**Press Release** **23 September 2008**

**Renewable Energy Generation Ltd**
**("REG", "the Company" or "the Group")**

**Preliminary Results for the year ended 30 June 2008**

Renewable Energy Generation Limited (AIM: RWE), the international renewable energy group, today announces its preliminary results for the year ended 30 June 2008.

## Financial Highlights

- Group revenue was up 247% to £3.6m (2007 - £1.4m) with gross profits of £1.8m (2007 - £0.7m), up 238% on the prior year
- Loss for the year of £4.0m (2007 – loss of £1.3m) including a write off of £1.6m on the acquisition of REG Power Management Limited
- Capital expenditure of £48.8m (2007 - £28.5m) including the completion of one wind farm in the UK and four wind farms in Canada
- Negotiated a £30m debt facility providing ample flexibility in managing financial liquidity
- Successfully refinanced four Canadian wind farms releasing up to Cdn$75 million of cash to the Group
- Cash and cash equivalents of £16.5m (2007 - £20.8m)
- Loss per share from continuing activities of £3.47p (2007 - loss per share of 1.50p)
- Second interim dividend of 3p per share proposed payable in October 2008 making a dividend payable in respect of the year of 4p per share (2007 - 4p)

## Operational Highlights

- Project pipeline now more than 5GW potential capacity in Canada and the UK
- Value crystallised by self-building, owning and operating projects from within a diversified pipeline. Construction completed on over 40MW in the UK and Canada, with 70MW committed to in the next 18 months
- Significant growth across the UK wind portfolio with wind production increasing 237% to 34.6GWh over the last year
- Planning approved for repowering of Goonhilly Downs; increasing capacity to 12-15MW (currently 5.6MW) and Loscar (3.9MW)

**REG Chief Executive Officer Andrew Whalley said:**

"REG has performed well across all business fronts this year with significant progress on the delivery of our strategy to develop, build and own our own wind projects. With built projects now emerging from our substantial wind power pipeline and a much strengthened team accelerating development in the UK and Canada, next year will bear the fruit of our investments to date.

The next twelve months will see accelerated project delivery providing a stable base of income for many years to come. Continued high energy prices and strengthening policy support provide us with increased confidence in our ability to create sustained value from the pipeline assets we are now building. We look forward to the year ahead."

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Julian Walker, Sarah MacLeod, Vicky Watkins

**Notes to Editors**

Renewable Energy Generation Ltd (REG) is an international renewable energy group. The Group's main business is the development, construction and operation of wind farms in the UK and Canada. It also generates power from refined used cooking oil in the UK.

- **The Cornwall Light & Power Co. Ltd**: based in Cornwall, UK, it currently operates seven wind projects in Cornwall, County Durham, Cumbria, Cambridgeshire and Gwynedd, with a total capacity of 21.3MW and has a development pipeline of around 250MW.
- **AIM PowerGen Corporation**: based in Toronto, Canada, AIM PowerGen Corporation is one of Canada's largest independent wind developers and has a pipeline of over 5GW of potential wind projects across seven provinces.
- **REG Bio-Power UK Ltd**: based in Norfolk, UK, it operates electricity generation plant fuelled by refined used cooking oil.

Headquartered in Guernsey, REG was admitted to trading on AIM, a market operated by the London Stock Exchange, in May 2005 (AIM:RWE).

www.renewableenergygeneration.co.uk

## Chairman's Statement

### Overview
Our business performed well in this financial year despite challenging global conditions. We built five wind farms over the period adding an additional 40MW of renewable energy production to our portfolio and we refinanced our first four wind projects in Canada against a backdrop of the most difficult conditions experienced in financial markets in a generation.

