

2nd September 2008
SAGENTIA GROUP PLC
(‘Sagentia’ or the ‘Group’)

INTERIM RESULTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2008

Sagentia is a leading international technology consulting and IP exploitation organisation with a reputation for successfully commercialising emerging science and technology. Sagentia creates, develops and delivers business opportunities, products and services for its clients. Sagentia today announces its results for the six months to 30 June 2008 (the ‘period’).

Summary:

- Group structure simplified with a move in domicile from Switzerland to the UK and the admission of Sagentia Group PLC to AIM
- Business strategically realigned from an integrated consulting and venturing operation to one clearly focused on generating sustainable earnings from technology consulting and IP exploitation
- Winner of 3 Management Consulting Association awards for Best Technology, Best Innovation and the overall Best Private Sector Project Award
- License deal signed with Master Meter Inc, which is expected to generate \$4.5m royalty in total
- First half revenues from core consulting and IP exploitation activities increased by 37% on the corresponding period in 2007, and 19% on the preceding six months
- Operating profit from core consulting and IP exploitation activities of £0.6m, compared to a loss of £0.5m in the first half of 2007
- Cash balances increased by £1.2m to £2.1m (H2 2007: £0.9m)
- Costs associated with Venture subsidiaries (£0.4m), Group restructuring (£0.6m) and change in fair value of quoted investments (£1.1m) resulted in overall Group loss before taxation of £1.5m representing a significant improvement on the same period in 2007 (loss of £3m)
- Demand for core consulting services remains strong and the Group is confident of making further progress in the second half of the year

Chris Masters, Sagentia Chairman said:

“It is extremely encouraging to see the core consulting business making such good progress. With a clear forward strategy and with the business now on a sound financial footing we look to the future with added confidence.”

Alistair Brown, Chief Executive added:

“With demand for Sagentia’s services remaining strong we are confident of delivering further profitable growth during the second half of the year.”

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SAGENTIA GROUP PLC INTERIM RESULTS 2008

CHAIRMAN'S STATEMENT

We have made excellent progress in our core consulting and IP exploitation activities during the first half of 2008 with both revenues and profits well ahead of the same period in 2007.

We have successfully completed the complex exercise of transferring the Group's domicile from Switzerland to the UK and its Stock Exchange listing from the Main Market to AIM. This will not only result in a significant reduction in ongoing corporate costs but also make the business much simpler for current and future investors to understand.

In March Alistair Brown was appointed as Chief Executive of the Group to succeed Martin Frost who retired at the end of June and stepped down from the Board of Sagentia Group AG. Following the redomicile Johan Björklund, Gordon Edge and Marcus Rauh also stepped down from the Board and retired from the Group. Martin Forster remains as the Swiss-national Director and Company Secretary of Sagentia Group AG. All have made a valuable contribution over the years they have been involved with Sagentia and I am extremely grateful for the help and the support during my tenure as Chairman. The new Board of Sagentia Group PLC, in addition to myself as Chairman, comprises Alistair Brown, Guy McCarthy and Daniel Flicos as executive directors, Lars Kylberg, as senior independent director, and Staffan Ahlberg as a non executive director representative of Catella Holdings AB, our largest shareholder.

We have a clear strategy for the business going forward which is firmly focused on our consulting and IP exploitation activities. Since fund management and venturing are no longer core activities for the Group, we have sold our FSA registered fund management business, Chord Capital, and are looking to monetarise our other third party investments when possible.

With the business now on a sound financial footing, with demand for a core consulting services remaining strong and with the distractions of the first six months now behind us, we look to the future with added confidence.

CHIEF EXECUTIVE'S REVIEW

We have improved our selling capability, grown our forward sales order book, improved our operational management, reduced costs within the business and consequently increased the profitability of the business. We have a clear strategic direction for the business and are well positioned to deliver profitable growth.

Although the current market conditions are often reported as unsure, with talk of recession and the "credit crunch", we are continuing to see a growing demand for our services. In response to this demand we are recruiting strongly into the business with a particular emphasis on growing our science & technology and product development activities.

Over the last 12 months we have moved the Group from being an integrated consulting and venturing business to one clearly focussed on delivering sustainable earnings from a profitable technology consulting operation. We now have a clear strategic focus for our activities. We work with businesses worldwide creating, developing and delivering business opportunities, together with products and services, on a fees-for-service basis. We will continue this strategy of building our core technology consulting capability and exploiting our technology and intellectual property ('IP') assets by generating additional future income in the form of royalties and transaction fees.

Future business success depends on continuing to deliver high quality work that adds measurable commercial benefit to our clients' businesses. We were therefore very pleased to have our work recognised by the Management Consulting Association in their annual awards. Sagentia won 3 awards; for Best Technology, Best Innovation and the overall Best Private Sector Project Award, all for our work on M-PESA.

