

Sabien Technology Group PLC  
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SABIEN TECHNOLOGY GROUP PLC ('SABIEN')

TRADING UPDATE

Sabien Technology Group Plc is updating the market ahead of the financial year ending 30 June 2007.

On announcing its unaudited interim results for the six month period to 31 December 2006 on 31 March 2007, the Board made reference to the fact that the three month delay in admission of its shares to trading on AIM led to the deferment of the recruitment of sales staff and the implementation of other corporate initiatives which, in turn, meant that certain predicted revenues would be deferred into the financial year ending 30 June 2008.

In addition, the Company is also finding that whilst it is in negotiation with a significant number of potential users of the M2G product, the time taken in converting leads into purchase orders is proving to take significantly longer than anticipated at the time of flotation due to these users often being unable to measure energy consumption accurately and thus quantify savings derived from using M2G.

Following a detailed review of the current order book and sales pipeline, the Board now confirms that the results for the financial year ending 30 June 2007 are likely to be considerably below market expectations and the Company is likely to report a loss before tax for the full year of around £0.75 million.

The Board is pleased to report however that, during the company's second half year, a number of major organisations have committed to the use of Sabien's M2G technology and the company will continue to implement its strategy to achieve substantial market penetration.

Future Developments

As announced on 24 May 2007, the company's main client, RBS, continues to enjoy substantial environmental and financial benefits as a result of the adoption of Sabien's M2G technology across 200 of their commercial sites and a further roll-out of units is scheduled to continue throughout the next 12 months.

In addition, Sabien is currently in advanced negotiations with a prospective Italian licensee. Whilst there can be no guarantee of positive outcomes, these negotiations may result in unbudgeted licence and other revenue streams and the Board will update the market accordingly.

Further, the Board confirms that the company is launching a strategic initiative targeting a number of large multi-site commercial organisations. These organisations are being approached to participate in a three month contracted pilot scheme under which the proven energy and emission reduction advantages of Sabien M2G technology will be made available to them.

The company is also looking at ways of incorporating meter and monitoring into its product offering in order to counter the long sales lead times due to customers' inability to measure their energy consumption.

Following the results of these initiatives, the Board will have a clearer view of the likely target for the year ending 30 June 2008 and will update the market accordingly.

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