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SOPHEON PLC

("Sopheon", the "Company" or the "Group")

RESULTS FOR THE 6 MONTHS TO 30 JUNE 2013
BUSINESS REVIEW AND OUTLOOK

Sopheon plc ("Sopheon") the international provider of software and services that improve the return from innovation and new product development investments announces its unaudited interim report for the six months ended 30 June 2013 (the "period") together with a business review and outlook.

HIGHLIGHTS:

- Revenue: £6.6m (2012: £6.2m)
  EBITDA profit: £0.8m (2012: £0.8m)
  Profit before tax: £0.0m (2012: £0.1m)
- Nineteen license transactions were completed including extension sales.
- Revenue visibility for full-year 2013 now stands at £10.5m compared to £8m reported in mid-June at the time of our AGM, equalling 83% of Sopheon's total revenues for the full year 2012. At the time of publication of our 2012 interim report, visibility was £9.9m.
- Cash at 30 June stood at £3.5m (2012: £2.6m).
- Sopheon obtained shareholder approval for a capital reorganization. The first phase has been implemented, reducing the number of outstanding shares in issue by a factor of 20 to 7.3m shares. The second phase, being the elimination of the accumulated deficit on the profit and loss account, is in progress.

Sopheon's Chairman, Barry Mence said: *"After our strong 2012 results we are pleased that revenues have continued to grow. Though broadly in line with expectations, it must be said our internal objectives were higher. We continue to plan investment at levels consistent with our strategic goals and to position the group for growth. It is also satisfying to see the progress made on our capital reorganization effort, a further step in the corporate changes that we started with last year's transfer from Euronext to Alternext."*

FOR FURTHER INFORMATION CONTACT:

Barry Mence, Chairman	Sopheon plc	+ 44 (0) 1483 685 735
Arif Karimjee, CFO	Sopheon plc	+ 44 (0) 1483 685 735
Charlotte Stranner / Victoria Bates	finnCap	+ 44 (0) 20 7600 1658
Heather Armstrong	Newgate Threadneedle	+ 44 (0) 20 7653 9842
Claire Verhagen	Citigate First Financial	+ 31 (0) 205 754 010

About Sopheon

Sopheon (LSE: SPE) partners with customers to provide complete Enterprise Innovation Performance solutions including software, expertise, and best-practices to achieve exceptional long-term revenue growth and profitability. Sopheon's Accolade® solution provides unique, fully-integrated coverage for the entire innovation management and new product development lifecycle. For the first time, businesses can access a single source of the truth across strategic innovation planning, roadmapping, idea and concept development, process and project management, portfolio management and resource planning. Sopheon's solutions have been implemented by over 200 customers with over 60,000 users in over 50 countries. Sopheon is listed on the AIM Market of the London Stock Exchange and on the Alternext Exchange in the Netherlands. For more information, please visit www.sopheon.com

CHAIRMAN'S STATEMENT

TRADING PERFORMANCE

Revenues for the first half of 2013 were £6.6m, compared to £6.2m in 2012. Our growth continues after a strong performance in 2012. Services and maintenance both grew, whereas license sales were broadly flat year on year. The overall revenue mix between license, service and maintenance was 29:36:35 respectively, compared to 32:37:31 in the first half of last year. After strong new customer acquisition in 2012, the first half of 2013 required focus on working on implementation with those new customers. We have also been busy with our client base as we roll out the upgrade program to our new 8.X technology platform. Overall a total of 19 license orders were booked, compared to 26 during the same period last year, however with a greater average value per transaction. The trend we reported in 2012 of customers making phased rather than up-front license investments continues to be an ongoing feature of the business.

The base of recurring maintenance, hosting and rental contracts stands at £4.8m compared to £4.1m a year ago. This is an important long term metric and we are pleased to see a good increase. We have leveraged our new 8.X software platform by transitioning many historical one-off client enhancements into our standard Accolade software, bringing functionality benefits to all customers. As part of this effort we have made considerable progress at eliminating the need for client customizations. Migration of our clients to the new platform will also reduce the effort required for future upgrades.