### Renewable Energy Moves to Mainstream
Our third year witnessed unprecedented growth in global sustainable energy investment – up 60% on the previous year to almost $150 billion. Record oil and gas prices and robust policy initiatives to combat climate change were strong drivers for sustainable energy projects, which accounted for 23% of all new power generation capacity added worldwide during the year. Wind power remained the dominant sector, and contributed more new generating capacity in Europe than any other power source. The International Energy Agency, in its 2008 Review of Energy Technologies, revised its view of prospects for renewables upwards predicting "a massive switch to renewable energy for power generation providing up to 46% of global power by 2050". The Agency also foresees a significant role for bio-fuels, especially in the transport sector, notwithstanding the "food-for-fuel" concerns prompted by the impact of various input costs on the rising price of food. Mergers and acquisitions in clean energy companies grew in value by 50% as the long anticipated consolidation of the sector hastened the transfer, particularly of wind assets, from developers to utility ownership. The global credit crunch is expected to support this trend, with equity-based acquisitions being driven by power utility companies anxious to hedge against rising fossil fuel costs and increasingly onerous climate change legislation.

### Strategy
Our strategy for capturing value in the booming renewable energy sector remains one of exploiting niche opportunities in markets where we can gain advantage from our small in-house team of experienced renewables professionals. We consider our competitive advantages to be the strength of our expertise when compared to other renewables developers of a similar size and a greater level of entrepreneurial agility than the larger utilities. Our aim remains to extract value throughout the investment chain by building, owning and operating mainly wind power assets. However, we will continue to acquire, develop and dispose of renewables businesses opportunistically where our expertise can enhance their value and position them for development by larger players.

The UK's onshore wind market has become the most attractive opportunity in our portfolio. We expect that the high wholesale power prices driven by increasing fossil-fuel costs will be supported by deteriorating power plant capacity margins. Combined with attractive incentives for developers to deliver the Government's ambitious renewable energy programme for strategic security, affordability and environmental sustainability, these conditions make the UK a priority market for our investments. Most crucially, this year we have begun to see real progress by the UK Government in tackling the biggest obstacle to renewable energy development in the UK – the planning process. The policy projection declared during the summer which amounts to a seven-fold increase in onshore wind capacity will, we believe, remove some of the planning bottlenecks that have historically frustrated the harvesting of the UK's exceptional wind resource. Recently, as previously announced, REG has been granted planning approval at Goonhilly and Loscar. Furthermore the impact of skill shortages and financing difficulties will present opportunities for REG to acquire under-resourced, early-stage schemes as the sector expands.

In tandem with this, our Canadian operations have developed more rapidly than envisaged at the beginning of the year and our Canadian subsidiary, AIM PowerGen Corporation, now has a development pipeline of 5GW spread across seven provinces of Canada. In addition to the development of renewable energy initiatives, underlying demand for renewable energy projects is also growing principally as a result of more onerous environmental requirements and high fossil fuels prices.

Having regard to the capital costs of building out this platform we continue to explore ways to maximise shareholder value from our development portfolio. The Board is also considering strategic options with regard to domiciliation and transition from closed-ended investment fund status to an operating company.

### Future Developments
Although our focus remains on wind power, our aim is to diversify our technology portfolio where opportunities arising in emerging applications coincide with strong policy support and lie within our skill sets. In 2007, we identified a rapidly emerging market for small-scale power and combined heat and power plants, fuelled by used cooking oil ("UCO"). Sympathetic planning processes, anticipated strengthening of incentives, merchant and county council/local authority power purchasing structures and a strong drive for the responsible disposal of waste vegetable oils combined with short project lead times and high asset utilisation levels, provide the prospect of attractive cash flow from this application. We built the 6MW Bentwaters project this year to prove the concept and it is currently trialling a variety of vegetable oil fuels in consultation with the UK's Environment Agency, ahead of the planned roll-out of further identified projects in the next 12 months.

As in our wind business, we see value in vertical integration to avoid margin dilution by intermediaries and we recently acquired the UCO collection and refining business that we have worked with since the outset. We have already secured collection contracts with government authorities, major food chains and water companies and have identified many bio-fuels markets for our "LF100" product beyond that of our UCO-fuelled electricity generating business.

**People**

The construction of the first four SOP projects in Canada was a great achievement for our Canadian team. In addition the granting of planning at Loscar and Goonhilly was a tremendous achievement for the UK team and I hope to be able to announce further projects wins over the next twelve months.

