

Sabien Technology Group PLC
04 October 2007

4 October 2007

Sabien Technology Group Plc

Maiden Preliminary results for the 12 months ended 30th June 2007 (Unaudited)

Sabien Technology Group (AIM: SNT) is focused on the manufacture and sale of M2G and M3G energy saving devices which are proven to reduce energy consumption on commercial boilers and air conditioning units by up to 35%.

Highlights:

- Successful admission to trading on AIM and fundraising of £3.2m gross in December 2006
- Major orders continue from largest current client, The Royal Bank of Scotland
- M2G orders placed by other blue chip organisations including: Lloyds TSB, O2, Alliance & Leicester, Ford Motor Company, HM Land Registry, Institution of Mechanical Engineers, Investec Bank

Current period:

- Launch of Project 10 - inviting 10 large UK multi-site organisations to participate in a contracted pilot of M2G. Currently seven out of the 10 have subscribed for the pilot with further participants pending
- M2G Distribution agreement signed for the following territories; China, Italy, Republic of Ireland
- Launch of M3G - a product that helps reduce energy consumption (electricity) in commercial air-conditioning units by up to 35%

Alan O'Brien, Chief Executive Officer of Sabien Technology Group Plc, said,

'Sabien has a clear focus on generating UK sales, product suite enhancement for example M3G for air-conditioning, and overseas licensing deals. I believe we are now well positioned to take advantage of the opportunities of a growing market for energy efficient and environmentally sound technologies.

'With the right team on board and with a solid financial structure, Sabien is in an excellent position to build on what has been achieved in 2007.'

For further information:

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CHAIRMAN'S STATEMENT

I am pleased to report on the results for Sabien Technology Group Plc ('Sabien', 'the Company' or 'the Group') for the year ended 30 June 2007. This is Sabien's first year as an AIM quoted company having been successfully admitted to AIM on 20 December 2006 when it raised £3.2m of new money for the Company.

Financial Results

Turnover in the year to 30 June 2007 amounted to £632k (2006 - £3k). The loss after taxation was £745k (2006 - £63k). Although the results for the year were behind forecast, principally due to the delay in the admission to AIM which had been planned for September 2006, the Group has had a number of successes with the commercialisation of its M2G product including a further order placed in June 2007 from the group's largest current customer, Royal Bank of Scotland for an additional £420,000.

Over the past two years, Royal Bank of Scotland, has now placed orders totaling £1.35m for installation of M2G at its branches throughout the UK.

The Group is seeking to replicate this success with other major multi-site operations and details of this are set out in the Chief Executive Officer's report.

At 30 June 2007, cash and cash deposits amounted to £2.1m (2006 - £0.07m).

Board, Management and People

I was delighted to accept the Board's invitation to become Chairman prior to flotation. I look forward to using my experience gained in other organisations to helping Sabien to achieve its potential as a leader in its market.

Gus Orchard joined the Board in October 2006 as Finance Director to help in the flotation process and in implementation of processes for the Group going forward. He was previously Finance Director of TransEDA Plc which he took to AIM in September 2000.

Jonathan Hill who, as both a shareholder (through General Capital Venture Finance Limited) and director of Sabien Technology Limited, was instrumental in providing the finance to enable Sabien to acquire the rights to the M2G product

from its inventors, joined the Board prior to flotation but stepped down in July 2007. I would like to express the Board's appreciation for Jonathan's and General Capital's support in enabling the transition of the Group from a privately-held venture-backed start-up to an AIM quoted company.

I am pleased to welcome Karl Monaghan to the Board. Karl joined in September 2007 and brings with him a wealth of experience in the City having worked there in stockbroking and investment banking firms for approximately 14 years before setting up his own consultancy.

The Group has recruited experienced sales and operations personnel to take the business forward and I and my fellow Board members have every confidence that their efforts will be successful.

Dr Clive Morton
Non-Executive Chairman
4 October 2007

CHIEF EXECUTIVE OFFICER'S REPORT

Introduction

Sabien was set up in 2004 to commercialise an energy saving technology called M2G which helps public sector and commercial clients reduce their carbon footprint and energy consumption by up to 35%.

With interest in 'green issues' being at an all time high, the need to achieve both financial savings as well as an improved environmental profile is becoming increasingly important in the Boardrooms of UK PLC.

