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SOPHEON PLC

(“Sopheon”, the “Company” or the “Group”)

RESULTS FOR THE 6 MONTHS TO 30 JUNE 2014

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 2014 together with a business review and outlook. In view of the fact that two thirds of Sopheon’s revenues and staff are based in the USA, the board has taken the decision to present the Group’s financial statements in US Dollars as of this interim report. This change reduces the effect of currency movements on reported revenues, and better reflects the underlying nature of the business. Comparatives for the prior period have been restated accordingly.

HIGHLIGHTS:

- Revenue: $9.2m (2013: $10.2m)
  EBITDA: $0.6m (2013: $1.2m)
  Loss before tax: $0.7m (2013: $0.0m)

- Seventeen license transactions were completed including extension sales. Revenue visibility for full-year 2014 now stands at $15m compared to $13.6m at the time of our AGM on 11 June.
- Cash at 30 June stood at $5.2m (2013: $5.3m).
- Our North American sales team has been refreshed, expanded and reorganized under new leadership, to align with the rapidly evolving commercial environment, extended product set and improving marketing metrics. We are in the process of similar changes in Europe.

Sopheon’s Chairman, Barry Mence said: *“In our Annual General Meeting we commented that revenues in 2014 were expected to be heavily weighted to the second half of the year. While a good proportion of anticipated first half business did conclude, our expectations have been validated. We are confident that our business model is sound, and we continue to execute on our growth plans with focus and commitment.”*

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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 AIM, operated by 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 2014 were $9.2m, compared to $10.1m in the equivalent period in 2013. Overall a total of 17 license orders were booked, compared to 19 during the same period last year, but with a lower average value per transaction – leading to the lower license revenues. Services revenues were higher, while maintenance revenues (including hosting) were broadly flat year to year. The overall revenue mix between license, service and maintenance was 19:40:41 respectively, compared to 29:36:35 in the first half of last year. As we have previously noted, our record fourth quarter in 2013 led to a substantial services backlog which has carried through into the current year and contributed to the stronger services performance. We have also continued our upgrade program to our new technology platform.

The base of recurring maintenance, hosting and rental contracts stands at $8m compared to $7.5m a year ago. This is an important long term metric and we are pleased to see continued progress. We are leveraging our new software platform by ensuring that where possible, one-off client enhancements are embedded in our standard Accolade software, bringing functionality benefits to all customers. The goal is to reduce and ultimately eliminate the need for client specific customizations. This philosophy has continued in our releases of Accolade 9.0 and 9.1, and the upcoming Accolade 9.2 release.

Revenue visibility has improved to $15m compared to $13.6m at the time of our Annual General Meeting on 10 June. Commercial activity remains high, and we continue to expect a stronger performance in the second half of the year. We have been making a number of changes in our sales teams in both Europe and America, led by our CEO Andy Michuda. This includes organizational changes to bring greater focus between new and existing customers, and also the replacement of certain personnel and new regional sales leadership. The commercial environment is showing clear signs of rising maturity; what was often a missionary type sales process is now almost always a competitive bid situation. Marketing metrics are also improving in both regions, as further described below.

Gross margin is 65% compared to 69% in 2013, largely attributable to the revenue mix. We were able to reduce subcontractor costs, but these savings were offset by the costs associated with the creation of a dedicated upgrade team to drive the transition to our new platform, and greater OEM costs associated with certain license and maintenance elements. These vary depending on the precise nature of each individual license sale.

OPERATING COSTS AND RESULTS

Our headcount today is 114, consistent with the annual average for 2013 but up compared to 102 in 2012; in line with our stated strategy, we have undertaken a steady expansion of resources over recent years. The investment in additional headcount is tied to our growth strategies and has included additional resource in sales, marketing, development, and services teams. Due to performance being behind plan, we are carrying modest bonus and incentive provisions at the half year point, as in 2013. Sales and marketing costs are broadly consistent year on year. The fall in reported research and development costs is almost entirely due to the effect of capitalization and amortization of development expenditure – in the first half of 2013 these were broadly in balance, whereas in the first half of 2014, capitalization exceeded amortization by $0.2m.

The overall operating result for the business was a loss of $0.5m (2013: $0.2m profit). After net finance costs, the final loss before tax reported for the period is $0.7m (2013: $0.0m). This result includes interest, depreciation and amortization costs amounting to $1.3m (2013: $1.2m). The EBITDA result for the first half of 2014, which does not include these elements, was a profit of $0.6m (2013: $1.2m).