**Dividend**

The construction of five wind projects this year has added materially to our revenues and with Goonhilly and Loscar expected to become fully operational next year we believe that it is appropriate to continue with the payment of the current level of our dividend. The Board is therefore recommending a final dividend of 3p, making a full year dividend of 4p per ordinary share. We are committed to growing our dividend and, as I emphasised last year, we are waiting to see the outcome of our capital investment programme before committing to an increase.

**Summary**

The pace at which the renewable energy sector is evolving presents opportunities and threats for which adaptability is a vital response. Having established the Company as a well capitalised organisation with a permanent establishment of professionals skilled in all facets of the sector, the Board is able to manoeuvre confidently in a rapidly changing business environment. In acknowledging the huge contribution made by our people again this year, I wish particularly to record the Board's gratitude for the talents of Stephen Probyn, who died during the year. As a leading figure in North America's energy sector, Stephen was invaluable during our early transition from a managed investment fund to an operating company with its own intellectual resource.

## Chief Executive's Statement

### Strategy and key goals

The Group's core business is to generate renewable energy in a reliable and sustainable manner. To facilitate this goal our strategy is to focus on investment in energy projects that contribute to sustainable energy targets, while providing a sound long term return to shareholders. The Group's strategy is founded upon the effective management of its operating businesses, sound analysis of potential investments and the continued maintenance of a strong balance sheet.

### Overview

The past year has been one of continued good progress for the Group across all business fronts.
In the UK we completed the construction of the Roskrow Barton Wind Farm (1.7MW) in Cornwall and initiated construction at Whittlesey (1.8MW) and Ramsay (1.8MW) in Cambridgeshire. Shortly after the end of the period, we announced the granting of planning permission at Loscar (approx 3.9MW) in Yorkshire and for the repowering of the existing Goonhilly Downs Wind Project in Cornwall (approx 12-15MW).

Additionally, we have built and commissioned our first used cooking oil ("UCO") plant at Bentwaters in Suffolk. This innovative 6MW project should benefit from the anticipated enhanced Renewable Obligation Certificate ("ROC") banding expected to be introduced by the UK Government in April 2009.

We are encouraged by the UK Government's support for the renewables industry, reflected in its White Paper published earlier this year and endorsed by the announcement in May of the UK Renewable Energy Strategy Report, which details plans to increase onshore wind production to 14GW by 2020 (currently 2GW). In addition, its objective is to address the bottlenecks at the local community and Ministry of Defence consent levels. We hope that the planning regime in the UK may now become more supportive of central Government targets for renewables and our experience over the last few months certainly supports this trend. Both Goonhilly and Loscar were referred for consideration by central Government regional offices as they are in protected areas (Goonhilly being in an 'Area of Outstanding Natural Beauty' and Loscar being in a 'Green Belt'). In both cases, it was quickly determined that the projects could proceed.

At the same time as bringing new projects to our generating portfolio, we have further expanded our development pipeline in both the UK and Canada, which is now capable of delivering sustained growth.

In Canada, through our Canadian subsidiary, AIM PowerGen Corp., we have built four wind projects totalling almost 40MW and have ordered turbines for a further seven projects totalling 65MW. The forthcoming Requests For Proposals in Ontario and other initiatives in Alberta, Saskatchewan and Newfoundland have led to the opportunity developing more quickly than we envisaged at the start of the year. With further land options signed over the last year, AIM PowerGen now has a development pipeline of 5GW spread across seven provinces of Canada. In addition to the ongoing expansion of renewable energy policy support, underlying demand for renewable energy is also growing as a result of more onerous environmental protection measures and concerns about energy security and fossil fuels prices.

### Financial Highlights

Group revenue was up 247% to £3.6m with gross profits of £1.8m, up 238% on the prior year, driven by the increased output from UK wind farms.

Discontinued activities, being the Group's Financial Investment Management division, contributed a net loss of £0.5m following the sale of its major asset, the Tymien Wind farm in Poland and the purchase of its fund management company, REG Power Management Limited.