M-PESA, developed by us for Vodafone, is a breakthrough mobile payment solution which was successfully launched last year for remittances in Kenya. This service is now deployed in Tanzania and Afghanistan, with other significant markets under development. The M-PESA service in Kenya enables customers to send money safely using a mobile phone and the local Safaricom network. It

provides cost effective access to financial services for people without bank accounts in economies where it is unsafe, difficult and expensive to hold cash and move money around.

In this period, we also saw the launch of a breakthrough product in the industrial sector for US water-meter giant, Master Meter Inc. ('Master Meter'). Sagentia was approached by Master Meter initially to design the mechanics for a water meter register based on existing technology. During a two-year development process, in which Sagentia reduced the tooling outlay by 90 percent, a change in design allowed Master Meter to adopt new IP as the basis for their sensing principle, and so protect their product from duplication. Master Meter signed an exclusive license deal with Sagentia for the use of this technology. The project generated more than US\$1 million in consulting fees and we expect the ongoing license deal for the core technology to generate US\$4.5 million for the Group in total over a number of years.

Information on other projects is available from The Gen, our quarterly magazine, which may be downloaded from our web site (www.sagentia.com). This includes news of Aqualisa, who have recently been awarded a Queens Award for Enterprise in the Innovation Category as recognition of their digital shower technology, technology developed for them by Sagentia when Quartz Digital was launched.

Significant future opportunity for Sagentia will come from the expansion of our international operations. As the first step in our growth plan for our US business, we have consolidated our American operations onto a single site in Washington DC.

Washington DC sits centrally on the East Coast healthcare and life sciences business corridor and is well known for its proximity to the country's leading healthcare organisations and resources including Johns Hopkins; Americas first research university.

Healthcare and wellness are major growth markets, particularly in developed economies such as the USA. In recent years we have seen the boundary between them blurring. Healthcare has always been regarded as the curing of illness, wellness about preventing illness in the first place. A new market opportunity is emerging, driven by an ageing affluent population and the need to help these 'baby boomers' maintain healthy, independent and active lives through retirement. We are seeing traditional medical companies moving into the wellness space and, interestingly, fast moving consumer goods companies using the health giving properties of their products as a key marketing message. This presents a huge opportunity in the convergence of technology-led products and services in these sectors.

Outlook

The outlook for the technology development consulting market together with licence/royalty income remains positive. Order intake for Sagentia was in line with expectations for the first six months and is expected to exceed the prior year.

FINANCIAL REVIEW - HIGHLIGHTS

Total revenues on core operations for the period increased by 37% to £14.8m compared to the first half of 2007 (H1 2007: £10.8m), and have increased by 22% compared to the second half of 2007 (H2 2007: £12.2m).

Gross profits in core operations increased by £1.2m to £0.6m (H1 2007: loss of £0.6m).

Costs in the Venture subsidiaries of £0.4m, together with reductions in the stock market which have further reduced our investment portfolio by £1.1m, and one-off costs of £0.6m incurred to re-domicile the Group and re-list on AIM have generated an operating loss in total of £1.5m (H1 2007: £3.0m).

Cash has increased by £1.2m to £2.1m from £0.9m at the end of 2007.

Detailed analysis of the financial statements is given below.

CONSOLIDATED INCOME STATEMENT

The following table analyses the sources of turnover and operating profits and losses on ordinary activities across the Group, and is extracted from the segmental information set out in the notes to this report.

£000s	Six months ended 30 June 2008		Six months ended 30 June 2007		Year ended 31 December 2007	
	Revenue	Profit / (Loss)	Revenue	Profit / (Loss)	Revenue	Profit / (Loss)
Consulting and IP exploitation	11,263	638	8,738	(452)	18,189	540
Recharged project expenses	2,085	-	978	-	2,737	-
	13,348	638	9,716	(452)	20,926	540
Venture Subsidiaries	20	(417)	239	(552)	169	(1,390)
Asset Management	214	(2)	204	19	463	55
Property and Centre	1,233	(17)	657	(214)	1,404	47
Revenues : Gross profit (loss)	14,815	202	10,816	(1,199)	22,962	(748)
Profit (loss) on disposals of investments		-		(25)		1,376
Change in fair value on financial assets		(1,067)		(1,880)		(3701)
Related bonus accrual		-		190		327
Redomiciliation		(600)		-		-
Share based payment charge		(78)		(52)		(83)
Operating loss		(1,543)		(2,966)		(2,829)

Consulting and IP Exploitation

Consulting fees reached £11.1m, an increase of 27.5% on the first half of 2007, and 21.5% in comparison to the second half of 2007. As outlined above, this follows strong order intake growth across all of our technology consulting services during the period.

Recharged project expenses increased from £1.0m to £2.1m which, while large, does not affect overall profits.

Venture Subsidiaries

Venture subsidiaries are majority owned spin-out companies created by Sagentia for the purpose of exploiting a particular technology, intellectual property or business opportunity. Sagentia's goal with its venture portfolio is to realise value through IPO or trade sale. Under IFRS, controlled investments are consolidated as subsidiaries, and costs incurred are expensed through the income statement. The fair value of the Venture subsidiaries, therefore, is not shown on the balance sheet.

