



14 September 2010

**EKF DIAGNOSTICS HOLDINGS plc**  
**(“EKF” or “the Company” or “the Group”)**

**INTERIM RESULTS**

EKF Diagnostics Holdings plc, which has recently refocused on the in-vitro diagnostic devices market, announces its interim results for the 6 month period ended 30 June 2010.

In June 2010 the Group announced the proposed acquisition of EKF-diagnostic GmbH for a total consideration of €14.32m and, following completion, changed the name of the Group to EKF Diagnostics Holdings plc (formerly International Brand Licensing plc).

Given the continuing programme of disposal of Admiral trademarks and the fact that the EKF acquisition completed post period end these results do not provide an adequate reflection of the ongoing business.

**Financial Highlights**

- Revenues of £35,000 (H1 '09: £143,000)
- Loss before taxation of £675,000 (H1 '09: £170,000 Loss)
  - including £248,000 relating to the sale of the Admiral trademarks in UK and Ireland
- Cash and cash equivalents of £2.58m as at 30 June 2010

**Post period end Highlights**

- Disposal of Admiral trademarks in China for £500,000 in cash
- Work continues to maximise the proceeds from the disposal of the remaining Admiral territories, i.e. Europe (apart from the UK and Ireland), North America, South America and Canada
- Placing to raise £15.06m (gross) at 15p per share completed in July 2010

**David Evans, Chairman of EKF, said:**

“I remain confident of the Group’s prospects moving forward and there is a growing enthusiasm about the Group that we can, through time and dedicated effort, become a major force in In-Vitro Diagnostics.”

**EKF Diagnostics Holdings plc**

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## **CHAIRMAN'S STATEMENT**

I am pleased to report on the results for the Group for the six months ended 30 June 2010.

The six months have been a period of transition following the change in strategic direction agreed by Shareholders in January this year to become an In-Vitro Diagnostics company.

The first stage of the transition was completed post period end when the Group acquired EKF-diagnostic GmbH for a total consideration of Eur 14.32 million. The Group is looking to build upon this with further acquisitions which will not only complement EKF's existing portfolio but will create unique content and access to new platform technologies.

EKF-diagnostic GmbH itself is undergoing its own transition period as it moves from a long period of owner-management to one that is under the greater rigour of plc management. We believe that we can add significant value particularly in sales and marketing but that will inevitably take time.

The legacy business of the Admiral and other trademarks has seen significant continued effort as we seek to maximise the proceeds of the remaining territories. Subsequent to the period end we have successfully disposed of the Admiral trademarks in China and certain other related territories for £500,000, this being for a region that had yielded no royalty income in recent years. The Group is continuing to negotiate with regard to the remaining territories and is optimistic that the final disposals can be achieved within the next six months, yielding both cash and a reduction in overheads relating to the maintenance and management of the trademarks.

### **Financial**

The loss before taxation for the period was £675,000 (2009: £170,000) reflecting two facts; firstly the current period includes a loss of £248,000 relating to the sale of the Admiral trademarks in the UK and Ireland; furthermore the current period reflects lower royalty income due to territory disposals in prior periods.

### **Outlook**

As we move forward I expect to be able to update you in more detail on the following progress in the Group:

- Securing wider distribution for the Group's Hemo Control product
- Announcements regarding tender wins which form a core part of the Group's business
- Updating the status of the IP infringement claim against Hemocue
- Acquisitions which will add long term value to the Group
- Strengthening Executive Management

I remain confident of the Group's prospects moving forward and there is a growing enthusiasm about the Group that we can, through time and dedicated effort, become a major force in In-Vitro Diagnostics.