The Group's loss after tax for the year from continuing activities was £3.6m (2007 - £1.3m) after accounting for fair value expense on financial derivatives of £0.6m (2007 -£nil)

The group invested over £48.8m in capital expenditure during the year, completing one wind farm in the UK and 4 wind farms in Canada, adding 41.3MW to our portfolio of wind farms.

During the year, the Group negotiated a £30m debt facility with its UK bankers which has provided ample flexibility in managing our financial liquidity. Furthermore, in June 2008 we successfully refinanced our four Canadian projects which, when fully operational, will release up to Cdn$75 million of cash to the Group for re-investment in our pipeline of projects.

### UK

### Wind Generation

During the year ended June 2008, wind generation output increased from 14.6GWh to 34.6GWh, an increase of 237% over last year. The main reasons for the increase were a full year of operations from High Sharpley and

High Pow, along with the commissioning of the Braich Ddu wind farm in Wales (3.9MW) in September and the completion and commissioning of the Roskrow Barton wind farm (1.7MW) in Cornwall in January 2008.

Our policy is to sell the green electricity we produce under relatively short term contract, retaining the ROCs associated with the production of green electricity in the UK. These are then sold on an opportunistic basis.

Shortly after the year end we took advantage of the continued rise in electricity prices to fix the electrical output from all of our UK wind farms until March 2011. Together with the ROCs, our total selling price achieved from March 2009 to March 2011 should be in the region of £135/MWh, crystallising a material improvement on historic prices and is expected to add significantly to future earnings.

Our newly commissioned wind project at Roskrow Barton in Cornwall was built on schedule and to budget. Standing above Falmouth, the two Vestas V52 turbines will make a strong contribution to Cornwall's overall green electricity targets and are already being used as a teaching aid for the popular Renewable Energy degree course at the University located half a mile away.

Our two new wind farms at Whittlesey and Ramsey are now operational. Each project consists of one Vestas V90 1.8MW turbine and we have forward sold the output from these projects to March 2011 as above.

**Projects in Planning**

Shortly after the end of the financial year, we announced that our three turbine Loscar project in Yorkshire and the repowering of our existing project at Goonhilly Downs in Cornwall had both gained planning approval. Once built, these projects will increase our UK operating wind capacity to around 35MW.

We have several other wind projects approaching the point at which they will be determined by planning committees and our Beechtree Farm and Orchard End projects are moving to public appeal. Both received recommendations for approval from their respective local planning inspectors at the initial planning committee stage and we are optimistic that one, or both, may succeed at appeal.

In June we announced our intention to submit a proposal for three Vestas V90 3MW turbines at Cheverton Down on the Isle of Wight. The site already has planning for three smaller machines but if the application for larger machines is accepted the project should make a very considerable contribution to the Island's overall renewables targets. In addition it will provide Vestas, the global market leading turbine manufacturer, with an ongoing monitoring site close to one of its four global research and development centres.

We have added to our UK development team over the period to increase our capacity to initiate, develop and build wind projects. With the UK Government's legislative regime supporting strong renewable energy growth until at least 2027 we believe that the UK is a very exciting market for us and suits our approach.

Our people, methods and contacts are well suited to a period of organic growth and partnering with less well capitalised developers.

**Vegetable Oil to Power**

In common with our approach to the wind market, we have chosen to enter the vegetable-oil-to-power market through the acquisition of Living Power Ltd, an established producer of power from used cooking oil (UCO). Living Power is a wholly owned subsidiary of REG Bio-Power (UK) Limited which is a REG 90% subsidiary.

We chose to invest in this sub-sector because the UK's ROC-driven market structure encourages innovative means of generating electricity from a diverse range of genuinely renewable sources. UCO qualifies as it uses vegetable oil which is no longer suitable as a heat-transfer medium to generate electricity. It uses food-grade oil also used for bio-diesel production, which has elevated in value in the past year. In addition there are non-food-grade oils (Straight Vegetable Oils or SVOs) produced worldwide that are suitable for power production. REG is testing sources of non-food grade oil which occur naturally and do not affect food production. REG believes that it is particularly well placed to utilise a number of these oils which can continue to be produced sustainably over a number of years and will provide diversity of fuel options in the future.