Rising energy prices also create a more immediate imperative to reduce energy consumption and cut energy costs. The urgency to seek new solutions is most definitely a growing feature of the market and consequently companies are beginning to implement energy strategies to meet challenging energy reduction targets.

A number of customers are already using M2G including an NHS Trust, a range of commercial blue chip clients and a leading high street bank. The M2G is Carbon Trust approved and qualifies for the Enhanced Capital Allowance Scheme.

Our strategy

Sabien's strategy is focused on targeting large multi-site companies tasked by shareholders and management to reduce and manage their carbon footprint and energy consumption.

In the UK, we market and sell direct to our clients using our in-house business development and marketing teams and are currently setting up our UK indirect sales channels.

Our strategies for Europe, North America and Asia, centre solely on issuing product licences to businesses to market and sell our products in these regions and since the year end we have signed non-exclusive distribution agreements in China, Italy and the Republic of Ireland.

The Directors estimate that the installed commercial boiler base in China is over 100 million and over 26 million in Italy. Both of these markets represent significant opportunities for the Company.

Operational Progress

As we have previously stated, as a result of our later than expected Admission to AIM, the Group had to delay the recruitment of our business development team with a consequent slower pick up in revenues than we had anticipated.

In spite of this timing issue, the fundamentals of our business remain strong and appealing. In M2G we have a world class product. We are gaining blue chip clients and are experiencing a positive level of new sales enquiries from both within the UK and internationally.

We have launched a number of initiatives which we believe will help drive sales and technology acceptance in the next financial year and beyond. While some customers are happy to make environmentally driven improvements, irrespective of cost, most businesses want to know that there is also going to be an economic and fiscal benefit from adopting Sabien's technology.

Current period

Project 10

On the back of the demand for both economic and environmental improvements, Sabien launched Project 10 in the summer.

Focusing on our core market, we invited 10 multi-site blue chip clients to participate in a contracted three month pilot. It is very pleasing that we already have seven clients confirmed and three pending for the project.

I am confident that M2G will deliver demonstrable savings and that we shall begin to see the benefits of this project during the course of the next financial year.

M3G

In October 2007, Sabien completed an agreement to licence M3G, a product that helps reduce energy consumption (electricity) in commercial air-conditioning units by up to 35%. This a complementary product to M2G with the same target market of large, multi-site organisations using air-conditioning systems. We believe M3G fits well with our overall strategy to support companies with their carbon management through energy reduction.

Staff

I would like to pay tribute to all our people for their contributions to the business so far this year. It has been a major task for the team to respond to the issues brought about by the delays in coming to the market. Throughout this time, their contribution to mobilising the business plus helping to win some new and repeat orders from some very notable clients has been magnificent.

Outlook

With the right team on board and with a solid financial structure, Sabien is in an excellent position to build on what has been achieved in 2007.

With a focus on generating UK sales, product suite enhancement, including M3G for air-conditioning and overseas licensing deals, I believe we are now well positioned to take advantage of the opportunities of a growing market for energy efficient and environmentally sound technologies.

Alan O'Brien

Chief Executive Officer

4 October 2007

Consolidated Income Statement

For the year ended 30 June 2007

	Notes	2007 £'000	2006 £'000
Revenue		632	3
Cost of sales		(147)	(9)
Gross profit		485	(6)
Other income	3	69	3
Distribution costs		(52)	-
Administrative expenses		(1,083)	(63)
Finance costs	4	(167)	(7)
Loss before tax	2	(747)	(73)
Corporation tax	5	2	10
Loss for the year attributable to equity holders of the parent company		(745)	(63)
Loss per share in pence - basic and diluted	6	(2.8)	(0.3)

Consolidated and Company Balance Sheet
As at 30 June 2007

	Notes	Group		Company	
		2007 £'000	2006 £'000	2007 £'000	2006 £'000
ASSETS					
Non-current assets					
Property, plant and equipment	47	1	-	-	-
Other intangible assets	2,511	2,652	-	-	-
Investment in subsidiaries	-	-	2,385	-	-
Total non-current assets	2,558	2,653	2,385	-	-
Current assets					
Inventories	71	72	-	-	-
Trade receivables	28	-	-	-	-
Current tax recoverable	-	-	-	-	-
Other current assets	121	21	254	-	-
Cash and cash equivalents	2,148	76	2,111	-	-
Total current assets	2,368	169	2,365	-	-
Current liabilities					
Trade and other payables	39	-	5	-	-
Short term provisions	183	464	41	-	-
Total current liabilities	222	464	46	-	-
Non-current liabilities					
Long-term borrowings	422	336	422	-	-
Long-term provisions	2,002	1,927	2,002	-	-
Total non-current liabilities	2,424	2,263	2,424	-	-
Net Assets		2,280	95	2,280	-

EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent

Share capital	1,329	1,021	1,329	-
Other reserves	1,601	(1,021)	2,371	-
Retained earnings/(losses)	(650)	95	(1,420)	-
Total equity	2,280	95	2,280	-

The comparative numbers for 2006 for the Group are as at 30 June 2006 whereas those for the Company are as at 30 September 2006.

Consolidated and Company Cash Flow Statement

For the year ended 30 June 2007

	Group		Company
	2007	2006	2007
	£'000	£'000	£'000
Cash flows from operating activities			
Loss before taxation	(747)	(73)	(1,420)
Adjustments for:			
Depreciation and amortisation	148	2	-
Impairment provision	-	-	1,228
Finance income	(69)	(3)	(65)
Finance expense	167	7	150
Transfers to equity reserves	104	-	12
Increase in trade and other receivables	(128)	(10)	20
Decrease in inventories	1	(56)	-
Increase in trade and other payables	1	450	45
Cash generated from operations	(523)	317	(30)
Interest paid	(167)	(7)	-
Corporation taxes paid	-	(44)	-
Net cash outflow from operating activities	(690)	266	(30)
Cash flows from investing activities			
Acquisition of subsidiary company	-	-	(500)
Acquisition of intellectual property	-	(778)	-
Purchase of property, plant and equipment	(53)	(1)	-
Finance income	69	3	65
Net cash generated by/(used in) investing activities	16	(776)	(435)
Cash flows from financing activities			
Proceeds from issue of share capital	2,826	-	2,576
(Repayment of)/proceeds from long term borrowings	(80)	438	-
Equity dividends paid	-	(31)	-
Net cash from financing activities	2,746	407	2,576
Net increase/(decrease) in cash and cash equivalents	2,072	(103)	2,111
Cash and cash equivalents at the beginning of the year	76	179	-
Cash and cash equivalents at the end of the year	2,148	76	2,111

Notes to the Financial Statements

1. Basis of Preparation

The results for the year are preliminary and unaudited.

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. No adjustments have been required to restate opening balances from UK GAAP to IFRS.

The financial statements have been prepared on the historical cost basis. The consolidated financial statements are presented in £'000 unless otherwise stated.

The preliminary announcement was approved by the Board of Directors on 4 October 2007.

2. Basis of Consolidation

Business combinations involving entities under common control fall outside the scope of IFRS and 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. Loss before tax

The loss before tax is stated after charging:

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Depreciation of owned tangible fixed assets	6	1
Amortisation of intangible assets	142	3
Operating lease rentals - land and buildings	20	-

4. Finance income

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Interest receivable	69	3

5. Finance expense

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Interest payable	167	7

6. Corporation tax

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Current tax	(2)	(10)
Deferred tax	-	-
Total tax recovery for the year	(2)	(10)

The tax recovery for the year can be reconciled to the loss per the income statement as follows:

Loss before tax	(747)	(73)
Tax on loss on ordinary activities at standard UK corporation tax rate of 19% (2006: 19%)	(142)	(14)
Expenses not deductible for tax purposes	8	2
Capital allowances in excess of depreciation	(1)	-
Other short term timing differences	27	2
Unrelieved tax losses	110	-
Current tax recovery	(2)	(10)

No provision has been made to recognise a deferred tax asset as future profitability is uncertain.

7. Loss per share

The calculation of loss per share is based on the loss for the year attributable to equity holders of £745k (2006: £63k) and a weighted average number of shares in issue during the period of 26,570,511 (2006: 20,416,664)

8. The financial information above for the years ended 30 June 2006 and 2007 in respect of which the accounting policies are consistent, does not constitute the statutory financial statements for those years. It is anticipated that the

annual report and accounts for the year ended 30 June 2007 will be posted to shareholders on or around 11 October 2007. Copies will be available from the Company Secretary, Sabien Technology Group Plc, 34 Clarendon Road, Watford, Herts WD17 1JJ and on the Company's website, www.sabien-tech.co.uk

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