**For Immediate Release** **30 March 2009**

**IdaTech plc**

("IdaTech" or "the Company")

IdaTech plc (AIM: IDA), an advanced fuel cell product company operationally headquartered in Bend, Oregon, USA, today announces its Preliminary Results for the 12 months ended 31 December 2008.

Financial highlights

- Sales increased 16.8% to US$5.9m
- Product revenue increased two and a half times to US$2.4m
- Increased investment in R&D up 24.7% to US$12.0m (2007: US$ 9.7 million)
- Operating loss for the year to 31 December 2008 was US$21.9m (2007 : US$16.3m) due to planned investment in operations, R & D and sales

Operational highlights

    - Significant contract signed in October 2008 with ACME Telepower ("ACME") for 10,000 5 kW units Potential for up to 30,000 units in total over 4 years
  - Commenced the development of two systems under the ACME agreement
    - Direct hydrogen systems:
      - Since the end of 2008
        - Built a number of prototypes
        - Prototypes currently operating successfully
      - Deliveries for Q2 2009 on schedule
    - Natural Gas fueled systems:
      - Development schedule on track
      - On time for Q1 2010 shipments to ACME
      - Significant technological and system design advances
- 83 ElectraGen™ units delivered (an increase of 2.5 times over 2007)
- 9 iGen™ Industrial units delivered to key potentially high growth customers
- The number of telecommunications companies IdaTech is certified with doubled to 10
- 35 unit order from US telecommunications company in December, all now deployed and working in the field

Commenting on the results Harol Koyama, Chief Executive Officer of IdaTech, said:

"Much was achieved towards our long term goals in 2008. During the year IdaTech's technology received huge validation from ACME who placed a 10,000 unit order for a 5kW natural gas fuel cell system. These units are to be delivered in 2009 and 2010, predominantly for the market in India, with the possibility of further orders totaling 20,000 units. This contract is highly important, as it validates a mass market for the

Company's products and will establish a base production platform for low cost, high volume fuel cell products and components which IdaTech believes will help early adoption.

During 2008, IdaTech continued to differentiate itself with its ability to make hydrogen onsite and as needed from liquid fuel using its proprietary reformer technology. By the end of the year, IdaTech doubled the number of telecommunications companies it is certified with to ten. Five of these are from the top ten, ranked by global revenue.

The advances that IdaTech has made have resulted in product simplification and performance improvements at significantly reduced overall cost. The systems delivered under the ACME Agreement will be the first to benefit from these changes; these will be followed by the next generation ElectraGen™ and iGen™ products."

**For further information please contact:**


**IdaTech plc** **+1 541 383 3390**
Harol Koyama, Chief Executive Officer
James Cooke, Chief Financial Officer

**Numis Securities Limited** **+44 (0) 20 7260 1000**
Michael Meade / Hugh Jonathan (Nominated Adviser)

**Buchanan Communications** **+44 (0) 20 7466 5000**
Charles Ryland / Catherine Breen

**Chairman's Statement**

IdaTech made good progress towards its long term goals in what was a challenging year due to the worldwide economic downturn. The key objectives of IdaTech during the year were to increase the number of units sold into commercial field deployments, increase the number of customers with whom IdaTech's products are certified and drive down costs.

In 2008, revenue derived from product sales increased 2.5 times to US$2.4 million over that in 2007, with 83 ElectraGen™ units and 9 iGen™ sold (2007 : 32 and nil respectively) the vast majority within Latin America and North America. In addition, IdaTech doubled the number of customers with whom it is qualified as a certified vendor to ten.

In October 2008, IdaTech entered into an agreement for a large scale order with the Indian ACME Telepower Group ("ACME") for the development and delivery of 10,000 units commencing 2009 with a possibility for a further two orders of 10,000 each for delivery between 2011 and 2013. The successful delivery of a contract of this size inevitably carries significant cost and specification challenges. Notwithstanding these challenges, IdaTech has made huge steps forward during the year.

**Financial Overview**

The prior period reported in the financial statements consists of a long period of account from 13 July 2006 to 31 December 2007. In order to present a meaningful overview of the Group's activities the following financial overview compares the results for 2008 with the unaudited proforma results for the year to 31 December 2007.

Total sales increased 16.8% to US$5.9 million in 2008 compared with the unaudited proforma result for the year to 31 December 2007 of US$5.1 million. The increase in product sales of US $1.4 million over that in 2007 was offset by a decrease in project related revenue of US$0.4 million as IdaTech concentrated its focus on the ACME Agreement in the latter part of 2008.