Revenue visibility has improved to £10.5m compared to £8m at the time of our Annual General Meeting in June. Sales pipelines for the third quarter and beyond are healthy and are expected to drive additional increases in revenue visibility between now and the end of the year. Nevertheless, as we have noted in our previous announcements, predicting the timing and value of individual sales is challenging, and this can impact revenue performance in a particular period.

A number of factors have impacted gross margins which stand at 69% compared to 73% in 2012. At the end of last year we reorganised our services organization, introducing a leadership tier, ancillary resources and service delivery teams to support the growth of the business. This is still bedding in. Subcontractor activity remained high, in part to support the transition into the new organizational structure. Finally, the 8.X upgrade effort has also put some strain on our support and services resources and due to continuing heavy demand in this area, we are creating a dedicated upgrade team to bring focus to this area until the demand becomes less intense.

OPERATING COSTS AND RESULTS

As we have regularly noted, we have continued a controlled staff expansion since 2011 and this accelerated coming into 2013 after our strong performance last year. At the end of June headcount stood at 114 compared to 103 a year ago, augmented by subcontracting as noted above. The investment in additional headcount is tied to our growth strategies and has included additional resource in sales, development and services teams. Due to performance being behind our internal plans, a limited bonus and incentive provision is in place at the half year point, compared to full provision at this point in 2012. Along with reduced amortization for certain intangible assets, this accounts for the apparent fall in sales and marketing costs even though we have stepped up resources in this area. The impact of incentive costs in other areas is less marked. The increase in research and development costs is almost entirely due to the effect of capitalization and amortization of development expenditure – in 2013 these were broadly in balance, whereas in 2012 capitalization exceeded amortization by £0.2m.

The overall operating result for the business was a profit of £153,000 (2012: £232,000). After net finance costs, the final profit before tax reported for the period is £3,000 (2012: £74,000). This result includes interest, depreciation and amortization costs amounting to £775,000 (2012: £731,000). The EBITDA result for the first half of 2013, which does not include these elements, was a profit of £778,000 (2012: £805,000).

CORPORATE AND BALANCE SHEET

Net assets at 30 June 2013 stood at £3.5m (2012: £3.1m). Cash resources at the end of the period amounted to £3.5m (2012: £2.6m). Approximately £1.5m was held in US dollars, £1.8m in Euros and the balance in Sterling. Intangible assets at 30 June 2013 stood at £3.8m (2012: £3.8m). This includes (i) £3.0m being the net book value of capitalised research and development (2012: £2.9m) and (ii) £0.7m (2012: £0.9m) being the net book value of acquired intangible assets.

In December 2010, the group entered into a $3.5 million mezzanine term loan with BlueCrest Capital ("BlueCrest"). This loan is repayable in equal monthly instalments through to March 2014. BlueCrest has also provided the Group with a revolving credit facility secured on US accounts receivable, with a facility limit of $1.25m. The facility is periodically renewable, but will expire on maturity of the term loan in March 2014. At 30 June 2013, the balances outstanding on the medium-term debt and revolving credit facility were $0.8m (2012: $1.9m) and $1.2m respectively (2012: $1.2m). The equivalent figures in Sterling are £0.5m (2012: £1.2m) and £0.8m (2012: £0.8m) respectively. BlueCrest is winding down its lending business, and therefore these facilities will not be renewed. The board will explore replacement debt facilities over the coming months.

The Group has previously issued £2m of convertible unsecured loan stock to a number of investors including key members of the Board and senior management team. The conversion price of the loan stock is £1 per ordinary share, and the maturity date is 31 January 2015.

In 2012 we embarked on a series of actions to improve alignment of the Group's corporate structure with the realities of the investment community facing a business the size and scale of Sopheon. The first action was to transfer our Amsterdam listing from NYSE Euronext to its exchange-regulated market, NYSE Alternext, which was implemented in September last year.

