

# **SABIEN TECHNOLOGY GROUP PLC**

## **Unaudited interim results for the 6 month period to 31 December 2006**

Sabien Technology Group PLC, the owner of M2G, an energy saving controller that helps reduce fuel consumption on commercial boiler systems, is pleased to announce its results for the 6 month period to 31 December 2006. Sabien was admitted to AIM on 20 December 2006, prior to this period end.

### **Highlights:**

- Successful flotation on AIM raising £3.2m equity before expenses
- Strong performance by Sabien Technology Ltd in the 6 months to 31 December 2006
- Further contract wins since 31 December
- Strengthening of sales and marketing capability post-float
- Opening of London area office and recruitment of highly qualified staff

### **Commenting on the results, Dr Clive Morton O.B.E., Non-executive Chairman, said:**

“I am delighted to report on the progress made by the group since the successful flotation in December. Funds raised are being invested primarily in the development of the group’s sales and operations and we are already seeing the benefits of this investment in winning new business and generating interest in the M2G product. We expect this momentum to continue and are benefiting from the commitment of many organisations, both public and private, to reduce their energy consumption and, therefore, their carbon footprint.”

### **Alan O’Brien, Chief Executive Officer, said:**

“The period to 31 December has seen the delivery of over 450 M2G units to a variety of customers, including one of the UK’s largest retail banks on the basis of repeat business, which brings the total number of M2G units sold to date to 900.

There are tremendous opportunities for the group to deliver substantial savings to any customer that uses gas or oil heating and over the coming months we will be implementing our strategy to achieve substantial market penetration. In addition, and in line with our strategy, we are also making M2G compatible for use in the USA and Europe.

Our business plan for 2006/7 was based on achieving admission to AIM in Sept 2006. Given that admission and the accompanying fund raising actually took place in December 2006, the board deferred plans to recruit sales staff and implement other corporate initiatives. The effect of this delay is that the timing of certain potential revenues may be deferred into the financial year ending 30 June 2008. However the company has received strong expressions of interest from various parties concerning the licensing of M2G technology. The potential revenues from these licensing arrangements were not anticipated at the time of admission. The company will update the market in respect of these issues when appropriate.

Given the level of interest being generated by the newly recruited sales staff and by the continuing generation of repeat business, the Board is excited about the group’s future prospects.”

For further information, please call:

Company

Sabien Technology Group Plc 0207 993 3700 Alan O'Brien, CEO  
Gus Orchard, Finance Director

Investor Relations

Gavin Anderson 0207 554 1400 Ken Cronin/Marie Cairney/Janine Brewis

Nominated Adviser

Brewin Dolphin Securities 0113 241 0126 Neil Baldwin

Notes to editors:

Sabien's product is M2G, which is proven to cut the energy consumption of boilers that use gas and/or oil to heat water and space by up to 35%, without having any negative impact on performance or reliability. The payback period for M2G tends to be between 6 and 24 months.

With energy prices rising and environmental concerns growing over recent years, the need to achieve both financial savings as well as an improved environmental profile are increasingly becoming important board level issues.

Sabien's target customers are high-usage commercial and industrial organisations using gas- and oil-fired boilers.

Sabien owns the intellectual property, manufacturing and commercial rights to the M2G technology, has UK Trade Mark approval and has a European patent application currently pending.

## Sabien Technology Group Plc

Unaudited Group Income Statement  
for the 6 months ended 31 December  
2006

	Notes	6 months to 31 December 2006 Unaudited £'000	6 months to 31 December 2005 Unaudited £'000	Year to 30 June 2006 Audited £'000
Revenue		579	-	3
Cost of Sales		(194)	(3)	(9)
Gross Profit/(Loss)		<u>385</u>	<u>(3)</u>	<u>(6)</u>
Other income		4	-	3
Distribution costs		(25)	-	-
Administrative expenses		(399)	(29)	(63)
Finance Costs		<u>(103)</u>	<u>-</u>	<u>(7)</u>
Loss before tax		<u>(138)</u>	<u>(32)</u>	<u>(73)</u>
Corporation tax expense		-	-	10
Loss for the period		<u>(138)</u>	<u>(32)</u>	<u>(63)</u>
(Loss) per share	3			
Basic		(1.89p)	-	-

# Sabien Technology Group Plc

## Unaudited Group Balance Sheet

	Notes	31 December 2006 Unaudited £'000	31 December 2005 Unaudited £'000	30 June 2006 Audited £'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		15	1	1
Other intangible assets		2,577	-	2,652
		<u>2,592</u>	<u>1</u>	<u>2,653</u>
<b>Current assets</b>				
Inventories		13	16	72
Trade receivables		212	-	-
Other current assets		63	21	21
Cash and cash equivalents		3,042	179	76
		<u>3,330</u>	<u>216</u>	<u>169</u>
<b>Current liabilities</b>				
Trade and other payables		420	-	-
Current tax payable		-	55	-
Short term provisions		277	5	464
		<u>697</u>	<u>60</u>	<u>464</u>
<b>Non-current liabilities</b>				
Long-term borrowings		408	-	336
Long-term provisions		1,926	-	1,926
		<u>2,334</u>	<u>-</u>	<u>2,262</u>
<b>Net assets</b>		<u>2,891</u>	<u>157</u>	<u>96</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital	4	1,329	-	-
Other reserves		1,604	-	-
Retained earnings/(losses)		(42)	157	96
<b>Total equity</b>		<u>2,891</u>	<u>157</u>	<u>96</u>