The operating loss for the year to 31 December 2008 was US$21.9 million (2007 US$16.3 million) as a result of the planned investment in operations, research and development and sales. Cash flow utilised by operations increased to US$18.1 million in the year (2007 US$13.6 million after a tax receipt of $0.3m).

**Funding**

IdaTech's majority shareholder, Investec, has indicated its intention to provide financial support for the Company for at least 12 months from the date of signing these financial statements. As a result of this support, these financial statements have been prepared on a going concern basis. The Board believes additional funding will be needed in order to reach cash breakeven. Further details are included in note 2 to these preliminary results.

**People**

On behalf of the Board, I would like to thank everyone at IdaTech for their hard work, dedication and ability to rise to the numerous challenges that faced the Company in 2008

With the skill and experience within the Group, IdaTech is very well placed to take advantage of the significant opportunities that will arise over the next few years.

## Chief Executive's Business Review

### Strategy

Despite the current global recession, IdaTech made significant progress achieving further commercial penetration and developing a more focused approach to achieve mass adoption of its fuel cell products. The Group's approach to capturing the opportunity in its critical power markets is twofold: continue to lay the foundation for mass commercial adoption of IdaTech's ElectraGen™ line of fuel cell products, and execute against the large scale commercial contract with ACME in India.

Achieving adoption.
During 2008, IdaTech continued to differentiate itself with its ability to make hydrogen onsite and as needed from liquid fuel using its proprietary reformer technology. The Group has found that this is a key competitive advantage and an enabler to early adoption of its fuel cell products. By the end of the year, IdaTech doubled the number of telecommunication companies it is certified with to ten. Five of these are from the top ten, ranked by global revenue. The Company also signed a national sales agreement with a top US telecommunication operator and began its first significant deployments in the USA. IdaTech is now certified in the USA, Mexico, Guatemala, Spain, Italy, UK and France. Certification by a telecommunications operator is a major commercial milestone which enables the Group's products to be sold throughout the telecommunication network.

The ACME Agreement.
In October 2008, the Company signed a contract with ACME to develop and deliver up to 10,000 5kW fuel cell systems. ACME is a leading provider of comprehensive passive infrastructure solutions to wireless telecommunication operators in India. These systems are for deployment principally in India by 2010 with a possible two additional 10,000 unit orders. If successful, this contract will be highly important as it will validate a mass market for the Group's products and will establish a base production platform for low cost, high volume fuel cell products and components which IdaTech believes will help early adoption. The advances that IdaTech has made to date have resulted in product simplification and performance improvements at significantly reduced overall cost. The systems delivered under the ACME Agreement will be the first to benefit from these changes; these will be followed by the next generation ElectraGen™ and iGen™ products.

While IdaTech's commercial efforts remain squarely focused on these two strategies, the Group continues to drive development in advanced diesel based fuel cell systems and industrial applications for metal membrane hydrogen production, prioritising resources and deliverables as necessary.

### ACME Agreement and Update

The Agreement is a three party contract between IdaTech, ACME and Ballard Power Systems Inc. ("Ballard"). Under the Agreement, IdaTech will supply ACME with an initial 310 hydrogen fuel cell systems in 2009. In 2010 IdaTech will sell natural gas reformed fuel cell systems to ACME which will incorporate an IdaTech specially designed natural gas reformer. The fuel cell stacks will be supplied by Ballard. The Agreement is subject to IdaTech and Ballard demonstrating certain design and performance criteria for the systems ahead of full deployment in early 2010.

ACME intends to deploy the systems throughout its key markets in India, principally as long duration backup power for base stations of its telecommunication customers. The systems will provide ACME's customers with a more economic, reliable and environmentally acceptable product and will take advantage of the anticipated build out over the next three years of over 200,000 new base stations throughout India.

The ACME Agreement provides validation of the Group's key competitive advantages which include its proprietary multi-fuel reforming and systems integration capabilities. IdaTech's ability to reform a variety of commonly available fuels to produce hydrogen on site and as needed, enables IdaTech's products to overcome the so called hydrogen barrier, the difficulties in supplying and managing compressed hydrogen gas which has previously been one of the key factors which has deterred the mass adoption of fuel cells.

The prototype of the hydrogen system has been running for six weeks and the five long-test units have been built and are commencing design validation testing. Shipments are expected to commence at the end of the second quarter and be complete by the end of 2009.