More recently, as approved by shareholders in general meeting, we implemented the first phase of the corporate restructuring, to reduce the number of shares in issue by a factor of 20. This was successfully achieved through a two-step process involving a 10,000:1 share consolidation followed by a 1:500 share subdivision one week later, in accordance with the circular issued to shareholders at the start of May. Overall, this has reduced the number of shares in issue from 145.6 million shares to 7.3 million shares. The nominal value of each share has changed from 5p to 20p. This procedure also reduced the number of shareholders on the Company's UK register from approximately 4,000 to approximately 200. As previously explained these figures do not include shareholders in the Dutch system, which were anticipated to fall from over 7,000 shareholders to under 2,000 shareholders. However, we understand that this reduction may not have occurred due to the way certain brokers in the Netherlands chose to handle the corporate action. We have yet to establish the precise situation but continue to make appropriate enquiries. We aim to complete the second phase of our restructuring, the elimination of the accumulated deficit on the profit and loss account, later this year, as planned.

STRATEGY

As previously stated, Sopheon's growth strategies center on three key objectives:

- **Increase our rate of growth by deploying industry-specific vertical marketing strategies.** Last year we revised our marketing approach to be a more vertical-specific, integrated mix of tactics including digital, web-based and social media methods as well as more traditional approaches such as conferences and direct mail. We have invested in dedicated European marketing resources with multilingual capabilities, and are also implementing new forms of rapid response lead generation and lead nurturing. Target sectors remain focused on consumer goods, food and beverage, chemical, high-tech and aerospace & defense. Although we have seen significant success in the former sectors from these initiatives, the latter has been held back by well publicized uncertainties around government procurement.

- **Broaden the use of our solutions within existing accounts.** The breadth of our innovation solutions continues to build, to enable expansion within our customers. In 2011, we completed a full refresh of the technology platform upon which our core software offerings are built to make them Microsoft® .net based, forming the foundation for our 8.X platform. We also transitioned our development team methodologies to an agile development methodology. Our most recent release of Accolade 8.3, extended functionality for planning, portfolio, and resource management as well as improving the configurability of the user interface. As we continue to bring out additional features, upgrade and extension activity continues to build.

- **Expand direct and indirect distribution channels to acquire new accounts.** In 2012 we added a number of new sales people, especially in Europe, to expand our direct distribution channel. This was underpinned at the start of 2013 through the acquisition of our German reseller partner. We have also continued to extend our relationships with consulting partners and this has led directly to new wins in 2013. Activities in the Far and Middle East also continue to advance.

OUTLOOK

Our major new product release milestones have led directly to high demand from our customers to upgrade, and this has now been completed or is in progress with half of our active Accolade Process Manager customers. We expect this transition to continue through next year, and to extend as we bring the next generation of Accolade Vision Strategist™ to market later in 2013, also built on the 8.X platform. This increased rate of product activity has continued to deepen relationships with our blue chip customers resulting in the further advances in the innovation engine that underpins both our product roadmap and our leadership in targeted vertical markets.

Ongoing demand and expansion in our client base continues to challenge our ability to focus consistent effort on adding new customers while keeping costs in check; indeed having signed substantial new business last year we are now busy with those deployments. To meet this challenge we made investments in the structure of our services organization, adding resources and leadership capacity to position it for growth and scalability. As well as greater resilience, we expect this new structure to yield higher margins over time. In addition to driving our direct sales efforts, our focus on new customer acquisition is supported by a range of new marketing initiatives and methodologies, and we are also working on the expansion of our partner network to add distribution capacity.

We remain positive about the progress and momentum we have achieved, and look to continued growth in the second half of the year and beyond.

Barry Mence 22 August 2013
Chairman

Visibility
Visibility at any point in time comprises revenue expected from (i) closed license orders, including those which are contracted but conditional on acceptance decisions scheduled later in the year; (ii) contracted services business delivered or expected to be delivered in the year; and (iii) recurring maintenance, hosting and rental streams. The visibility calculation does not include revenues from new sales opportunities expected to close during the remainder of 2013.