Sensopad Limited (74% Sagentia owned)

Sensopad owns IP in relation to its contact-less inductive sensing 'Pad' technology.

Automotive applications of the IP were sold to TT electronics plc ('TT') in 2004. Royalties, which will run for 4 years from initial commercial application and are capped at £10m, are expected to commence in early 2009. Net royalties of £1.7m have been recognised to date through the consolidated income statement and are shown as an asset within investments in the balance sheet.

TT took a further license in the field of fuel level sensing in 2007. Royalties, which will run until 2017, are capped at £10m, although are not expected to commence before 2010.

Non-automotive applications for the technology are currently being exploited in the industrial, aerospace and gaming controller market via a marketing and operating agreement with Sagentia Ltd, and are likely to be exploited through individual license agreements.

AtraNova Limited (91% Sagentia owned)

Atranova owns IP in relation to Ebonex™, a conductive ceramic material.

During the period AtraNova completed testing of its water treatment equipment, which has shown to significantly reduce the Mogden charge levied by water companies to manufacturers. In Aug 08, it agreed an initial funding of up to £750K to allow it the start of equipment installation on client sites during the second half of 2008. Sagentia did not participate in the fundraising.

Sagentia Sensors Ltd (77% Sagentia owned)

Sagentia Sensors owns IP in relation to its contact-less inductive sensing technology, Cap-track™ and Mu-track™.

During 2008 it developed application specific demonstrators for a number of clients in both the industrial and automotive markets, and it is expected to complete a number of licensing agreements during the second half of 2008.

The net costs of venture subsidiaries in the period were £0.4m (H1 2007: £0.6m). The combined BVCA value of the Group holdings in the venture subsidiaries is £0.9m.

Asset Management

The whole of the issued share capital of Chord Capital, our FSA registered subsidiary, was sold to its management in July 2008 for its net asset value. Chord Capital made a marginal loss in the period. Sagentia is no longer FSA registered.

Property and Central Services

Property and Centre fees (net of recharged project expenses) have increased by 71% to £0.91m (H1 2007: £0.66m). Revenues continue to see growth from Manage5Nines, our IT outsourcing business, and rental income from our headquarters, Harston Mill, near Cambridge.

The combined net cost the freehold property and central services show a marginal loss for the period (H1 2007: loss of £0.2m).

The current book value of the building, at £14m, is both supported by existing tenants and the improved commercial property market in Cambridge.

Gross Profit (loss)

Gross profit has increased by £1.4m to a profit of £0.2m (H1 2007 loss of £1.2m).

Profit (loss) on disposals of investments

The £1.4m profit shown in the second half of 2007 represented the profit on the disposal of Intrasonics Ltd.

Change in fair value on financial assets

The reduction of £1.1m relates to a decrease in market value of AIM listed CMR Fuel Cells plc ('CMR') and, TurfTrax plc ('TurfTrax'), together with a reduction in the BVCA value in Zinwave Ltd and Telsecure Ltd. Sagentia owns 11% of the issued share capital in CMR and 8% of TurfTrax. At 30 June 2008, CMR share price was £0.20 (H2 2007: £0.41), with TurfTrax having decreased to £0.09. On 1 September 2008, the share price of CMR was £0.17; Turftrax £0.006. The decrease in value of the shares in TurfTrax has been provided for in full.

Redomiciliation

The redomiciliation of the Group and transfer to AIM through the creation of Sagentia Group plc and the offer for all of the shares in Sagentia Group AG has been written off to the Income Statement in line with IFRS treatment.

Share based payment charge

Under IFRS, the Group has provided £78k for the cost of options issued and outstanding at the end of the period (H1 2007: £83k).

CONSOLIDATED BALANCE SHEET

At 30 June 2008 the Group had shareholders' equity of £15.5m (H2 2007: £17.3m) which was equivalent to approximately 73.4p per share (H2 2007: 82.3p per share). This includes freehold land and buildings with a net book value of £14.2m (H2 2007: £14.2m), against which the Group has an outstanding loan of £7.8m (H2 2007: £7.6m), in addition to cash of £2.1m (H2 2007: £0.9m).

The fair value of investments, other loans to investee companies and deferred income was £6.5m (H2 2007: £7.6m). This represents the BVCA or market valuation of all non-controlled investments. The BVCA valuation of controlled investments – venture subsidiaries - is £0.9m (H2 2007: £0.9m). The difference between the BVCA valuation and the net asset value at the year-end for venture subsidiaries is equivalent to approximately 4.3p per share (2007: 4.3p).