The development of the Natural Gas system is on schedule and is expected to be ready for shipment at the beginning of 2010 as planned.

The initial 310 systems deliverable under the ACME Agreement will be built at IdaTech's manufacturing facility in Tijuana, Mexico. which is currently being expanded and upgraded. These improvements will be used to produce the next generation ElectraGen™ systems once the hydrogen systems have been produced and shipped by the end of 2009.

IdaTech is in the process of establishing a manufacturing facility in the Delhi region of India to produce the natural gas fuelled systems. This factory will benefit from proximity to the customer and the competitive supply chain that India offers and a flexible and skilled work force. The production facility will be established in the second half of 2009 and will be fully operational by the end of that year. This facility will be based on a similar model to that used in Tijuana, which was successfully completed on schedule and budget in 2007 at a low capital cost. The Indian facility's capacity will be 4-5 times larger than that of Tijuana, giving the ability to produce approximately 10,000 units per annum. IdaTech anticipates using this production facility as an additional platform for IdaTech's low cost manufacturing of fuel cell systems. IdaTech will continue to produce systems at its Mexican facility for its non-Indian business.

**Commercial Update**

***ElectraGen™***

The ElectraGen™ is IdaTech's primary family of fuel cell products with 5kW and 3kW power outputs. In 2008, IdaTech secured an additional five vendor qualifications, bringing the total as at the end of the year to ten. IdaTech continued to distribute its products through its global channel partner network as well as directly to the end user telecommunication companies. The Group's focus was on those customers and geographies, such as North America, Latin America and South Africa, where IdaTech can demonstrate a compelling value proposition and where the Group believes there is significant potential for early market adoption.

As well as seeding the market with a number of telecommunication companies this year, the Group sold 83 ElectraGen™ systems, substantially more than the 32 in the previous year. Of these, 70 were sold to six key telecommunication companies in North America and Latin America for commercial field deployment which IdaTech believes may produce larger scale deployments in 2009 and 2010. These systems are providing power in remote and difficult locations, some of which have never had backup capability before. Of the 83 systems, 94% were fully integrated reformed products using a methanol-water mix as a fuel, further demonstrating the preference for IdaTech's fuel reforming technology.

As previously announced, IdaTech is also targeting deployments in which there are incentives for fuel cells. The United States currently provides a tax incentive for fuel cell deployments, which was recently extended until 2016. During the year, the Group secured a national sales agreement with a major US telecommunications operator and won an order for 35 ElectraGen™ XTi systems which were successfully shipped to Florida to support sites at risk from hurricanes.

In Europe, IdaTech is participating in a German Government sponsored program, the National Program for Innovation through its German distributor, b+w Electronics GmbH ("b+w"). In September 2008, IdaTech received an order from b+w for 30 direct hydrogen systems, 18 of which will be sold to b+w under this program in 2009.

At the end of the year, IdaTech had received orders for 32 ElectraGen™ systems which were not yet shipped (2007 nil).

***iGen™***

The iGen™ Industrial is a compact certified 250W integrated fuel cell and reformer system for charging batteries in industrial applications. It is designed to work with battery packs and renewable energy systems such as solar and wind power in challenging environments.

The iGen™ Industrial product is currently under trial in a number of applications such as traffic signaling and portable traffic signage. Once these trials are completed, IdaTech expects iGen™ sales to increase and the Group will continue to drive the larger scale commercialisation of the product. In total 9 iGen™ systems were sold (2007 nil).

**Technical Development**

The focus of the technical development during the year has been on advancing IdaTech's proprietary core competences in multi-fuel reforming, purification, integration and control technologies. In these areas, IdaTech has made a number of significant advancements which will be incorporated into the natural gas product developed under the ACME agreement and into the next generation ElectraGen™ and iGen™ products, due for launch in 2011. These will enable IdaTech to produce more robust and significantly more cost effective integrated fuel cell systems. The first of these products to be launched will be the natural gas fuelled system for deployment in early 2010 under the ACME contract.

***Hydrogen System for ACME***

Development on the hydrogen system under the ACME Agreement commenced in the second half of the year. The hydrogen system is due for launch at the end of the first half of 2009 and remains on target. A prototype has been successfully running for two months and units for long term testing are being assembled.