Cautionary Statement
This Interim Report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for these strategies to succeed. The Interim Report should not be relied on by any other party or for any other purpose. The Interim Report contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of Sopheon plc. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report. However, such statements should be treated with caution as they involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. The continuing uncertainty in global economic outlook inevitably increases the economic and business risks to which the Group is exposed. Nothing in this announcement should be construed as a profit forecast.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)

	2013	*2012*
	£'000	*£'000*
Revenue	**6,567**	**6,173**
Cost of sales	(2,064)	(1,685)
Gross profit	**4,503**	**4,488**
Sales and marketing expense	(2,025)	(2,154)
Research and development expense	(1,528)	(1,307)
Administrative expense	(797)	(795)
Operating profit	**153**	**232**
Finance income	12	9
Finance expense	(162)	(167)
Profit for the period before and after tax	**3**	**74**
Profit per share - basic and diluted in pence	0.04p	1.02p

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)

	2013	*2012*
	£'000	*£'000*
Profit for the period	**3**	**74**
Other comprehensive income		
Exchange differences on translation of foreign operations	236	(104)
Total comprehensive profit / (loss) for the period, net of tax	**239**	**(30)**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013 (UNAUDITED)

	30 June 2013 £'000	*31 Dec 2012 £'000*	*30 June 2012 £'000*
Assets			
Non-current assets			
Property, plant and equipment	222	197	195
Intangible assets	3,770	3,522	3,849
Other receivable	12	12	12
	4,004	**3,731**	**4,056**
Current assets			
Trade and other receivables	4,587	3,959	4,592
Cash and cash equivalents	3,467	3,880	2,615
	8,054	**7,838**	**7,207**
Total assets	**12,058**	**11,570**	**11,263**
Liabilities			
Current liabilities			
Borrowings	1,339	1,136	1,426
Deferred revenue	3,305	2,662	2,950
Trade and other payables	1,903	2,387	2,490
	6,547	**6,185**	**6,866**
Non-current liabilities			
Borrowings	1,970	2,121	1,333
Total liabilities	**8,517**	**8,306**	**8,199**
Net assets	**3,541**	**3,264**	**3,064**
Equity			
Share capital	7,279	7,279	7,279
Capital reserves	55,657	55,619	55,815
Translation reserve	411	175	258
Retained losses	(59,806)	(59,809)	(60,288)
Total equity	**3,541**	**3,264**	**3,064**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)

	2013	2012
	£'000	*£'000*
Operating Activities		
Profit for the period	3	74
Finance income	(12)	(9)
Finance costs	162	167
Depreciation of property, plant and equipment	62	47
Amortization of intangible assets	563	526
Share based payment expense	38	12
Operating cash flows before movement in working capital	816	817
(Increase) / decrease in receivables	(358)	(1,228)
Increase / (decrease) in payables	(204)	1,407
Net cash from operating activities	254	996
Investing Activities		
Finance income	12	9
Purchases of property, plant and equipment	(73)	(78)
Acquisition of business	22	-
Capitalisation of development costs	(553)	(680)
Net cash used in investing activities	(592)	(749)
Financing Activities		
Repayment of borrowings	(350)	(341)
Movement in lines of credit	291	-
Finance expense	(149)	(155)
Net cash used in financing activities	(208)	(496)
Net decrease in cash and cash equivalents	**(546)**	**(249)**
Cash and Cash equivalents at the beginning of the period	**3,880**	**2,941**
Effect of foreign exchange rate changes	133	(77)
Cash and Cash equivalents at the end of the period	**3,467**	**2,615**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)

	Share Capital £'000	*Capital Reserves £'000*	*Translation Reserve £'000*	*Retained Losses £'000*	*Total £'000*
At 1 January 2012	7,279	55,803	362	(60,362)	3,082
Share based payments	-	12	-	-	12
Profit for the period				74	74
Other comprehensive income	-	-	(104)	-	(104)
At 30 June 2012	**7,279**	**55,815**	**258**	**(60,288)**	**3,064**
At 1 January 2013	7,279	55,619	175	(59,809)	3,264
Share based payments	-	38	-	-	38
Profit for the period				3	3
Other comprehensive income	-	-	236	-	236
At 30 June 2013	**7,279**	**55,657**	**411**	**(59,806)**	**3,541**

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Sopheon Plc (the "Company") is a company domiciled in England. The condensed consolidated financial statements of the Company for the six months ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the "Group").