David Evans  
Chairman

**EKF DIAGNOSTICS HOLDINGS PLC**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 6 MONTHS ENDED 30 JUNE 2010**

	Notes	Unaudited 6 months ended 30 June 2010 £'000	Unaudited 6 months ended 30 June 2009 £'000	Audited Year ended 31 December 2009 £'000
Group revenue	4	35	143	256
Operating expenses		(721)	(335)	(561)
<b>Operating loss</b>		<b>(686)</b>	<b>(192)</b>	<b>(305)</b>
<b>Operating loss analysed as:</b>				
Group revenue		35	143	256
Operating expenses		(441)	(305)	(655)
Operating loss before exceptional items		(406)	(162)	(399)
Exceptional loss on sale of intangible assets		(248)	-	362
Exceptional other costs		(2)	-	(207)
Share based payments	3	(30)	(30)	(61)
<b>Operating loss after exceptional items</b>		<b>(686)</b>	<b>(192)</b>	<b>(305)</b>
Finance income		11	23	29
Finance costs		-	(1)	(1)
<b>Loss before taxation</b>		<b>(675)</b>	<b>(170)</b>	<b>(277)</b>
Income tax (expense)/credit		-	-	74
<b>Loss for the period</b>		<b>(675)</b>	<b>(170)</b>	<b>(203)</b>
<b>Other comprehensive income:</b>				
Exchange difference on translation of foreign operations		28	(307)	(208)
Fair value adjustment in respect for available for sale financial assets		-	-	(130)
<b>Total comprehensive loss for the period</b>		<b>(647)</b>	<b>(477)</b>	<b>(541)</b>
<b>Loss per share (basic and diluted)</b>	5	<b>(1.61)p</b>	<b>(0.51)p</b>	<b>(0.6)p</b>

**EKF DIAGNOSTICS HOLDINGS PLC**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2010**

		Unaudited as at 30 June 2010	Unaudited as at 30 June 2009	Audited as at 31 December 2009
	Notes	£'000	£'000	£'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		-	2	-
Intangibles	2	1,276	2,335	1,949
Deferred tax assets		94	62	94
Available-for-sale financial assets		325	271	141
<b>Total non-current assets</b>		<u>1,695</u>	<u>2,670</u>	<u>2,184</u>
<b>Current Assets</b>				
Current asset intangibles		468	-	473
Trade and other receivables		2,215	285	703
Cash and cash equivalents		2,580	2,183	3,037
<b>Total current assets</b>		<u>5,263</u>	<u>2,468</u>	<u>4,213</u>
<b>Total assets</b>		<u>6,958</u>	<u>5,138</u>	<u>6,397</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Trade and other payables		(1,816)	(328)	(622)
Current tax liabilities		(154)	(202)	(155)
<b>Total current liabilities</b>		<u>(1,970)</u>	<u>(530)</u>	<u>(777)</u>
<b>Total net assets</b>		<u>4,988</u>	<u>4,608</u>	<u>5,620</u>
<b>Equity</b>				
Issued share capital		420	336	420
Share premium account		4,077	3,090	4,077
Other reserve		244	244	244
Foreign currency reserves		1,293	1,176	1,265
Retained Earnings		(1,046)	(238)	(386)
<b>Total equity</b>		<u>4,988</u>	<u>4,608</u>	<u>5,620</u>