***Natural Gas System development for ACME***

The development of the natural gas system also commenced in the second half of the year. This product is due for launch in the first quarter of 2010 and the development remains on target to meet that due date. This product has significant cost and specification challenges which are being addressed by incorporating the technological advances in natural gas reforming, purification, integration and control technologies made in the year. Additionally the system will benefit from a drive to simplify significantly the product, a reduction in the number of components used, the use of the supply chain to assemble modules and the ability to purchase in quantities 1,000 times greater than previously possible.

***ElectraGen™ and iGen™***

A 24V version of the ElectraGen™ was released at the beginning of the year in order to meet the demands of IdaTech's customers in North and Latin America. Due to the ACME Agreement, the development of the next generation of these products was deferred until the second half of 2009. By leveraging the technical advances made in the ACME program, the Group will effectively accelerate a generation of ElectraGen™ and iGen™ product development, resulting in a lower cost, more robust version of these products by 2011.

***Stack Development***

Prior to the ACME Agreement, IdaTech had entered into supply contracts with Ballard to supply their fuel cell stacks to IdaTech for incorporation into the next generation of ElectraGen™ and iGen™ products. IdaTech continues to seek the best technology for its products in order to bring greater value to its customers and shareholders. The Ballard stack was selected as it met all of IdaTech's technical requirements at a lower overall cost.

IdaTech's own internal stack research, development and production capability continues to give the Group the ability both to evaluate outsourced stacks, and develop its own stack in order to remain on the leading edge of an evolving technology. These stacks will be evaluated as part of the development of the next generation of products and enables IdaTech to focus on the fuel reforming, purification, controls and integration requirements of these products, areas where the Group has successfully differentiated itself.

***Third Party Developments***

In 2007, IdaTech successfully delivered a dual fuel (diesel and military) integrated system to the US Army. During 2008, the second phase of this project was partially delivered; completion was deferred until 2009 which allowed IdaTech to concentrate upon delivering the ACME Agreement. This resulted in a deferral of approximately US$0.5m of revenue into 2009. The project will re-commence in the second quarter of 2009.

During the year IdaTech continued to deliver two private commercial development contracts worth US$1.4m. Of this, US$1.3 million derived from the three year agreement, awarded at the end of 2006, with a large Japanese company to develop a palladium metal membrane system based on IdaTech's patented HyPurium™ metal membrane for potential future applications of industrial scale hydrogen purification. This contract continues into 2009 and the other contract was successfully concluded in 2008.

**Financial Overview**

As noted in the Chairman's statement, the prior period for statutory reporting purposes consists of a long period of account (13 July 2006 to 31 December 2007). The following financial overview compares the audited results for the year to 31 December 2008 with those of the unaudited proforma results for the year ended 31 December 2007.

Revenue for 2008 was US$5.9 million (2007 : US$5.1 million) of which US$2.4 million was from the sale of products in the ElectraGen™ and iGen™ ranges (2007 product revenue US$1.0 million). This reflected increased product sales in 2008. Revenue from development contracts, derived from Government and industrial customers was US$3.4 million, down from US$3.7 million in 2007 due to the deferral of $0.5million project revenue from 2008 to 2009 in order to focus the research and development resource on the fulfillment of the ACME agreement.

A gross loss of US$3.3million (2007 profit of US$0.4 million) was recorded.  This loss arose as a result of the transition of production to Tijuana, Mexico from Bend, USA and a change in the revenue mix, with a decrease in project related revenue which attracts a higher margin than product sales, which increased significantly over the prior year level.

The operating loss for 2008 was US$21.9 million (2007 : US$16.3 million).  This anticipated increase arose following an expansion in capability in the key areas of research and development and in sales, with the addition of a net 12 employees during the year (2007 : 14 net gain).  In addition, the manufacturing facility in Tijuana Mexico expanded to support the growing sales volumes in the second half of 2008.

For the year to 31 December 2008 research costs including the amortisation of intangible assets of US$ 2.4 million were US$12.0 million (before deducting tax credits of US$1.8 million).  For the year to 31 December 2007 research costs were US$9.7 million including amortisation of intangible assets of US$2.1 million (before deducting tax credits of US$1.6 million).  The vast majority of this increase was due to the increase in headcount in 2008 (and the full year costs of those hired in 2007) which rose by 20% to broaden and deepen the resources available, the incorporation of a long term testing group and the commencement in October 2008 of the hydrogen and natural gas system developments for ACME.

