b>5,602</b>	<b>202</b>	<b>(12,134)</b>	<b>1,224</b>

**(iii) Year ended 31 December 2008 - Audited**

	Called up Share capital £000	Share premium £000	Other Reserve £000	Retained Earnings £000	Total Equity £000
At 1 January 2008	7,554	5,602	202	(12,190)	1,168
Profit for the period	-	-	-	260	<u>260</u>
At 31 December 2008	<b>7,554</b>	<b>5,602</b>	<b>202</b>	<b>(11,930)</b>	<b>1,428</b>

**1 Segmental Reporting**

The Group operates in the United Kingdom and Italy.

As at 30th June 2009, the Group is organised into three principal business segments:

- IT and related services (comprising legal and publishing application software)
- Green technology (comprising electric bicycles, energy saving lamps, and educational electronic kits)
- Green Power (development of Solar Parks)

The segmental results for the half year ended 30<sup>th</sup> June 2009 are as follows:

	<b>Unaudited</b>	Unaudited	Audited
	<b>Half year</b>	Half year	Full year
	<b>2009</b>	2008	2008
	<b>£000's</b>	£000's	£000's
<b>Revenue</b>			
United Kingdom	<b>893</b>	841	1,977
Italy	<b>1</b>	-	-
	<hr/>	<hr/>	<hr/>
Total	<b>894</b>	841	1,977
	<hr/>	<hr/>	<hr/>
<b>Revenue</b>			
IT and related Services (U.K.)	<b>354</b>	264	708
Green technology (U.K.)	<b>539</b>	577	1,269
Green Power (Italy)	<b>1</b>	-	-
	<hr/>	<hr/>	<hr/>
Total	<b>894</b>	841	1,977
	<hr/>	<hr/>	<hr/>
<b>Operating profit/(loss) before exceptional items</b>			
IT and related Services (U.K.)	<b>39</b>	(21)	126
Green technology (U.K.)	<b>(35)</b>	51	133
Green Power (Italy)	<b>(12)</b>	-	(9)
Unallocated	<b>(2)</b>	-	(4)
	<hr/>	<hr/>	<hr/>
Operating profit/(loss)	<b>(10)</b>	30	246
Finance Income	<b>0</b>	25	35
	<hr/>	<hr/>	<hr/>
<b>Profit before taxation</b>	<b>(10)</b>	55	281
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
IT and related Services (U.K.)	<b>2</b>	3	5
Green technology (U.K.)	<b>2</b>	3	4
Green Power (Italy)	<b>-</b>	-	-
Unallocated	<b>2</b>	-	4
Group Total	<b>6</b>	6	13
	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>			
IT and related Services (U.K.)	<b>10</b>	-	9
Green Technology (U.K.)	<b>3</b>	3	6
Green Power (Italy)	<b>2</b>	-	4
Group Total	<b>15</b>	3	19
	<hr/>	<hr/>	<hr/>

**Segmental Reporting Continued**

<b>Unaudited</b>	Unaudited	Audited
<b>Half year</b>	Half year	Full year
<b>2009</b>	2008	2008

	£000's	£000's	£000's
<b>Segment Assets</b>			
IT and related services UK	552	23	549
Green technology UK	579	460	714
Green Power Italy	644	-	541
Unallocated	428	1,166	178
	<hr/>	<hr/>	<hr/>
Group	2,203	1,649	1,982
	<hr/>	<hr/>	<hr/>
<b>Segment liabilities</b>			
IT and related services UK	(370)	(250)	(367)
Green technology UK	(48)	(97)	(44)
Green Power Italy	(16)	-	(4)
Unallocated	(351)	(78)	(139)
	<hr/>	<hr/>	<hr/>
Group	(785)	(425)	(554)
	<hr/>	<hr/>	<hr/>
<b>Net assets</b>			
IT and related services UK	182	(227)	182
Green technology UK	531	363	670
Green Power Italy	628	-	537
Unallocated	77	1,088	39
	<hr/>	<hr/>	<hr/>
Group	1,418	1,224	1,428
	<hr/>	<hr/>	<hr/>
<b>Capital Expenditure</b>			
IT and related services UK	56	3	47
Green technology UK	28	4	35
Green Power Italy	109	-	523
Unallocated	-	30	299
	<hr/>	<hr/>	<hr/>
Group	193	37	904
	<hr/>	<hr/>	<hr/>

## 2 Basis of preparation

The consolidated interim financial statements have been prepared in accordance with the AIM Rules for Companies and prepared on a basis consistent with International Financial Reporting Standards ("IFRS") as adopted by the EU and the accounting policies set out in the group's financial statements for the year ended 31 December 2008.

The consolidated interim financial statements are unaudited and include all adjustments which management considers necessary for a fair presentation of the group's financial position, operating results and cash flows for the 6 month periods ended 30 June 2009 and 30 June 2008.

The group has chosen not to adopt IAS 34 'Interim Financial Statements' in preparing these interim financial statements and therefore the interim financial information is not in full compliance with IFRS disclosure.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

These interim financial statements have been prepared under the historical cost convention.

### **3 Taxation**

Due to expected availability of brought forward losses, no provision has been made for application of tax for the period under review.

### **4 Dividends**

The company has not proposed or declared an interim dividend.

### **5 Earnings per share**

Basic earnings per share has been calculated based on the profit on ordinary activities after taxation and the weighted average number of shares in issue for the period of 204,747,964 (June 2008: 204,747,964 and December 2008: 204,747,964). There are no options having a dilutive impact on earnings per share.

### **6 Other information**

This interim statement was approved by the board on 16 September 2009 and has not been audited by the company's auditors Grant Thornton UK LLP. The comparatives for the full year ended 31 December 2008 are not the Company's full statutory accounts for that year. A copy of the statutory accounts for that year, which were prepared under IFRS, has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 237(2)-(3) of the Companies Act 1985.

A copy of this interim statement is available at the Company's registered office at Ultima Networks plc, Akhter House, Perry Road, Harlow, CM18 7PN and on the company's website, [www.ultima-networks.co.uk](http://www.ultima-networks.co.uk)