Investments

The following investments comprise the 4 largest by value and represent 69% of the fair/BVCA value of the investment portfolio and deferred income capitalised on the Sagentia balance sheet at 30 June 2008:

Investee company	Group fully diluted equity interest *	BVCA valuation of Group interest
	%	£m
Sphere Medical Holding Ltd	9	1.5
Atraverda Ltd	8	1.3
Sensortec Ltd	10	1.2
CMR Fuel Cells plc	11	0.5
Total		4.5

* Fully diluted interest assumes that granted options have been exercised

Sphere Medical Holding Ltd

Sphere was established by Sagentia with Siemens to develop a series of unique chip-based micro sensors for use in intensive care medicine. Based on cutting edge micro- and nano-technology, Sphere is developing highly innovative monitoring products to provide clinical and economic benefits in the critical care environment, based on the company's proprietary technology. The products allow minimally invasive, real time measurement of clinical chemistry parameters and therapeutic drug concentrators, giving healthcare professionals the information they require to more effectively manage therapy and optimise patient outcomes.

Atraverda Ltd

Atraverda has developed an innovative lead acid battery design using Ebonex™ bipolar membranes. Atraverda retain the right to exploit Ebonex™ in battery technology. Atraverda's technology is the first commercially viable bi-polar product to enter the market that makes lead-acid batteries smaller, lighter and more reliable. Ebonex bi-polar batteries are an environmentally strong technology with significantly less lead used than conventional batteries.

Sensortec Ltd

Sensortec has developed a robust and adaptable platform technology for use in disposable biosensors based on immuno-assay techniques. Sensortec's proprietary technology enables the miniaturisation of a wide range of common format assays traditionally performed at clinical reference laboratories, all in a simplified form and at a competitive price. This novel biosensor technology has multiple applications and has already been validated by use in the environmental and food quality assurance sectors for detecting such contaminants as mycotoxins and drug residues.

CMR Fuel Cells plc

CMR exploits a revolutionary flow-through fuel cell utilising mixed reactants, developed at Sagentia. CMR's patented technology involves electrochemical devices, which convert fuel directly into electricity at higher efficiency rates and have the potential for higher power storage capacity. On 30th June 2008 the mid-market price of CMR was £0.20.

Cash and borrowings.

Cash at the end of the period was £2.1m (H2 2007 £0.9m). Borrowings increased in the first half of the year to £8.2m (H2 2007 £8.1m). At 30 June 2008, £1.3m of the bank loan remains available to be drawn down.

Called up share capital, and Merger reserve.

The Group financial statements consolidate the financial statements of Sagentia Group plc and its subsidiary undertakings drawn up to 31 December each year. Sagentia Group plc was incorporated in March 2008 in order to acquire the whole of the undertaking of Sagentia Group AG via a share for share exchange. To date it has acquired 97.6% of Sagentia Group AG via a share for share exchange. The transaction does not qualify as a business combination, and has therefore been accounted for using the merger accounting method. Thus, the results and cash flows of the combined entities were brought into the consolidated financial statements of Sagentia Group plc, restating comparative results, as though they had always been combined.

CONSOLIDATED CASHFLOW STATEMENT

Net cash inflow from operating activities increased by £3.9m to £1.5m (H1 2007: outflow £2.3m). Of this, the loss before income tax less non-cash items (depreciation, change in fair value, bonus accrual and options) accounted for £0.5m (2007 H1: £1.1m). Working capital (debtor and creditor movements) accounted for a positive cash inflow of £2.0m (2007 H1: outflow of £1.3m).

Capital expenditure was limited to £0.4m (H1 2007: £0.1m) and financial investment to £nil (2007 H1: £0.2m).

The cash movement was funded by the drawing down on the loan facility.

Group Auditor

The Board has appointed Grant Thornton UK LLP as Auditor to Sagentia, who will also continue as Group Auditor.

Attachments
Sagentia Group plc

Consolidated income statement
For the period ended 30 June 2008

	Notes	Core operations £000	Venture subsidiaries £000	Six months ended 30 June 2008 (Unaudited) £000	Six months ended 30 June 2007 (Unaudited Restated – See note 7) £000	Year ended 31 December 2007 (Unaudited Restated – See Note 7) £000
Continuing operations						
Revenue						
Core operations		14,795	-	14,795	10,577	22,793
Venture subsidiaries		-	20	20	239	169
	2	14,795	20	14,815	10,816	22,962
Operating expenses						
Core operations		(14,176)	-	(14,176)	(11,224)	(22,151)
Venture subsidiaries		-	(437)	(437)	(791)	(1,559)
	2	(14,176)	(437)	(14,613)	(12,015)	(23,710)
Gross profit (loss)	2	619	(417)	202	(1,199)	(748)
Profit (loss) on disposal of investments				-	(25)	1,376
Change in fair value on financial assets				(1,067)	(1,880)	(3,701)
Bonus accrual on change in fair value				-	190	327
Redomiciliation				(600)	-	-
Share based payment charge*				(78)	(52)	(83)
Operating loss	2			(1,543)	(2,966)	(2,829)
Finance costs				(272)	(242)	(552)
Finance income				15	79	86
Other financial result				273	165	(19)
Loss on continuing operations before income tax				(1,527)	(2,964)	(3,314)
Income tax expense				(13)	(12)	80
Loss on continuing operations for the period	2			(1,540)	(2,976)	(3,234)
Attributable to:						
Equity holders of the parent				(1,530)	(2,907)	(3,186)
Minority interests				(10)	(69)	(48)
Loss for the period				(1,540)	(2,976)	(3,234)
Loss per share (basic)	3			(7.3)p	(14.1)p	(15.3)p
Loss per share (diluted)	3			(7.3)p	(14.1)p	(15.3)p

* See Consolidated Statement of Changes in Equity.