Sales, general and administrative expenses were US$ 0.1 million higher at US$10.8 million in the year ended 31 December 2008 compared with 2007.  There was a minor decrease in sales and marketing related expenses of $0.1million.  The costs of setting up the office in Malaysia and the resultant increase in headcount were offset by reduced advertising expenses, travel expenses and consultant costs. Expenditure on trade shows fell in 2008 compared with 2007 but this was offset by an increase in investment in demonstration equipment. General and administrative expenses increased by US$0.2 million as a result of the costs associated with entering into the ACME agreement.

Cash flow utilised by operations increased to US$ 18.1 million in the year (2007 US$13.6 million after a tax receipt of $0.3 million) principally as a result of the planned increase in overheads, funding the gross loss and the build up of inventory.

The principal changes in the balance sheet are the increases in inventory, accounts receivable and borrowings.  Inventory increased US$1.6 million to support the order backlog of 32 ElectraGen™ systems as well as the ACME systems development and third party contract work.

Accounts receivable increased by $0.6million.  Trade receivables increased by US$0.7 million as a result of the shipment of a 35 unit order in December, which were not due for payment by the end of the year.

During the year, IdaTech drew upon its loan facility with Investec, its principal shareholder.  At the end of the year, US$7 million had been drawn.

**Funding and going concern**

These financial statements have been prepared on a going concern basis as Investec, IdaTech’s main shareholder, has indicated its willingness to fund the business for at least one year after the approval of these financial statements.  Further details are disclosed in the note 2 to these preliminary results.

Current funding is via debt and it is the intention of IdaTech to seek additional equity to fund its operations until breakeven and not to draw upon this debt finance further than is absolutely necessary.  Although the timing of this is yet to be finalised, it is highly likely IdaTech will seek to raise additional funds over the next 12 months.

**Outlook**

As previously announced, IdaTech plans to sell 310 hydrogen systems under the ACME agreement. Full deployment of systems for ACME is due to commence in early 2010 and in preparation for these shipments, IdaTech will complete the production facilities in Mexico and India.  In addition to the sales under the ACME agreement, IdaTech expects to ship 150-200 systems from organic sales growth, targeting customer accounts which will increase adoption and establish the base for large scale growth.  During the year, IdaTech will continue to expand its sales network and seek to gain certification by additional telecommunication customers.

In 2009, IdaTech expects iGen™ will conclude some of its initial field trials, leading to higher volume deployments.

There are regional incentives for fuel cells despite the difficult current economic climate. The funding underlying the German Government sponsored program National Innovation Program is due to be finalised in 2009. IdaTech and its partner, b+w, will benefit from this scheme.

At the end of 2008, the US Federal Government extended the tax incentive scheme for fuel cells to 2016 and increased the incentive to US$ 3,000 per kilowatt or 30%, whichever is higher. Additionally, the US American Recovery and Reinvestment Act of 2009 has incentives for alternative energy.

During the initial phase of the ACME agreement in 2009, management intends to pursue third party development efforts selectively. As resources become available from the ACME project, third party contracts, which align with the product development strategy of the business, will be pursued.

Notwithstanding the financial downturn and ongoing uncertainty, the Board believes that the developments made by IdaTech over the last year have significantly improved its prospects for the future.

## Consolidated income statement for the year ended 31 December 2008

| | Year ended 31 December 2008 US$'000 | 13 July 2006 to 31 December 2007 US$'000 | Unaudited Proforma year ended 31 December 2007 US$'000 |
|---|---|---|---|
| Revenue | 5,930.7 | 7,680.7 | 5,076.7 |
| Cost of sales | (9,226.2) | (6,754.2) | (4,695.7) |
| **Gross profit** | (3,295.5) | 926.5 | 381.0 |
| Research and development costs | (7,835.8) | (6,097.3) | (5,990.0) |
| Sales, general and administrative expenses | (10,792.1) | (14,319.5) | (10,716.8) |
| **Adjusted EBITDA *** | (16,329.1) | (12,092.0) | (10,997.2) |
| Depreciation | (224.9) | (498.4) | (309.8) |
| Amortisation of intangible assets | (2,374.1) | (3,108.8) | (2,089.7) |
| Share based payments | (2,995.3) | (3,791.1) | (2,929.1) |
| **Operating loss** | **(21,923.4)** | **(19,490.3)** | **(16,325.8)** |
| Finance income | 139.8 | 420.0 | 396.9 |
| Finance costs | (166.4) | (1,290.7) | (354.5) |
| **Loss for the year / period before tax** | **(21,950.0)** | **(20,361.0)** | **(16,283.4)** |
| Income tax credit | 857.6 | 1,358.1 | 1,010.5 |
| **Loss for the year / period** | **(21,092.4)** | **(19,002.9)** | **(15,272.9)** |
| Basic and diluted loss per share (US$) | **(0.43)** | **(0.39)** | **(0.42)** |