**EKF DIAGNOSTICS HOLDINGS PLC**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE 6 MONTHS ENDED 30 JUNE 2010**

	Unaudited 6 months ended 30 June 2010 £'000	Unaudited 6 months ended 30 June 2009 £'000	Audited Year to 31 December 2009 £'000
<b>Operating activities</b>			
Operating (loss)/profit after exceptional items	(686)	(192)	(305)
Depreciation	-	1	3
Impairment loss on intangible assets	11	-	-
Exceptional loss/(profit) on sale of intangible asset	248	-	(362)
(Increase)/decrease in receivables	(1,512)	242	(173)
Increase/(decrease) in payables	1,207	(146)	135
Foreign currency translation	(22)	(25)	(22)
Share-based payment	30	30	61
Taxes paid	(1)	-	(12)
<b>Net cash used in operating activities</b>	<b>(725)</b>	<b>(90)</b>	<b>(675)</b>
<b>Investing Activities</b>			
Interest received	11	23	29
Net proceeds on sale of intangible asset	520	-	362
Purchase of listed investments	(184)	(250)	(250)
Payments to acquire intangible assets	(79)	-	-
<b>Net cash generated by/(used in) investing activities</b>	<b>268</b>	<b>(227)</b>	<b>141</b>
<b>Financing Activities</b>			
Interest paid	-	(1)	(1)
Proceeds from issue of equity instruments	-	-	1,071
<b>Net cash generated by/ (used in) financing activities</b>	<b>-</b>	<b>(1)</b>	<b>1,070</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(457)</b>	<b>(318)</b>	<b>536</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,037</b>	<b>2,501</b>	<b>2,501</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,580</b>	<b>2,183</b>	<b>3,037</b>

**EKF DIAGNOSTICS HOLDINGS PLC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2010**

	Share Capital £'000	Share Premium £'000	Other Reserve £'000	Foreign Currency Reserve £'000	Retained earnings £'000	Total equity £'000
<b>At 1 January 2009</b>	<b>336</b>	<b>3,090</b>	<b>244</b>	<b>1,483</b>	<b>(83)</b>	<b>5,070</b>
Loss for the period	-	-	-	-	(170)	(170)
Share based payment	-	-	-	-	15	15
Exchange difference	-	-	-	(307)	-	(307)
<b>At 30 June 2009</b>	<b>336</b>	<b>3,090</b>	<b>244</b>	<b>1,176</b>	<b>(238)</b>	<b>4,608</b>
Loss for the period	-	-	-	-	(33)	(33)
New share capital issued	84	987	-	-	-	1,071
Fair value adjustment in respect of available-for-sale financial assets	-	-	-	-	(130)	(130)
Share based payment	-	-	-	-	15	15
Exchange Difference	-	-	-	89	-	89
<b>At 1 January 2010</b>	<b>420</b>	<b>4,077</b>	<b>244</b>	<b>1,265</b>	<b>(386)</b>	<b>5,620</b>
Loss for the period	-	-	-	-	(675)	(675)
Share based payment	-	-	-	-	15	15
Exchange Difference	-	-	-	28	-	28
<b>At 30 June 2010</b>	<b>420</b>	<b>4,077</b>	<b>244</b>	<b>1,293</b>	<b>(1,046)</b>	<b>4,988</b>

## **EKF DIAGNOSTICS HOLDINGS PLC**

### **NOTES FORMING PART OF THE INTERIM FINANCIAL STATEMENTS**

#### **1. General Information**

EKF Diagnostics Holdings plc is a public limited company incorporated in the United Kingdom (Registration Number 04347937). The address of the registered office is 14 Kinnerton Place South, London SW1X 8EH.

The Group has historically been engaged in the development and exploitation of a portfolio of sports and lifestyle brands, trademarks, trade names and logos. On 4 January 2010, the Company's shareholders approved a proposed change in strategy of the Company to dispose of the brands and to build a business focused within the In-Vitro Diagnostic devices ("IVD") market place. On 2 July 2010, the Company's shareholders approved the acquisition of EKF-diagnostic GmbH, a company which focuses on the development, manufacture and selling of diagnostic instruments and reagents to clinical and research laboratories, doctors' offices and sports medicine testing sites worldwide.

The financial information in these interim results is that of the holding company and all of its subsidiaries. It has been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards as adopted for use in the EU (IFRSs). The accounting policies applied by the Group in this financial information are the same as those applied by the Group in its financial statements for the year ended 31 December 2009 and which will form the basis of the 2010 financial statements except for a number of new and amended standards which have become effective since the beginning of the previous financial year. These new and amended standards are not expected to materially affect the Group.

