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# **ParOS plc**

**(“ParOS” or “the Company”)**

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**Interim Results for the  
six months ended 30 June 2008**

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# ParOS plc

## CHAIRMAN'S STATEMENT

### Introduction

Following the disposal of its operating subsidiaries the Group is seeking an acquisition. The directors are looking to acquire another company or business in exchange for the issue of ordinary shares.

I report the Group's results for the six-month period ended 30 June 2008, the highlights of which are as follows:

- On 4 April 2008, the Company completed the sale of Parametric Optimization Solutions Limited ("POSL") to Ariston Solutions Limited for £1, annual royalty payments of 7 per cent of gross revenues and 40 per cent of the gross proceeds of any sale of POSL shares.
- On 15 April 2008, J King appointed to the board.
- On 2 May 2008, the Company closed the ParOS Employee Benefit Trust.
- On 30 June 2008, the Company placed ParOS Technology EPE into a solvent liquidation.

### Results and dividends

The operating loss from continuing activities amounted to £13,142 (2007: £173,347) for the six-month period ended 30 June 2008. Loss per share is 0.07 pence (2007: 0.10 pence) and the directors do not recommend the payment of an interim dividend. The directors do not intend to declare a final dividend when announcing the 2008 annual results.

### Trading

The Group no longer has any trading subsidiaries. Under the AIM Rules the Company's shares will be suspended from trading on AIM if a suitable acquisition has not been made in accordance with the stated investment strategy by 28 March 2009.

### Investing Strategy

The main investment criteria for the Company in the short and medium term are:

- the engineering sector in the UK, Europe and North America;
- businesses which require little or no funding in excess of the cash resources available to the Company; and
- businesses with sustainable strategies whose growth prospects if achieved will be earnings enhancing for shareholders.

The directors continue to seek a suitable acquisition candidate and will update shareholders once further progress is made with this search.

### Patrick McHugh

*Chairman*

30 September 2008

### Enquiries:

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## INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008

	<b>Consolidated Six months ended 30 June 2008 (Unaudited) £</b>	Consolidated Six months ended 30 June 2007 (Unaudited) £	Consolidated 12 months ended 31 December 2007 (Audited) £
<b>Revenue</b>	–	37,844	125,204
<b>Gross profit</b>	–	37,844	125,204
Continuing operations	(13,142)	(211,191)	(106,601)
Impairment of discontinued trading operations, intangible assets and goodwill	–	–	(3,575,512)
<b>Operating loss</b>	(13,142)	(173,347)	(3,556,909)
Loss on sale of discontinued trading operations	(89,588)	–	–
Finance income	–	15,754	22,739
<b>Loss on ordinary activities before taxation</b>	(102,730)	(157,593)	(3,354,170)
Income tax expense	–	–	–
<b>Loss on ordinary activities after taxation</b>	(102,730)	(157,593)	(3,354,170)
Loss from discontinued trading operations	(220,319)	(309,943)	(1,020,200)
<b>Attributable to:</b>			
Equity holders of the parent	(323,049)	(459,947)	(4,543,237)
Minority interest	–	(7,589)	(11,133)
	(323,049)	(467,536)	(4,554,370)
<b>Loss per share – basic and diluted</b>	(0.07p)	(0.10p)	(0.96p)

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## BALANCE SHEET

AS AT 30 JUNE 2008

	<b>Consolidated As at 30 June 2008 (Unaudited) £</b>	Consolidated As at 30 June 2007 (Unaudited) £	Consolidated As at 31 December 2007 (Audited) £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	–	9,079	6,190
Goodwill	–	378,845	–
Other intangible assets	–	3,348,948	–
	–	3,736,872	6,190
<b>Current assets</b>			
Trade and other receivables	55,627	44,106	61,376
Cash and cash equivalents	26,152	612,598	272,551
	81,779	656,704	333,927
<b>Total assets</b>	<b>81,779</b>	4,393,576	340,117
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	472,950	472,950	472,950
Share premium account	1,295,730	1,295,730	1,295,730
Other reserves	–	4,024,070	448,558
Translation reserve	–	(2,093)	(11,449)
Retained earnings	(1,710,167)	(1,327,898)	(1,835,676)
	58,513	4,462,759	370,113
Share capital owned by Employee Benefit Trust	–	(161,250)	(161,250)
Minority interest	–	(15,637)	113
<b>Total equity</b>	<b>58,513</b>	4,285,872	208,97
<b>Current liabilities</b>			
Trade and other payables	23,266	107,704	131,141
<b>Total equity and liabilities</b>	<b>81,779</b>	4,393,576	340,117