**earnings before interest, tax, depreciation, amortisation and share based payments*

The income statement for the Group since incorporation on 13 July 2006 to 31 December 2007 is shown in the second column above as the statutory prior period comparative. The column headed "Unaudited proforma year ended 31 December 2007" is disclosed to show the trade of the business for the comparable 12 month period– see Note 1 to these statements.

All amounts relate to continuing activities.

## Consolidated balance sheet as at 31 December 2008

| | As at 31 December 2008 US$'000 | As at 31 December 2007 US$'000 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 1,005.6 | 838.0 |
| Goodwill | 18,001.2 | 18,001.2 |
| Intangible assets | 23,792.9 | 24,328.8 |
| Trade and other receivables | 100.0 | 100.0 |
| | **42,899.7** | **43,268.0** |
| **Current assets** | | |
| Inventories | 3,233.3 | 1,669.1 |
| Trade and other receivables | 3,814.5 | 3,217.9 |
| Cash and cash equivalents | 620.0 | 13,797.2 |
| | **7,667.8** | **18,684.2** |
| **Total assets** | **50,567.5** | **61,952.2** |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Trade and other payables | (4,022.3) | (3,461.1) |
| Borrowings | (53.0) | (3.0) |
| Provisions for other liabilities and charges | (456.3) | (462.4) |
| Deferred income tax liabilities | (768.8) | (768.8) |
| | **(5,300.4)** | **(4,695.3)** |
| **Net current (liabilities) / assets** | **2,367.4** | **13,988.9** |
| **Non-current liabilities** | | |
| Borrowings | (7002.3) | (55.2) |
| Deferred income tax liabilities | (6,483.9) | (7,252.7) |
| | **(13,486.2)** | **(7,307.9)** |
| **Total liabilities** | **(18,786.6)** | **(12,003.2)** |
| **Total net assets** | **31,780.9** | **49,949.0** |
| **EQUITY** | | |
| **Capital and reserves** | | |
| Share capital | 991.2 | 991.2 |
| Share premium | 57,754.8 | 57,754.8 |
| Retained earnings deficit | (36,442.8) | (18,274.7) |
| Reverse acquisition reserve | 9,477.7 | 9,477.7 |
| **Total shareholders' equity** | **31,780.9** | **49,949.0** |

## Consolidated cash flow statement for the year ended 31 December 2008

| | Year ended 31 December 2008 US$'000 | 13 July 2006 to 31 December 2007 US$'000 | Unaudited Proforma Year ended 31 December 2007 US$'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash outflows from operations | (18,055.3) | (13,441.6) | (13,596.1) |
| Tax received | - | 330.7 | 330.7 |
| Interest paid | (19.2) | (1,290.7) | (354.5) |
| Net cash outflow from operating activities | (18,074.5) | (14,401.6) | (13,619.9) |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | (401.4) | (621.3) | (456.7) |
| Purchase of intangible assets | (1,838.2) | (1,947.3) | (1,575.1) |
| Acquisition of subsidiaries, net of cash | - | (34,380.6) | - |
| Interest received | 139.8 | 420.0 | 396.9 |
| Net cash outflow from investing activities | **(2,099.8)** | **(36,529.2)** | **(1,634.9)** |
| **Cash flows from financing activities** | | | |
| Proceeds of issue of shares (net of expenses) | - | 64,982.9 | 27,839.8 |
| Proceeds from borrowings | 7,000.0 | 44,262.5 | 8,161.7 |
| Repayments of borrowings | (2.9) | (44,517.4) | (8,320.0) |
| Net cash inflow from financing activities | **6,997.1** | **64,728.0** | **27,681.5** |
| Net increase in cash and cash equivalents | (13,177.2) | 13,797.2 | 12,426.7 |
| Cash and cash equivalents at beginning of the year / period | 13,797.2 | - | 1,370.5 |
| Cash and cash equivalents at end of the year / period | **620.0** | **13,797.2** | **13,797.2** |

The cash flow statement for the Group since incorporation on 13 July 2006 to 31 December 2007 is shown in the second column above as the statutory prior period comparative. The column headed "Unaudited proforma year ended 31 December 2007" is disclosed to show the trade of the business for the comparable 12 month period– see Note 1 to these statements.