CORPORATE AND BALANCE SHEET

Net assets at 30 June 2014 stood at $5.0m (2013: $5.4m). Cash resources at the end of the period amounted to $5.2m (2013: $5.3m). Approximately $2.2m was held in US dollars, $2.7m in Euros and the balance in Sterling. Intangible assets at 30 June 2014 stood at \$5.8m (2013: \$5.7m). This includes (i) \$4.8m being the net book value of capitalised research and development (2013: \$4.6m) and (ii) \$1.0m (2013: \$1.1m) being the net book value of acquired intangible assets.

In 2012 the Group 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 late 2012. Unfortunately, Euronext has recently announced a decision to wind down the Alternext Amsterdam segment, relatively soon after we were encouraged to join it. Options available to Sopheon include a transfer of our listing back to the Euronext Amsterdam main market, a transfer to Alternext Paris or Brussels, or a consolidation solely onto our primary AIM listing in London. The Board continues to explore all alternatives and will update shareholders as and when a decision has been made.

In June 2013, as approved by shareholders in general meeting, the Group implemented a capital restructuring program, which reduced the number of shares in issue by a factor of 20 to 7.3 million shares. This procedure also reduced the number of shareholders on the Company's UK register from approximately 4,000 to approximately 200. Incorrect processing by certain market participants in the Netherlands means that this success was not replicated in respect of shares held in the Dutch system. Accordingly, the board is planning to repeat the procedure, expected to be initiated shortly after publication of these results. In addition to the consolidation, the capital restructuring involved a court approved reduction of capital which adjusted the nominal value of each consolidated share to 20p, and cancelled the share premium and capital redemption reserves to reduce the accumulated losses of the company. This was successfully concluded.

In March 2014, the Group entered into new loan facilities with Silicon Valley Bank ("SVB") a highly respected technology focused banking organisation, replacing previous facilities held with BlueCrest Capital. The new SVB facilities comprise a term loan of \$0.5m, and a \$3m revolving line of credit based on US and UK receivables. These facilities are secured through debentures in the UK and UCC filings in the USA. The facilities bear interest at rates of 2.75 percent over Wall Street Prime, resulting in a current effective rate of 6 percent. The facilities are subject to covenants based on operating results, and in addition the drawdown mechanics and interest rates are subject to certain working capital ratios. These facilities have substantially lower financing costs than the ones they replace, reflecting the growing maturity of the Sopheon business.

In 2009 and 2012, the Group had issued a total of £2m of convertible unsecured loan stock (the "Loan Stock") to a group of investors including key members of the Board and senior management team. The Loan Stock was due to mature on 31 January 2015. The holders of the Loan Stock have recently agreed to extend the maturity date of the loan stock by two years, to 31 January 2017. The extension was coupled with modification of the conversion price of the Loan Stock to 76.5p per ordinary share, being the closing price on the day prior to the announcement of the amendments to the terms of the Loan Stock.

STRATEGY AND OPERATIONS

As we first predicted some years ago, we believe the market in which Sopheon operates is shifting to one that is more operationally critical, with higher exposure to senior management, just as ERP and CRM shifted in earlier times. Interactions with customers such as PepsiCo, BASF, SABIC and Philips, and coverage from analysts such as Gartner, demonstrate rising acknowledgement that innovation is becoming an enterprise level priority, which requires enterprise level software.

We also participated in the first conferences aimed directly at Chief Innovation Officers ("CINO") in London and San Francisco. Our CEO was a main stage speaker at both events. As companies shift from the cost management and containment focus of the past 5-7 years to a growth strategy, many are appointing a CINO to oversee risk and portfolio investments in innovation at the executive level. This trend plays directly to Sopheon's long-held position that innovation is a strategic top-down process.

The changing environment can lead to more phased multi-year client relationships with elongated revenue profiles - but with greater and more strategic long term potential. Since the start of the year we have brought new blood into our US sales team in part to reflect these trends in the market. We are particularly pleased that Sheila Plunkett has joined us to lead our US sales team. Sheila has extensive experience from both large companies such as IBM, E&Y and SAP as well as small start-up software companies, building a record of developing sales teams that deliver results

The restructuring of our marketing practices is showing rising impact. In particular, we have refocused marketing on inbound or "pull" methodologies to attract and influence potential buyers through thought leadership, content, digital properties, campaigns and engagement. This included complete redevelopment of our website, and integration with our customer relationship management and marketing automation systems. Since introducing these new practices, average monthly visits to our website, blog, and social properties has risen from around 7,000 to almost 13,000.

The high pitch of product releases has continued. In April, we launched Accolade 9.1 which included a number of functional additions and enhancements to all modules. We also extended data security and the user interface, to further improve usability and productivity. These updates were well-received. We are currently finalizing Accolade 9.2, for market launch in September this year, which will focus updates on our capabilities in strategic planning, project management and portfolio management.