REG has consequently been undertaking a programme of development which will allow it to consider a range of oils for power production in the UK. Living Fuels Limited, a wholly owned subsidiary of REG Bio-Power (UK) Limited, has a transport-use licence with HM Revenue & Customs for its refined UCO (branded 'LF100') which already powers a range of vehicles. The fuel, which has patents applied for, also has testing rights for power production from the UK Environment Agency (EA), which is in the process of reducing restrictions on waste oils suitable for power generation.

In the meantime, Living Fuels is restricting its market to biodiesel and Living Power plants rated less than 150kW electrical output, which are exempt from legacy EA rules. REG believes that this conservative approach will help expedite the EA's revision of its regulations and in anticipation of a favourable outcome.

REG believes that there is an attractive opportunity in this market and is actively building a body of expertise. The Bentwaters plant, commissioned in August is central to this and REG is well placed to benefit from its commercial and regulatory advantages when ROC banding is introduced in April 2009.

## Canada

### Construction projects

Over the last twelve months our Canadian team has constructed four wind projects under the Ontario Standard Offer Programme ("SOP") of which three are now fully operational with a fourth expected to be commissioned in the next few weeks. The four projects each produce 9.9MW of power and all use Vestas V82 turbines. The construction of these projects has been challenging as these were the first SOP wind farms to be built and connected in Ontario. All four projects export power to the state-owned utility under a 20 year power purchase agreement.

Construction on the next three SOP projects will commence at the beginning of 2009. These projects represent an additional capacity of 29.7MW and again use turbines each of 1.65MW capacity. A further 24 turbines have been ordered for four additional SOP projects and these will be constructed during the course of 2009. Each of these projects is 9MW capacity.

Work has commenced on AIM PowerGen Corp's bid into the forthcoming Ontario RFP. Our sites are carefully selected and researched, and provide a solid base for credible bids.

### Industry status and turbine supply

Although REG is a relatively young company, we benefit from an experienced workforce which has successfully established a track record of procurement. This has been achieved contrary to perceived industry wisdom that wind turbines have significant lead times.

Since its inception in 2005, the Company has procured turbines for 18 projects, in three countries, from industry leading suppliers such as Vestas, GE and Nordex. Most delivery times have been within a year and in some cases as short as six months. The Company has achieved this position by being thorough in its development processes, maintaining adequate capital to avoid construction finance, and by becoming accepted as an experienced, reliable and fast-growing player in the marketplace. Activity over the past year has reinforced these credentials and our group is now well positioned to become a leading player in its selected markets.

The global wind power industry is extremely large, valued at US$40 billion in 2007, and continues to grow rapidly. We are surrounded by several large players (mainly utilities) who deploy vast resources and last year over 50% of the global wind market was controlled by 15 companies. In this environment, any independent player such as REG must be clear about its position, niche, and skill-sets. We believe that our position as an entrepreneurial developer has been proved, particularly over the past 12 months.

### Outlook

The last year has seen rapid growth in our operating portfolio. The next year should see the construction of a further 30MW of SOP projects in Canada in addition to the commencement of construction on our two new projects at Goonhilly and Loscar in the UK. Together this is expected to increase our operating capacity to over 100MW. Additionally we are hopeful that our bids into the Ontario RFP will prove successful.

We believe that we have a sound opportunity for growth both in the UK and Canada and, with a strong balance sheet and a profitable UK business, we are optimistic that 2009 will prove a successful year for the Company.