Sagentia Group plc
Consolidated statement of changes in equity
For the period ended 30 June 2008

Group	Issued capital	Merger Reserve	Investment In own shares	Translation reserve	Share based payment reserve	Retained earnings	Total – Shareholders funds	Minority Interest	Total equity 2006
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2007	261	21,691	(111)	(126)	340	(1,845)	20,210	590	20,800
Profit (loss) for the period	-	-	-	-	-	(2,907)	(2,907)	(69)	(2,976)
New shares issued	-	-	-	-	-	-	-	-	-
Issue of shares to minorities	-	-	-	-	-	-	-	-	-
Disposal of own shares	-	-	-	-	-	-	-	-	-
Share options adjustment	-	-	-	-	51	-	51	1	52
Exchange differences on translating foreign operations	-	-	-	(5)	-	-	(5)	-	(5)
Balance at 30 June 2007	261	21,691	(111)	(131)	391	(4,752)	17,349	522	17,871
Balance at 1 July 2007	261	21,691	(111)	(131)	391	(4,752)	17,349	522	17,871
Profit (loss) for the period	-	-	-	-	-	(279)	(279)	21	(258)
Dividends payable to minorities	-	-	-	-	-	-	-	(8)	(8)
Share options adjustment	-	-	-	-	26	-	26	-	26
Exchange differences on translating foreign operations	-	-	-	(93)	-	-	(93)	-	(93)
Balance at 31 December 2007	261	21,691	(111)	(224)	417	(5,031)	17,003	535	17,538
Balance at 1 January 2008	261	21,691	(111)	(224)	417	(5,031)	17,003	535	17,538
Loss for the period	-	-	-	-	-	(1,530)	(1,530)	(10)	(1,540)
Share options adjustment	-	-	-	-	76	-	76	2	78
Exchange differences on translating foreign operations	-	-	-	(70)	-	-	(70)	(1)	(71)
Balance at 30 June 2008	261	21,691	(111)	(294)	493	(6,561)	15,479	526	16,005

Sagentia Group plc
Consolidated balance sheet
At 30 June 2008

	Six months ended 30 June 2008 (Unaudited, - See Note 7) £000	Six months ended 30 June 2007 (Unaudited, Restated – See Note 7) £000	Year ended 31 December 2007 (Unaudited, Restated – See Note 7) £000
ASSETS			
Non-current assets			
Intangible assets	3	7	5
Property, plant and equipment	14,830	14,663	14,574
Investments	6,495	9,501	7,570
Deferred income tax assets	2,657	3,014	2,657
	23,985	27,185	24,806
Current assets			
Trade and other receivables	7,029	6,286	7,733
Current tax asset	72	-	59
Investments	-	-	-
Cash and cash equivalents	2,134	1,222	859
	9,235	7,508	8,651
Total assets	33,220	34,693	33,457
EQUITY AND LIABILITIES			
Shareholders' equity			
Called-up share capital*	261	261	261
Merger Reserve*	21,691	21,691	21,691
Investment in own shares*	(111)	(111)	(111)
Translation reserves*	(294)	(131)	(224)
Share based payment reserve*	493	391	417
Retained earnings*	(6,561)	(4,752)	(5,031)
Total Shareholders' equity	15,479	17,349	17,003
Minority interest*	526	522	535
Total equity	16,005	17,871	17,538
Non-current liabilities			
Borrowings	8,180	6,950	7,243
Other creditors	74	64	69
Financial instruments	-	16	200
Deferred income tax liabilities	2,657	3,014	2,657
	10,911	10,044	10,169
Current liabilities			
Trade and other payables	6,211	4,796	4,891
Current income tax liabilities	33	60	36
Borrowings	60	1,922	823
	6,304	6,778	5,750
Total liabilities	17,125	16,822	15,919
Total equity and liabilities	33,220	34,693	33,457

* See Consolidated Statement of Changes in Equity.