OUTLOOK

Over recent years, Sopheon has been steadily implementing a program of strategic, operational and corporate changes to embed our market leadership, develop a more scalable business, and improve our investment profile.

Our product set has been extended and re-engineered with a new platform, and a new agile based development methodology that is highly responsive to market requirements. This has resulted in a substantial uplift in product releases, with two to three major releases per year. Our upcoming 9.2 release will be another landmark in this area. We have also re-engineered our marketing engine, replacing the website and introducing a broad range of social media channels, vertical strategies and improved lead handling processes. Our sales team has been restructured, reorganized and grown, and is under new leadership. The new structures reflect the dual importance of focusing on existing customers as well as new customer acquisition. We are also working on the expansion of our partner network to add distribution capacity. We have 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. On the corporate front, we have migrated to Alternext in the Netherlands, implemented a capital restructuring, brought on new debt facilities with a prestigious bank, and extended existing long term facilities with core shareholders and management.

These developments have involved a controlled expansion of staff levels over the last few years, while continuing to drive revenue and profitability improvements. In the fourth quarter of 2013 we achieved record financial performance, building on three years of growth, and we entered 2014 with energy and confidence. This background makes our disappointment in the first half performance very real; but it also means that we will not be knocked off course by short term gaps in performance. We firmly believe that Sopheon is on the right path and that our performance will reflect this over time.

Barry Mence
Chairman

27 August 2014

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 2014.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

	2014 $'000	*As restated* 2013 $'000
Revenue	**9,230**	**10,158**
Cost of sales	(3,263)	(3,193)
Gross profit	**5,967**	**6,965**
Sales and marketing expense	(3,005)	(3,132)
Research and development expense	(2,112)	(2,365)
Administrative expense	(1,369)	(1,233)
Operating (loss) / profit	**(519)**	**235**
Finance income	7	19
Finance expense	(190)	(250)
(Loss) / profit for the period before and after tax	**(702)**	**4**
(Loss) / profit per share - basic and diluted in cents	(9.64c)	0.06c

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

	2014 $'000	*As restated* 2013 $'000
(Loss) / profit for the period	**(702)**	**4**
Amounts that may be recycled in future periods		
Exchange differences on translation of foreign operations	(171)	30
Total comprehensive (loss) / profit for the period	**(873)**	**34**

Restatement was to modify presentational currency from GBP to USD.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2014 (UNAUDITED)

	30 June 2014 $'000	*As restated 31 Dec 2013 $'000*	*As restated 30 June 2013 $'000*
Assets			
Non-current assets			
Property, plant and equipment	313	326	337
Intangible assets	5,847	5,598	5,719
Other receivable	19	19	19
	6,179	**5,943**	**6,075**
Current assets			
Trade and other receivables	6,596	9,066	7,002
Cash and cash equivalents	5,178	4,027	5,259
	11,774	**13,093**	**12,261**
Total assets	**17,953**	**19,036**	**18,336**
Liabilities			
Current liabilities			
Borrowings	1,660	1,513	2,030
Deferred revenue	5,112	4,949	5,060
Trade and other payables	2,771	3,503	2,886
	9,543	**9,965**	**9,976**
Non-current liabilities			
Borrowings	3,403	3,270	2,988
Total liabilities	**12,946**	**13,235**	**12,964**
Net assets	**5,007**	**5,801**	**5,372**
Equity			
Share capital	2,354	2,354	11,769
Capital reserves	5,577	5,498	89,984
Translation reserve	(20)	151	314
Retained earnings	(2,904)	(2,202)	(96,695)
Total equity	**5,007**	**5,801**	**5,372**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

	2014	*As restated 2013*
	$'000	*$'000*
Operating Activities		
(Loss) / profit for the period	(702)	4
Finance income	(7)	(19)
Finance costs	190	250
Depreciation of property, plant and equipment	124	97
Amortization of intangible assets	964	871
Share based payment expense	79	58
Operating cash flows before movement in working capital	648	1,261
Decrease / (increase) in receivables	2,475	(656)
Decrease in payables	(628)	(262)
Net cash from operating activities	2,495	343
Investing Activities		
Finance income	7	19
Purchases of property, plant and equipment	(111)	(114)
Acquisition of business	-	38
Capitalisation of development costs	(1,215)	(857)
Net cash used in investing activities	(1,319)	(914)
Financing Activities		
New borrowings	500	-
Repayment of borrowings	(325)	(541)
Movement in lines of credit	(34)	450
Finance expense	(169)	(231)
Net cash used in financing activities	(28)	(322)
Net increase / (decrease) in cash and cash equivalents	**1,148**	**(893)**
Cash and Cash equivalents at the beginning of the period	**4,027**	**6,273**
Effect of foreign exchange rate changes	3	(121)
Cash and Cash equivalents at the end of the period	**5,178**	**5,259**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