## Consolidated Income Statement for the year ended 30 June 2008

| | Year ended 30 June 2008 £ | Year ended 30 June 2007 £ |
|---|---|---|
| **Revenue** | 3,563,658 | 1,443,003 |
| Cost of sales | (1,769,151) | (690,357) |
| **Gross profit** | 1,794,507 | 752,646 |
| Administrative expenses | (3,864,178) | (1,172,267) |
| Development costs | (2,150,402) | (1,838,260) |
| **Group trading loss** | (4,220,073) | (2,257,881) |
| Other operating income | 111,411 | 55,187 |
| Share of post tax loss of associate accounted for using the equity method | (48,035) | - |
| **Group operating loss from continuing operations** | (4,156,697) | (2,202,694) |
| Finance revenue | 892,696 | 562,744 |
| Finance costs | (687,813) | - |
| **Loss on continuing operations before taxation** | (3,951,814) | (1,639,950) |
| Tax credit | 374,579 | 394,828 |
| **Loss for the year from continuing operations** | (3,577,235) | (1,245,122) |
| **Discontinued operations** | | |
| Loss for the year from discontinued operations | (507,959) | (80,626) |
| **Loss for the year** | (4,085,194) | (1,325,748) |
| **Loss for the year attributable to:** | | |
| Equity holders of the parent | (4,085,194) | (1,325,748) |
| **Earnings per share (pence)** | | |
| Basic and diluted EPS from continuing operations | (3.47p) | (1.50p) |
| Basic and diluted EPS on loss for the year | (3.96p) | (1.60p) |

## Consolidated Balance Sheet as at 30 June 2008

| | 2008 | 2007 |
|---|---|---|
| | £ | £ |
| **ASSETS** | | |
| **Non-current assets** | | |
| Goodwill | 4,813,460 | 3,009,914 |
| Intangibles | 20,888,176 | 20,703,800 |
| Development costs | 3,920,595 | 3,963,434 |
| Property, plant and equipment | 80,658,466 | 31,752,469 |
| Investments at fair value through profit or loss | - | 8,555,681 |
| | 110,280,697 | 67,985,298 |
| **Current assets** | | |
| Inventories | 116,217 | - |
| Trade and other receivables | 4,297,653 | 17,660,293 |
| Intangibles | 316,982 | 760,053 |
| Cash and cash equivalents | 16,453,225 | 20,751,234 |
| | 21,184,077 | 39,171,580 |
| **Total assets** | 131,464,774 | 107,156,878 |
| **EQUITY** | | |
| Share capital | 10,310,101 | 10,310,101 |
| Share premium | 79,645,688 | 79,645,688 |
| Special reserve | 10,000,000 | 10,000,000 |
| Fair value and other reserves | 4,009,899 | 1,479,662 |
| Share based payment reserve | 994,872 | 546,648 |
| Retained earnings | (12,352,148) | (4,142,914) |
| **Total equity attributable to the Company's equity holders** | 92,608,412 | 97,839,185 |
| **LIABILITIES** | | |
| **Non-current liabilities** | | |
| Financial liabilities | 16,915,481 | - |
| Deferred tax liabilities | 5,797,775 | 6,774,483 |
| | 22,713,256 | 6,774,483 |
| **Current liabilities** | | |
| Trade and other payables | 6,243,686 | 2,543,210 |
| Financial liabilities | 9,899,420 | - |
| | 16,143,106 | 2,543,210 |
| **Total liabilities** | 38,856,362 | 9,317,693 |
| **Total equity and liabilities** | 131,464,774 | 107,156,878 |
| **Net asset value (NAV) per share** | | |
| - basic and diluted | 89.82p | 94.90p |