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## CASH FLOW STATEMENT

### FOR THE SIX MONTHS ENDED 30 JUNE 2008

	<b>Consolidated Six months ended 30 June 2008 (Unaudited) £</b>	Consolidated Six months ended 30 June 2007 (Unaudited) £	Consolidated 12 months ended 31 December 2007 (Audited) £
<b>Cash flows from operating activities</b>			
Loss before taxation	(323,049)	(467,536)	(4,554,370)
Adjustments for:			
Impairment	–	–	3,575,512
Depreciation and amortisation	462	150,720	306,739
Finance income received	–	(15,754)	(22,739)
Loss on disposal of subsidiary	89,588	–	–
Movements in translation reserve	–	–	(10,197)
Decrease in trade and other receivables	5,749	11,795	(4,634)
(Decrease)/increase in trade and other payables	(107,875)	(17,621)	5,816
<b>Net cash flow from operating activities</b>	<b>(335,125)</b>	<b>(338,396)</b>	<b>(703,873)</b>
<b>Cash flows (used in)/generated from investing activities</b>			
Disposal of subsidiary, net of cash acquired	(72,272)	–	–
Purchase of property, plant and equipment	(252)	(1,530)	(2,379)
Finance income received	–	15,754	22,739
<b>Net cash (used in)/generated from investing activities</b>	<b>(72,524)</b>	<b>14,224</b>	<b>20,360</b>
<b>Cash flows from financing activities</b>			
Closure of Employee Benefit Trust, net of cash acquired	161,250	–	–
Proceeds from the sale of shares held by the Employee Benefit Trust on exercise of share options	–	100,000	100,000
Injection of capital from minority interests	–	–	19,294
<b>Net cash from financing activities</b>	<b>161,250</b>	<b>100,000</b>	<b>119,294</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(246,399)</b>	<b>(224,172)</b>	<b>(564,219)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>272,551</b>	<b>836,770</b>	<b>836,770</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>26,152</b>	<b>612,598</b>	<b>272,551</b>

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## STATEMENT OF CHANGES IN TOTAL EQUITY

	<b>Consolidated Six months ended 30 June 2008 (Unaudited) £</b>	Consolidated Six months ended 30 June 2007 (Unaudited) £	Consolidated 12 months ended 31 December 2007 (Audited) £
Opening equity	<b>208,976</b>	4,654,249	4,654,249
Loss for the period attributable to the equity holders of the parent	<b>(323,049)</b>	(459,947)	(4,554,370)
Exchange differences on translating foreign operations	<b>11,449</b>	(841)	(10,197)
Employee Benefit Trust	<b>161,250</b>	100,000	100,000
Minority interest	<b>(113)</b>	(7,589)	19,294
Total changes in equity	<b>(150,463)</b>	(368,377)	(4,445,273)
Closing equity	<b>58,513</b>	4,285,872	208,976

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## NOTES TO THE INTERIM REPORT

### FOR THE SIX MONTHS ENDED 30 JUNE 2008

1. The interim financial statements have not been audited and they do not constitute full financial statements within the meaning of s240 of the Companies Act 1985. The comparative figures for the year ended 31 December 2007 have been extracted from the Group's full financial statements. Statutory accounts for the year ended 31 December 2007 have been filed with the Registrar of Companies and have been reported on by the Group's auditors.
2. In accordance with IAS34 the same accounting policies and methods of computation are followed in these interim financial statements as compared with the 2007 annual financial statements.
3. Basic and diluted loss per share has been calculated using a loss for the financial period attributable to the shareholders of the parent of £323,049 (£459,947 loss for the six months ended 30 June 2007 and £4,543,237 loss for the year ended 31 December 2007) and a weighted average number of ordinary shares in issue during the period 1 January 2008 to 30 June 2008 of 472,950,195 (472,950,195 for the six months ended 30 June 2007 and 472,950,195 for the year ended 31 December 2007). Due to the loss in the period, share options in issue are non dilutive.
4. POSL was sold for gross proceeds of £1 on 4 April 2008. The investment and other loans were written down to zero in the year ended 31 December 2007. As at 30 June 2008 POSL owed the Company £36,358 which is included in Trade and other receivables.
5. In accordance with IAS37 liabilities of £64,665 have not been included in the balance sheet as these liabilities are contingent on the completion of a suitable acquisition.
6. Copies of this interim report have been posted to all of the Company's shareholders. Further copies can be obtained by writing to The Company Secretary, ParOS plc, One Hammersmith Grove, Hammersmith, London, W6 0NB, England or from the Company's website at [www.parostech.com](http://www.parostech.com).