**Consolidated statement of changes in shareholders' equity for the year ended 31 December 2008**

| | Share Capital | Share Premium | Employee Benefit Trust Reserve | Retained Earnings | Reverse Acquisition Reserve | Total Share-holders' Equity |
|---|---|---|---|---|---|---|
| | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| As at 13 July 2006 (date of incorporation of IdaTech UK limited) | - | - | - | - | - | - |
| Shares issued by IdaTech UK Limited to acquire ITI Group | 37,300.8 | - | - | - | - | 37,300.8 |
| Shares issued in IdaTech UK Limited | 6,961.6 | - | - | - | - | 6,961.6 |
| Shares issued by IdaTech plc upon incorporation at par | 99.2 | - | - | - | - | 99.2 |
| Shares issued by IdaTech plc to acquire IdaTech UK Limited | 540.8 | 34,019.7 | - | - | - | 34,560.5 |
| Shares issued by IdaTech plc to employee benefit trust | 53.5 | 2,606.9 | (2,660.4) | - | - | - |
| Shares issued by IdaTech plc upon the initial public offering | 297.7 | 29,475.5 | - | - | - | 29,773.2 |
| Expenses relating to initial public offering | - | (8,347.3) | - | - | - | (8,347.3) |
| Reverse acquisition reserve | (44,262.4) | - | - | - | 9,477.7 | (34,784.7) |
| Share based payments | - | - | - | 3,791.1 | - | 3,791.1 |
| Loss for the period | - | - | - | (19,002.9) | - | (19,002.9) |
| Shares sold by employee benefit trust | - | - | 288.6 | - | - | 288.6 |
| Share based payments - utilised | - | - | - | (621.2) | - | (621.2) |
| Currency translation differences | - | - | - | (69.9) | - | (69.9) |
| **As at 31 December 2007** | **991.2** | **57,754.8** | **(2,371.8)** | **(15,902.9)** | **9,477.7** | **49,949.0** |
| Share based payments | - | - | - | 2,995.3 | - | 2,995.3 |
| Loss for the year | - | - | - | (21,092.4) | - | (21,092.4) |
| Equity award settled in cash | - | - | | (66.0) | - | (66.0) |
| Currency translation differences | - | - | - | (5.0) | - | (5.0) |
| **As at 31 December 2008** | **991.2** | **57,754.8** | **(2,371.8)** | **(34,071.0)** | **9,477.7** | **31,780.9** |

Reverse acquisition reserve: The reverse acquisition reserve arose as a result of the share for share exchange undertaken in advance of the initial public offering. This reserve comprises the excess of the market value of the IdaTech plc shares issued to the IdaTech UK Limited shareholders over and above the nominal value of these shares.

**Notes to the preliminary statements**

**1. Authorisation of financial statements and statement of compliance with IFRSs**
The preliminary announcement for the year ended 31 December 2008 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accounting policies adopted in this preliminary announcement are consistent with those used in the last published annual financial statements.

These preliminary statements do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. They have, however, been extracted from the statutory accounts for the period ended 31 December 2008 on which an unqualified report has been made by the company's auditors. The audit opinion contains an emphasis of matter drawing attention to the going concern basis of preparation (see below). The 2007 statutory accounts have been filed with Registrar of Companies. The 2008 statutory accounts will be sent to shareholders on 22 May 2009and will be filed with the Registrar of Companies following their adoption at the forthcoming Annual General Meeting.

**2. Significant accounting policies**

The accounting policies adopted in this preliminary announcement are consistent with those used in the last published annual financial statements. These policies have been consistently applied.

**Basis of preparation**
*Introduction*

IdaTech plc is a public limited company which is listed on the Alternative Investment Market ('AIM') of the London Stock Exchange and is registered and domiciled in the UK.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations endorsed by the European Union and with those parts of the Companies Act 1985/2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historic cost convention. They have been prepared under the going concern principle –see also Directors' Report.

IdaTech plc (the "Company") was incorporated on 25 May 2007. With effect from 7 June 2007, the Company became the legal parent company of IdaTech UK Limited and its subsidiary undertakings. This business combination, effected through an exchange of equity interests, has been accounted for as a reverse acquisition in accordance with IFRS 3 'Business Combinations'. IdaTech UK Limited was incorporated on 13 July 2006 and acquired IdaTech Technologies, Inc, ("ITI") IdaTech, LLC and IdaTech Fuel Cells GmbH on 20 July 2006.