2. Accounting policies

Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”, as adopted by the European Union. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Annual Report and financial statements for the year ended 31 December 2012. The comparative financial information for the year ended 31 December 2012 included within this interim report does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for 2012 have been filed with the Registrar of Companies. The Independent Auditors' Report on that Annual Report and Financial Statement for 2012 was unqualified and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006. The financial information for the half years ended 30 June 2013 and 30 June 2012 is unaudited.

Going concern

The condensed consolidated financial statements have been prepared on a going concern basis. In reaching their assessment, the directors have considered a period extending at least 12 months from the date of approval of this financial report. This assessment has included consideration of the forecast performance of the business for the foreseeable future, the cash and financing facilities available to the Group, and the repayment terms in respect of the Group’s borrowings, including the potential of having to repay convertible loan stock in January 2015 and the termination of its facilities with BlueCrest Capital (“BlueCrest”) in May 2014.

In the first half of 2013, the Group achieved revenues of £6.6m and achieved a breakeven profit result. This represents a performance broadly consistent with the previous year, but below our internal plans. However the Group’s sales pipeline remains very active, and accordingly, the directors remain positive about the prospects for the business.

The Group has a loan note from BlueCrest which is repayable in equal monthly instalments of $90,000 plus interest through to March 2014. The balance remaining due on the note at 30 June 2013 was $808,000 (£533,000). The Group also has access to a $1,250,000 revolving line of credit with BlueCrest which is secured against the trade receivables of Sopheon’s North American business. This will also expire in March 2014, alongside the loan note. BlueCrest is winding down its lending business, and therefore these facilities will not be renewed. The board will explore replacement debt facilities over the coming months.

In addition, the Group has £2m of convertible unsecured loan stock held by a number of investors including members of the board and management, with a conversion price of £1 per ordinary share. The maturity date is 31 January 2015.

At 30 June 2013, the Group reported both net assets and cash resources of £3.5m. Notwithstanding the Group’s funding and trading position, the time-to-close and the order value of individual sales continues to vary considerably. When combined with the relatively low-volume and high-value nature of the Group’s business, these are factors which constrain the ability to accurately predict revenue performance.

NOTES TO THE FINANCIAL STATEMENTS

In addition, to meet its strategic objectives and deliver against higher sales goals, the Group has expanded headcount and continues to do so. If future sales fall short of expectations, there is a risk that the Group's facilities may prove insufficient to cover both operating activities and the repayment of its debt facilities, being on the one hand the regular repayment of the BlueCrest term loan and on the other hand, the possibility of having to repay up to £2m in cash of convertible loan stock on 31 January 2015. In such circumstances, the Group would be obliged to seek additional funding.

The directors have concluded that the circumstances set forth above represent uncertainties, however they believe that taken as a whole, the factors described above enable the Group to continue as a going concern for the foreseeable future. The financial information does not include the adjustments that would be required if the Group were unable to continue as a going concern.

Changes in accounting policies

The same accounting policies, presentation and methods of computation are followed in these condensed consolidated financial statements as were applied in the Group's latest annual audited financial statements. A number of new or amended IFRSs and IFRIC interpretations have become effective since the last annual report but none of these have had a material impact on the Group's reporting.

3. Segmental Analysis

All of the Group's revenues in respect of the six month periods ended 30 June 2013 and 2012 derived from the design, development and marketing of software products with associated implementation and consultancy services. For management purposes, the Group is organised across two principal operating segments, which can be expressed geographically. This basis is the same as that used in the Company's last annual financial statements. The first segment is North America, and the second EMEA (Europe, Middle East and Africa). Information relating to these two segments is given below. All information provides analysis by location of operations and is stated before intra-group charges.