Sagentia Group plc
Consolidated cash flow statement
For the period ended 30 June 2008

	Six months ended 30 June 2008 (Unaudited – See note 7) £000	Six months ended 30 June 2007 (Unaudited, Restated – See Note 7) £000	Year ended 31 December 2007 (Unaudited, Restated – See Note 7) £000
Loss before income tax	(1,527)	(2,964)	(3,314)
Depreciation charges	189	242	409
Profit on disposal of investments	-	25	(1,376)
Change in fair value	1,067	1,880	3,701
Change in fair value of interest rate swap	(273)	(152)	19
Bonus accrual on change in fair value	-	(190)	(327)
Share based payment charge	78	52	83
(Increase) decrease receivables	777	(1,073)	(2,599)
(Decrease) increase in payables	1,251	(237)	(140)
UK corporation tax (paid) received (net)	(29)	42	50
Foreign corporation tax paid (net)	-	(7)	(6)
Cash flows from operating activities	1,533	(2,382)	(3,500)
Purchase of property, plant and equipment	(435)	(131)	(200)
Proceeds from sale of property plant and equipment	-	-	5
Loans repaid by related parties	-	-	63
Loan repayments received from third parties	7	30	(34)
Purchase of financial assets at fair value through the profit and loss	-	(163)	(185)
Sale of current asset investments	-	23	23
Sale of subsidiary undertakings	-	-	1,488
Sale of financial assets at fair value through the profit and loss	-	6	165
Cash flow from investing activities	(428)	(235)	1,325
Issue of shares by subsidiary undertakings to minority interests	-	-	5
Issue of loans by minority interests to subsidiary undertakings	-	2	13
Net Loan drawn down	174	1,881	1,064
Cash flows from financing activities	174	1,883	1,082
Increase (decrease) in cash and cash equivalents in the period	1,279	(734)	(1,093)
Cash and cash equivalents at the beginning of the period	859	1,963	1,963
Exchange gains (losses) on cash	(4)	(7)	(11)
Cash and cash equivalents at the end of the period	2,134	1,222	859

Extracts from notes to the financial statements

1. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in conformity with International Financial Reporting Standards (IFRS) and IFRC interpretations issued and effective or issued at the time of preparing these statements.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets at fair value, as allowed by IAS39 Financial Instruments: Recognition and Measure. The basis of consolidation is set out below:

Acquisition of Sagentia Group AG by Sagentia Group plc

The Group financial statements consolidate the financial statements of Sagentia Group plc and its subsidiary undertakings drawn up to 31 December each year. The Company was incorporated in March 2008 in order to acquire the whole of the undertaking of Sagentia Group AG via a share for share exchange. To date it has acquired 97.6% of Sagentia Group AG via a share for share exchange. The transaction does not qualify as a business combination, and has therefore been accounted for using the merger accounting method. Thus, the results and cash flows of the combined entities were brought into the consolidated financial statements of Sagentia Group plc, restating comparative results, as though they had always been combined.

Subsidiaries - Subsidiaries are entities over which the Group has the power to govern the financial and operating policies accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Other than the acquisition of Sagentia Group AG, these acquisitions are accounted for using the purchase method of accounting.

Venture subsidiaries – Venture subsidiaries are investments in which the Group holds control, but holds these investments for ultimate disposal and capital gain. The Group accounts for such investments as subsidiaries until either they are disposed of or the Group issues shares to minorities and allows control to pass.

Investments – Investments are investments in which the Group does not hold significant influence. Where the Group holds these investments for ultimate disposal and capital gain, they are accounted for in accordance with IAS39, and are designated as at fair value through profit and loss.

1.2 Research and development expenditure

Research expenditure

Research expenditure is written off as incurred.

Development expenditure

Development expenditure is also written off as incurred, except where the Directors are satisfied that the technical, commercial and financial viability of individual projects criteria are met that would allow such costs to be capitalised. The Group recognises an intangible asset if it believes it can demonstrate the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its ability to complete and use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits; either by the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Identifiable expenditure is then capitalised and amortised over the period during which benefits are expected (3-5 years).

1.3 Investments

The Directors consider that a substantial measure of the performance of the Group is assessed through changes in fair value arising from the investment activity of the Group. Consequently, the Group classifies its investments that are not controlled investments as equity investments and loans and receivables at fair value through profit or loss. Initial recognition is at fair value, with transaction costs expensed.

Fair value through profit or loss investments that are not controlled investments are shown on the balance sheet at their fair value and any associated changes in fair value are included in the income statement in the period they arise.

Valuation policy - In determining fair value, investments have been valued by the Directors in compliance with the principles of the International Private Equity and Venture Capital Guidelines, updated and effective 1 January 2005, as recommended by the British Venture Capital Association (BVCA).

Listed investments - the fair values of quoted investments are based on bid prices at the balance sheet date.

Unlisted investments - the valuation methodology used most commonly by the Group is the "price of recent investment", reflecting the early stage nature of the investments.

The following considerations are used when calculating the fair value using the "price of recent investment" guidelines:

- Where the investment being valued was itself made recently, its cost will generally provide a good indication of fair value; and
- Where there has been any recent investment by third parties, the price of that investment will provide a basis of the valuation.

Controlled investments - The Group also undertake investment activities in investments that are controlled, the performance of which, therefore, cannot be measured by changes in fair value arising from the investment activity of the Group. The Group identify these activities separately as Venture Subsidiaries, and such investments are consolidated, in accordance with the Group's policy on consolidation.