## Sabien Technology Group Plc

### Unaudited Cash Flow Statement

	Notes	6 months to 31 December 2006 £'000	6 months to 31 December 2005 £'000	Year to 30 June 2006 £'000
<b>Cash flows from operating activities</b>				
Profit before taxation		(138)	(32)	(73)
Adjustments for:				
Depreciation and amortisation		75	-	2
Investment income		(4)	-	(3)
Interest expense		103	-	7
		<u>36</u>	<u>(32)</u>	<u>(67)</u>
Increase in trade and other receivables		(254)	(21)	(10)
Decrease in inventories		59	-	(56)
Increase in trade payables		273	(1)	450
Cash generated from operations		<u>114</u>	<u>(54)</u>	<u>317</u>
Interest paid		-	-	(7)
Corporation taxes paid		-	-	(44)
<b>Net cash from operating activities</b>		<u>114</u>	<u>(54)</u>	<u>266</u>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiary		-	-	(278)
Purchase of property, plant and equipment and intangible assets		(14)	(1)	(501)
Interest received		4	-	3
<b>Net cash used in investing activities</b>		<u>(10)</u>	<u>(1)</u>	<u>(776)</u>
<b>Cash flow from financing activities</b>				
Proceeds from issue of share capital		2,841	-	-
Proceeds from long term borrowings		21	-	438
Equity dividends paid		-	-	(31)
<b>Net cash from financing activities</b>		<u>2,862</u>	<u>-</u>	<u>407</u>
Net increase in cash and cash equivalents		2,966	(55)	(103)
Cash and cash equivalents at beginning of period		76	234	179
<b>Cash and cash equivalents at end of period</b>		<u>3,042</u>	<u>179</u>	<u>76</u>

# Sabien Technology Group Plc

## Notes to the Financial Statements

### 1. Basis of Preparation of Financial Information

The interim financial information has not been audited or reviewed by the auditors and does not constitute statutory accounts for the purpose of Section 240 of the Companies Act 1985.

While the financial information included in this interim announcement has been computed in accordance with International Financial Reporting Standards (IFRS), this announcement does not itself contain sufficient information to comply with IFRS. The full financial statements of the company will be prepared in accordance with IFRS, International Accounting Standards and their interpretations issued or adopted by the International Accounting Standards Board as adopted for use in the European Union.

### 2. Basis of Consolidation

Business combinations involving entities under common control are consolidated using merger accounting under which the group incorporates the assets and liabilities of the entities at the amounts recorded in the books of the entities. No goodwill arises on consolidation and any difference arising from the use of merger accounting is included in equity as a merger reserve.

The consolidated financial information incorporates the combined companies' results as if the companies had always been combined. Consequently the financial information includes the full period results of Sabien Technology Limited even though the combination did not occur until December 2006. Corresponding amounts in the financial information also incorporate the full period results of Sabien Technology Limited.

In respect of other business combinations fair values are attributed to the net assets acquired. Goodwill, which represents the difference between the purchase consideration and the fair value of the net assets acquired, is capitalised and subject to an impairment review at least annually or more frequently if events or changes in circumstances indicate that the goodwill may be impaired.

### 3. Earnings per share (EPS)

The calculation of the basic earnings per share is based on the earnings attributable to the ordinary shareholders, divided by the weighted average number of shares in issue in the period.

Comparative figures for EPS for the periods ending 31 December 2005 and 30 June 2006 have not been shown. The Directors do not consider it appropriate to calculate these numbers for periods preceding the formation of the group.

Due to the loss incurred in the period under review, unexercised options are not dilutive as at 31 December 2006.

## Sabien Technology Group Plc

	6 months ended 31 December 2006 £'000
Earnings for the period	<u>(138)</u>
Weighted average number of shares in issue	<u>7,318,392</u>
Earnings per share - basic	<u>(1.89p)</u>

#### 4. Share capital

On incorporation, the authorised share capital of the Company was £1,000 divided into 1,000 ordinary shares of £1 each, one of which was issued credited as fully paid to the subscriber to the Company's memorandum of association.

On 6 November 2006 by or pursuant to resolutions of the Company passed on that date:

- the authorised share capital of the Company was increased from £1,000 to £2,500,000 by the creation of an additional 2,499,000 new ordinary shares of £1 each;
- each of the issued and unissued ordinary shares of £1 each in the capital of the Company was subdivided into 20 Ordinary Shares of 5p.

On 12 December 2006, Sabien Technology Group Plc acquired the entire issued share capital of Sabien Technology Limited in consideration of the allotment and issue to Sabien Technology Limited's shareholders of 20,416,664 ordinary shares credited as fully paid.

On 20 December 2006, the Company placed 6,153,847 ordinary shares of 5p each at a price of 52p per share raising £3,200,000 before costs.

The Company's authorised and issued ordinary share capital, at the date of this Balance Sheet is:

	Amount	Number of Ordinary Shares
Authorised	<u>£2,500,000</u>	<u>50,000,000</u>
Issued and fully paid	<u>£1,328,526</u>	<u>26,570,511</u>

5. Copies of this statement are available from the Company Secretary, Sabien Technology Group Plc, 34 Clarendon Road, Watford, Herts WD17 1JJ.