Six months to 30 June 2013	*EMEA*	*N America*	*Total*
	£'000	*£'000*	*£'000*
External revenues	2,201	4,367	6,567
Net profit / (loss) before tax	297	(294)	3
EBITDA	381	397	778
Total assets	4,101	7,957	12,058

Six months to 30 June 2012	*EMEA*	*N America*	*Total*
	£'000	*£'000*	*£'000*
External revenues	2,388	3,785	6,173
Net profit / (loss) before tax	720	(646)	74
EBITDA	765	40	805
Total assets	3,696	7,567	11,263

EBITDA is arrived at after adding back net finance costs, depreciation and amortization amounting to £775,000 (2012: £731,000) to the net profit before tax. Details of these amounts are set out in the consolidated cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS

4. Earnings per share

The calculation of basic earnings per ordinary share is based on a profit of £3,000 (2012: £74,000) and on 7,279,000 ordinary shares (2012: 7,279,000) being the effective weighted average number of ordinary shares in issue during the year, as adjusted to reflect the capital reorganization. The diluted earnings per ordinary share for 2013 is the same as the basic earnings per ordinary share, because the exercise of conversion rights attaching to the convertible loan stock would have the effect of increasing the earnings per ordinary share by more than the impact of the higher number of shares. All warrants and share options to subscribe for ordinary shares either have a strike price above the average market price for the year, or have an immaterial impact.

5. Intangible Assets

Certain development expenditure is required to be capitalised and amortised based on detailed technical criteria, rather than automatically charging such costs in the income statement as they arise. This has led to the capitalisation of £553,000 (2012: £680,000), and amortisation of £547,000 (2012: £475,000) during the period. In addition, amortisation of £16,000 (2012: £51,000) has been charged during the period against the intangible assets originally acquired with Alignent, in June 2007.

6. Capital Reorganization

During the period shareholders approved a two-phase capital reorganization. The first phase involved reduction of the number of shares in issue from 145.6 million to 7.3 million through a consolidation procedure with a net 1:20 final ratio, and a change in nominal value for each share to 20p. This was implemented in June. The second phase will involve elimination of the accumulated deficit on the profit and loss account against capital reserves, and is planned for implementation later this year.

7. Related party transactions

£1,018,000 (2012: £415,000) of the Company's loan stock is held by directors and management. Except for the foregoing, there were no related party transactions required to be disclosed in any period. Transactions between the company and its subsidiary undertakings, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

8. Principal Risks and Uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 31 December 2012. The continuing uncertainty in the global economic outlook inevitably increases the trading and balance sheet risks to which the Group is exposed. Other principal risks and uncertainties of the Group for the remaining six months of the current financial year are disclosed in the Chairman's Statement and the notes to the condensed consolidated financial statements included in this interim report. A more detailed explanation of the risks relevant to the group is on page 21 of the annual report which is available at www.sopheon.com.

9. Statement of Directors Responsibilities

The Directors confirm to the best of their knowledge:

- The unaudited condensed consolidated financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU; and

- The interim report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R of the Disclosure and Transparency Rules of the UK Financial Services Authority.

On behalf of the Board 22 August 2013

Barry Mence	Andy Michuda	Arif Karimjee
Chairman	Chief Executive Officer	Chief Financial Officer

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 30 June 2013 which comprises the condensed consolidated income statement; condensed consolidated statement of comprehensive income; condensed consolidated statement of financial position; condensed consolidated cash flow statement; condensed consolidated statement of changes in equity; and associated notes.

We have read the other information contained in the interim 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 both the London Stock Exchange for companies trading securities on the AIM, and Euronext Amsterdam for companies trading securities on the Alternext, which require that the interim 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 interim 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 both the London Stock Exchange for companies trading securities on AIM and Euronext Amsterdam for companies trading securities on Alternext 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 interim financial report for the six months ended 30 June 2013 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM and for the rules of Euronext Amsterdam for companies trading securities on Alternext.

BDO LLP
Chartered Accountants & Registered Auditors, London, United Kingdom 21 August 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).