## Consolidated Cash Flow Statement for the year ended 30 June 2008

| | Year ended 30 June 2008 £ | Year ended 30 June 2007 £ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Cash used in operations | (562,139) | (921,750) |
| Net cash used in operating activities | (562,139) | (921,750) |
| **Cash flows from investing activities** | | |
| Acquisition of subsidiaries, net of cash acquired | (1,427,872) | (9,557,237) |
| Purchase of property, plant and equipment | (48,838,030) | (28,547,782) |
| Proceeds from sale of investments | 10,000,000 | 4,794,858 |
| Interest received | 892,696 | 1,629,229 |
| Movement in restricted cash accounts | 13,835,260 | (16,913,815) |
| Net cash used in investing activities | (25,537,946) | (31,680,932) |
| **Cash flows from financing activities** | | |
| New borrowings | 26,217,368 | - |
| Interest paid | (90,280) | - |
| Proceeds from issue of share | - | 45,788,952 |
| Transaction costs from issue of shares | - | (2,740,564) |
| Dividends paid to the Company’s equity shareholders | (4,124,040) | (2,790,403) |
| Net cash generated from financing activities | 22,003,048 | 40,257,985 |
| **Net decrease in cash and cash equivalents** | (4,097,037) | (9,258,512) |
| Cash at the beginning of the year | 20,751,234 | 28,611,764 |
| Exchange (loss)/gain | (200,972) | 1,397,982 |
| **Cash at end of year** | 16,453,225 | 20,751,234 |

## Consolidated Statement of Changes in Equity for the year ended 30 June 2008

| | Share capital | Share premium account | Special reserve | Fair value and other reserves |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| At 1 July 2006 | 5,500,000 | 36,850,250 | 10,000,000 | (66,308) |
| Issue of share capital | 4,810,101 | 45,536,002 | - | - |
| Share issue costs | - | (2,740,564) | - | - |
| Fair value losses on available for sale investments | - | - | - | (4,384) |
| Transfer to profit and loss on sale of available for sale investments | - | - | - | 70,692 |
| Share based payments | - | - | - | - |
| Foreign currency translation | - | - | - | 1,479,662 |
| Loss for the year | - | - | - | - |
| Dividend | - | - | - | - |
| At 30 June 2007 | 10,310,101 | 79,645,688 | 10,000,000 | 1,479,662 |
| Share based payments | - | - | - | - |
| Foreign currency translation | - | - | - | 2,530,237 |
| Loss for the year | - | - | - | - |
| Dividend | - | - | - | - |
| At 30 June 2008 | 10,310,101 | 79,645,688 | 10,000,000 | 4,009,899 |

| | Share based payment reserve | Retained earnings | Total equity |
|---|---|---|---|
| | £ | £ | £ |
| At 1 July 2006 | 191,368 | (26,763) | 52,448,547 |
| Issue of share capital | - | - | 50,346,103 |
| Share issue costs | - | - | (2,740,564) |
| Fair value losses on available for sale investments | - | - | (4,384) |
| Transfer to profit and loss on sale of available for sale investments | - | - | 70,692 |
| Share based payments | 355,280 | - | 355,280 |
| Foreign currency translation | - | - | 1,479,662 |
| Loss for the year | - | (1,325,748) | (1,325,748) |
| Dividend | - | (2,790,403) | (2,790,403) |
| At 30 June 2007 | 546,648 | (4,142,914) | 97,839,185 |
| Share based payments | 448,224 | - | 448,224 |
| Foreign currency translation | - | - | 2,530,237 |
| Loss for the year | - | (4,085,194) | (4,085,194) |
| Dividend | - | (4,124,040) | (4,124,040) |
| At 30 June 2008 | 994,872 | (12,352,148) | 92,608,412 |

## Basis of preparation

This preliminary statement which is prepared on the same basis as set out in the previous year's accounts was approved by the Board on 13 September 2007. It is not the Company's statutory accounts. The statutory accounts for the year ended 30 June 2008 will be delivered to the Registrar of Companies.

## Dividends

| | Year ended 30 June 2008 £ | Year ended 30 June 2007 £ |
|---|---|---|
| Declared and paid during the period | | |
| Equity dividends on ordinary shares | | |
| Final paid for 2007 of 3p (2006 – 3p) per ordinary share | 3,093,030 | 1,759,372 |
| Interim Dividend for 2008 paid of 1p (2007 – 1p) per ordinary share | 1,031,010 | 1,031,031 |
| | 4,124,040 | 2,790,403 |

A dividend of 3p per ordinary share, amounting to a second interim dividend of £3,093,030 was proposed by the directors at their meeting on 22 September 2008. The dividend will be paid on 28 October 2008 to shareholders on the register on 3 October 2008 (the record date). The ex-dividend date will be 1 October 2008.