	Share Capital $'000	*Capital Reserves $'000*	*Translation Reserve $'000*	*Retained Losses $'000*	*Total $'000*
At 1 January 2013 (as restated)	11,769	89,926	284	(96,699)	5,280
Share based payments	-	58	-	-	58
Profit for the period	-	-	-	4	4
Other comprehensive income	-	-	30		30
At 30 June 2013	**11,769**	**89,984**	**314**	**(96,695)**	**5,372**
Share based payments	-	59	-	-	59
Lapsing of share options	-	(727)	-	727	-
Capital reconstruction	(9,415)	(83,818)	-	93,235	2
Profit for the period	-	-	-	531	531
Other comprehensive income	-	-	(163)		(163)
At 1 January 2014	**2,354**	**5,498**	**151**	**(2,202)**	**5,801**
Share based payments	-	79	-	-	79
Loss for the period	-	-	-	(702)	(702)
Other comprehensive income	-	-	(171)		(171)
At 30 June 2014	**2,354**	**5,577**	**(20)**	**(2,904)**	**5,007**

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 2014 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 2013. The comparative financial information for the year ended 31 December 2013 included within this interim report does not constitute the full statutory accounts for that period. The amounts relating to the year ended 31 December 2013 have been restated for a change in presentational currency (see below) and at the date of this report this restatement has not been audited. The Annual Report and Financial Statements for 2013 have been filed with the Registrar of Companies. The Independent Auditors' Report on that Annual Report and Financial Statement for 2013 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 2014 and 30 June 2013 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.

In the first half of 2014, the Group achieved revenues of $9.2m and achieved a loss before tax of $0.7m. This represents a weaker performance than the previous year. 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. However, the Group's sales pipeline remains active, and the directors remain positive about the prospects for the business. Furthermore, at 30 June 2014, the Group reported both net assets and cash resources above $5m.

To meet its objectives, the Group has maintained headcount and investment levels. 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 servicing of its debt facilities. 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 Group's financial statements have been presented in US Dollars. In prior periods, the financial statements were presented in British Pounds. This change is intended to reduce the effect of currency movements on reported revenues, and to better reflect the underlying nature of the business.

NOTES TO THE FINANCIAL STATEMENTS

Except for the foregoing, 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 2014 and 2013 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 Europe. 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 2014	*N America*	*Europe*	*Total*
	$'000	*$'000*	*$'000*
External revenues	5,856	3,374	9,230
Net profit / (loss) before tax	(961)	259	(702)
EBITDA	135	435	570
Total assets	12,197	5,756	17,953

Six months to 30 June 2013	*N America*	*Europe*	*Total*
(as restated)	*$'000*	*$'000*	*$'000*
External revenues	6,754	3,404	10,158
Net profit / (loss) before tax	(455)	459	4
EBITDA	614	589	1,203
Total assets	12,068	6,268	18,336

EBITDA is arrived at after adding back net finance costs, depreciation and amortization amounting to $1,272,000 (2013: $1,199,000) to the net result before tax. Details of these amounts are set out in the consolidated cash flow statement.

4. Loss per share

The calculation of basic loss per ordinary share is based on a loss of $702,000 (2013: $4,000 profit) and on 7,279,000 ordinary shares (2013: 7,279,000) being the effective weighted average number of ordinary shares in issue during the year, in 2013 as adjusted to reflect the capital reorganization. The diluted loss per ordinary share for 2014 is the same as the basic loss per ordinary share, because the exercise of conversion rights attaching to the convertible loan stock would have the effect of decreasing the loss 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 $1,215,000 (2013: $857,000), and amortisation of $964,000 (2013: $847,000) during the period. In addition, during the first half of 2013, amortisation of $24,000 was charged against acquired intangible assets, now fully amortised.

NOTES TO THE FINANCIAL STATEMENTS

6. Capital Reorganization

During 2013 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. The second phase involved elimination of the accumulated deficit on the profit and loss account against capital reserves and was concluded in the second half of 2013.

7. Related party transactions

£1m ($1.7m; 2013: £1m) of the Company's Loan Stock is held by directors and management. The terms of the Loan Stock were modified during the period, as further described in the Chairman's Statement. 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 2013, which contains a detailed explanation of the risks relevant to the group on page 19, and is available at www.sopheon.com. 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.

9. 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.

10. 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 — 27 August 2014

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 2014 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 2014 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 27 August 2014

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