1.4 Property, plant and equipment

Land and buildings comprise offices and laboratories at Harston Mill, Harston, Cambridge, UK. Land and buildings are shown at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Buildings	25 years
Furniture and fittings	3-10 years
Equipment	3-4 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount, when an indicator of impairment is identified.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

2. Segmental information

Period ended 30 June 2008 (Unaudited – See Note 7)	Consulting and IP exploitation	Venture subsidiaries	Asset management	Property and central services	Total
	£000	£000	£000	£000	£000
Fees	11,109	20	214	1,661	13,004
Recharged project expenses	2,085	-	-	316	2,401
Licence / royalty income	183	-	-	-	183
Less: Inter company trading	(29)	-	-	(744)	(773)
Revenue	13,348	20	214	1,233	14,815
Expenses	(10,654)	(437)	(216)	(1,678)	(12,985)
Recharged project expenses	(2,085)	-	-	(316)	(2,401)
Less: Inter company trading	29	-	-	744	773
Expenses	(12,710)	(437)	(216)	(1,250)	(14,613)
Gross (loss) profit	638	(417)	(2)	(17)	202
Profit on disposal of investments	-	-	-	-	-
Change in fair value on financial assets	-	-	(1,067)	-	(1,067)
Bonus accrual on change in fair value	-	-	-	-	-
Redomiciliation	-	-	-	(600)	(600)
Share based payment charge	(67)	-	-	(11)	(78)
Operating (loss)	571	(417)	(1,069)	(628)	(1,543)
Finance charges					15
(Loss) before income tax					(1,528)
Income tax expense					(13)
(Loss) for the period					(1,541)
Balance sheet analysis					
Intangible assets	5	-	-	-	5
Intangible assets - amortisation	(2)	-	-	-	(2)
Property, plant and equipment	7,418	197	16	14,127	21,758
Property, plant and equipment - depreciation	(4,229)	(42)	(16)	(2,641)	(6,928)
	3,192	155	-	11,486	14,833
Investments	(2,552)	-	6,495	2,552	6,495
Deferred income tax assets	-	-	-	2,657	2,657
Current assets (excluding cash)	6,735	6	(1,635)	2,045	7,151
Cash and cash equivalents	1,401	(13)	147	549	2,084
Total assets	8,776	148	5,007	19,289	33,220
Total liabilities (excluding loans and interest bearing liabilities)	11,349	3,765	179	1,935	17,228
Total equity (excluding loans and interest bearing liabilities)	(2,573)	(3,617)	4,828	17,354	15,992
Loans and interest bearing liabilities	60	-	-	(73)	(13)
Total equity	(2,633)	(3,617)	4,828	17,427	16,005
Total equity and liabilities	8,776	148	5,007	19,289	33,220

2. Segmental information (continued)

	Consulting and IP exploitation	Venture subsidiaries	Asset management	Property and central services	Total
Period ended 30 June 2007 (Unaudited, restated – See Note 7)	£000	£000	£000	£000	£000
Fees	8,710	239	332	1,193	10,474
Recharged project expenses	978	-	-	-	978
Licence / royalty income	55	-	-	-	55
Less: Inter company trading	(27)	-	(128)	(536)	(691)
Revenue	9,716	239	204	657	10,816
Expenses	(9,217)	(791)	(313)	(1,407)	(11,728)
Recharged project expenses	(978)	-	-	-	(978)
Less: Inter company trading	27	-	128	536	691
Expenses	(10,168)	(791)	(185)	(871)	(12,015)
Gross (loss) profit	(452)	(552)	19	(214)	(1,199)
Profit on disposal of investments	-	-	(25)	-	(25)
Change in fair value on financial assets	-	-	(1,880)	-	(1,880)
Bonus accrual on change in fair value	-	-	190	-	190
Redomiciliation	-	-	-	-	-
Share based payment charge	(42)	-	(4)	(6)	(52)
Operating (loss)	(494)	(552)	(1,700)	(220)	(2,966)
Finance charges					2
(Loss) before income tax					(2,964)
Income tax expense					(12)
(Loss) for the period					(2,976)
Balance sheet analysis					
Intangible assets	9	-	-	-	9
Intangible assets - amortisation	(2)	-	-	-	(2)
Property, plant and equipment	6,826	50	16	14,201	21,093
Property, plant and equipment - depreciation	(3,814)	(50)	(16)	(2,550)	(6,430)
	3,019	-	-	11,651	14,670
Investments	(2,518)	-	9,501	2,518	9,501
Deferred income tax assets	-	-	-	3,014	3,014
Current assets (excluding cash)	5,707	180	(1,607)	2,006	6,286
Cash and cash equivalents	335	19	210	658	1,222
Total assets	6,543	199	8,104	19,847	34,693
Total liabilities (excluding loans and interest bearing liabilities)	9,271	3,041	167	2,405	14,884
Total equity (excluding loans and interest bearing liabilities)	(2,728)	(2,842)	7,937	17,442	19,809
Loans and interest bearing liabilities	(1,922)	-	-	(16)	(1,938)
Total equity	(4,650)	(2,842)	7,937	17,426	17,871
Total equity and liabilities	6,543	199	8,104	19,847	34,693