The financial information presented herein does not constitute full statutory accounts under Section 434 of the Companies Act 2006 and was not subject to a formal review by the auditors. The financial information in respect of the year for the year ended 31 December 2009 has been extracted from the statutory accounts which have been delivered to the Registrar of Companies. The Group's Independent Auditor's report on those accounts was unqualified, did not include references to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006. The financial information for the half years ended 30 June 2010 and 30 June 2009 are unaudited and the twelve months to 31 December 2009 are audited.

#### **2. Intangible assets**

Intangible assets represent acquired trademarks and are recorded at historic cost. No amortisation is charged as they are regarded as having infinite lives. The annual results reflect the expenditure incurred in the support and development of these brands. In addition, the trademarks are supported by the existence of international licensee agreements, which establish obligations as to guaranteed minimum licence income and marketing arrangements with the view to maximising long-term growth. The directors believe that the licence agreements will be renewed at the end of their legal expiry dates and that the value of the trademarks will be maintained. The carrying values are reviewed annually and written down to the estimated recoverable amount as necessary.

#### **3. Share-based payment**

The group operates share incentive and option schemes for directors and employees. For all share awards the fair value as at the date of grant is calculated using an option pricing model and the charge to the income statement is recognised as a staff cost over the vesting period.

#### 4. Segmental reporting

The board considers that the Group has a single business segment which generates income by licensing its two brands. The revenue, expenditure and result reported in the income statement and the assets and liabilities reported in the balance sheet all relate to this single segment. An analysis of turnover by geographical destination is given below:

	<b>Unaudited 6 months ended 30 June 2010 £000</b>	<b>Unaudited 6 months ended 30 June 2009 £000</b>	<b>Audited Year ended 31 December 2009 £000</b>
United Kingdom	12	51	138
Europe and Scandinavia	6	25	7
North America	11	45	100
Asia	4	17	11
Rest of the World	2	5	-
	<u>35</u>	<u>143</u>	<u>256</u>

#### 5. Loss per share

Loss per share has been calculated using the weighted average number of shares in issue during the relevant financial period. The weighted number of equity shares in issue and the earnings, being the loss after tax, are as follows:

	<b>Unaudited 6 months ended 30 June 2010 Number</b>	<b>Unaudited 6 months ended 30 June 2009 Number</b>	<b>Audited year ended 31 December 2009 Number</b>
Weighted average number of shares (ordinary)	41,991,653	33,593,353	34,293,228
Weighted average number of shares (dilutive)	41,991,653	36,218,353	34,293,228
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Loss for the period/year	(675)	(170)	(203)
Loss per 1p ordinary share (basic and diluted)	(1.61)p	(0.51)p	(0.6)p

The diluted loss per ordinary share are identical to those used for the basic earnings per ordinary share as the exercise of share options would have had the effect of reducing the loss per ordinary share and are therefore not dilutive.

#### 6. Dividends

There were no dividends provided or paid during the six months.

#### 7. Post balance sheet events

On 2 July 2010, the Company's shareholders approved the acquisition of EKF-diagnostic GmbH, a company which focuses on the development, manufacture and selling of diagnostic instruments and reagents to clinical and research laboratories, doctors' offices and sports medicine testing sites worldwide. The total consideration of Eur14.32m was satisfied by Eur11.32m in cash on completion and Eur3m deferred consideration in shares. At the same time, the Company raised approximately £15.06m (gross) by means of the issue of 100,435,653 new Ordinary Shares at 15 pence per share to fund the acquisition and to provide working capital. The Company also changed its name from International Brand Licensing plc to EKF Diagnostics Holdings plc.

On 21 July 2010, the Company announced that it had sold the rights to the Admiral sports brand in China,



Hong Kong, Macau, Taiwan and Korea for a total cash consideration of £500,000 to Well Team Limited, which is wholly owned by the PNH Group of Hong Kong (“PNH”).

#### **8. Company website**

A copy of this announcement is available from the Company’s website, being [www.ekfdiagnostics.com](http://www.ekfdiagnostics.com).