2. Segmental information (continued)

Year ended 31 December 2007 (Unaudited, restated – See Note 7)	Consulting and IP exploitation	Venture subsidiaries	Asset management	Property and central services	Total
	£000	£000	£000	£000	£000
Fees	17,852	169	689	2,621	21,331
Recharged project expenses	2,737	-	-	-	2,737
Licence / royalty income	387	-	-	-	387
Less: Inter company trading	(50)	-	(226)	(1,217)	(1,493)
Revenue	20,926	169	463	1,404	22,962
Expenses	(17,699)	(1,559)	(634)	(2,574)	(22,466)
Recharged project expenses	(2,737)	-	-	-	(2,737)
Less: Inter company trading	50	-	226	1,217	1,493
Expenses	(20,386)	(1,559)	(408)	(1,357)	(23,710)
Gross profit (loss)	540	(1,390)	55	47	(748)
Profit on disposal of investments	-	-	1,376	-	1,376
Change in fair value of financial assets	-	-	(3,701)	-	(3,701)
Bonus accrual	-	-	327	-	327
Redomiciliation	-	-	-	-	-
Share based payment charge	(67)	-	(7)	(9)	(83)
Operating profit (loss)	473	(1,390)	(1,950)	38	(2,829)
Finance charges	-	-	-	-	(485)
Loss before income tax	-	-	-	-	(3,314)
Tax income	-	-	-	-	80
Loss for the year	-	-	-	-	(3,234)
Balance sheet analysis					
Intangible assets	9	-	-	-	9
Intangible assets - amortisation	(4)	-	-	-	(4)
Property, plant and equipment	7,001	44	16	14,168	21,229
Property, plant and equipment - depreciation	(3,999)	(44)	(16)	(2,596)	(6,655)
	3,007	-	-	11,572	14,579
Investments	(2,560)	-	7,570	2,560	7,570
Deferred income tax assets	-	-	-	2,657	2,657
Current assets (excluding cash)	7,460	39	(1,588)	1,881	7,792
Cash and cash equivalents	(169)	1	201	826	859
Total assets	7,738	40	6,183	19,496	33,457
Total liabilities (excluding bank loans and interest bearing liabilities)	8,033	3,248	35	3,580	14,896
Total equity (excluding loans and interest bearing liabilities)	(295)	(3,208)	6,148	15,916	18,561
Loans and interest bearing liabilities	(823)	-	-	(200)	(1,023)
Total equity	(1,118)	(3,208)	6,148	15,716	17,538
Total equity and liabilities	7,738	40	6,183	19,496	33,457

3. Earnings per share

The calculations of earnings per share are based on the following losses and numbers of shares:

	Six months ended 30 June 2008 (Unaudited – See Note 7) £000	Six months ended 30 June 2007 (Unaudited, Restated – See Note 7) £000	Year ended 31 December 2007 (Unaudited, Restated – See Note 7) £000
Loss for the financial period	(1,540)	(2,976)	(3,234)
Weighted average number of shares:	Number	Number	Number
For basic earnings per share	21,085,545	21,085,545	21,085,545
For fully diluted earnings per share			

Options have no dilutive effect in loss-making periods, and hence the diluted loss per share for these periods are shown as the same as the basic loss per share.

4.

The financial information set out above does not constitute full statutory financial statements within the meaning of Section 240 of the Companies Act 1985.

The financial information for the year ended 31 December 2007 has been abridged from the 2007 Annual Report and Financial Statements of Sagentia Group AG and compiled as though as though the Sagentia Group plc offer had been made and accepted on that date. See Note 7.

The auditors' report for Sagentia Group AG for the year ended 31 December 2007 was unqualified and did not contain a statement under S237 (2) or S237 (3) of the Companies Act.

5. Post balance sheet events

- On 10 July 2008, all of the shares in our FSA registered subsidiary were sold to its management for £10,000, being the net asset value of the company at that time.
- On 4 August, 2008, approximately 11% of new shares in Atranova Ltd were issued for a cash consideration of £275,000. This initial tranche will help the company get product into market.
- On 17 July 2008 Turftrax plc placed its subsidiary TurfTrax Racing Data Ltd. into administration. The price of the AIM listed share reduced to less than 1p. Consequently we have provided for the value of the shares in full at 30 June 2008.

6.

These interim results have been approved by the Board of Directors on 1 September 2008.

7. Comparative Results

The Group financial statements consolidate the financial statements of Sagentia Group plc and its subsidiary undertakings drawn up to 31 December each year. The Company was incorporated in March 2008 in order to acquire the whole of the undertaking of Sagentia Group AG via a share for share exchange. To date it has acquired 97.6% of Sagentia Group AG via a share for share exchange. The transaction does not qualify as a business combination, and has therefore been accounted for using the merger accounting method. Thus, the results and cash flows of the combined entities were brought into the consolidated financial statements of Sagentia Group plc, restating comparative results, as though they had always been combined.

END.