For statutory reporting, the prior period comparative requirement is to prepare financial statements on the basis of a long period of account commencing on 13 July 2006 to 31 December 2007. Hence the consolidated income statement includes the prior period results of IdaTech UK Limited and its subsidiaries for the period 13 July 2006 to 31 December 2007, with the results of IdaTech plc since 25 May 2007.

***Going concern***
These financial statements have been prepared on a going concern basis. As reported in the Chief Executive's Business Review, IdaTech's main shareholder Investec, has indicated its current intention to provide additional funding to the business, which would enable the company to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

The additional funding has been agreed to be provided as a current intention only, until the Company has secured alternative funding, and does not represent a legally binding obligation by the shareholder. Whilst the Directors have a reasonable expectation that the shareholder will continue to support the Group, in view of the nature of the support, there can be no certainty in this matter.

In view of the above, the Directors have concluded that a material uncertainty exists that may cast significant doubt upon the Group's ability to continue as a going concern. Nevertheless after making enquiries, and considering the uncertainties described above, the Directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

The income statement and balance sheet show no intention or necessity to liquidate or curtail significantly the operations of the Group. Specifically, the assets of the Group have been valued and reported on the basis that they will be used for the purpose for which they were purchased in the ongoing operation of the business and no liabilities have been included that may arise on a significant curtailment of Group activities.

*Unaudited proforma results*
In addition to disclosing the information relating to 2007 long period of account, the directors believe it is useful to disclose the unaudited proforma income statement and cash flow statement for the year ending 31 December 2007. This presentation has been selected to ensure comparability between the information presented herein for 2008 and 2007.

These additional unaudited proforma disclosures for the year ending 31 December 2007 comprise the results of IdaTech UK Limited and its subsidiaries for the year ended 31 December 2007, with the results of IdaTech plc since 25 May 2007.

The consolidated retained earnings reserves of the Group as at 31 December 2008 include the pre IdaTech plc acquisition retained earnings of IdaTech UK Limited and its subsidiaries as required by IFRS 3.

Prior to the incorporation of IdaTech plc, IdaTech UK Limited was the holding company of the ITI Group. Until the Admission to the AIM market of the London Stock Exchange on 7 August 2007, IdaTech UK Limited was a wholly-owned subsidiary of the Investec plc Group ("Investec").

Prior to the acquisition by IdaTech UK Limited, the ITI Group was wholly owned by IDACORP, a US state utility company.

**3. Critical accounting estimates and judgments**
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

*Warranty provision*
At 31 December 2008, the Group has recorded a liability of US$456,271 (31 December 2007 US$462,400) for warranty and installation costs. As the Group and the industry in which it operates are in the development stage, there is little historical data upon which to establish a reserve for warranty and installation costs. The liability recorded represents management's best estimate of the potential future costs of warranty and repair, which is calculated as a percentage of product costs based on experience.

*Share based payments*
The Group operates a number of share based remuneration schemes. The valuation requires a number of estimates and assumptions to be made.

*Impairment of goodwill*
The Group tests annually whether goodwill has suffered any impairment in accordance with the Group's accounting policy. Management's assumptions in performing this test are a source of estimation uncertainty.

*Valuation of intangible assets on acquisition*
Intangible assets that existed at the date of the acquisition were identified through an assessment of the economics of the transaction and split into core technology and intellectual property R&D attributable to the existing products.

There are a number of assumptions underlying the valuation of these intangibles. Therefore this is a source of estimation uncertainty.

**4. Revenue**
The Group's revenue, all of which is derived from continuing operations, is from the sale of goods and delivery of development contracts:

| | Year ended 31 December 2008 | 13 July 2006 to 31 December 2007 | Unaudited Proforma Year ended 31 December 2007 |
|---|---|---|---|
| | US$'000 | US$'000 | US$'000 |
| Sale of goods - current products | 2,429.3 | 1,681.8 | 983.5 |
| Development contracts | 3,356.4 | 5,218.0 | 3,719.0 |
| Other | 145.0 | 780.9 | 374.2 |
| | **5,930.7** | **7,680.7** | **5,076.7** |

### 5. Geographic and business segments

Given the current phase of the business and the presently limited definitive product lines available for sale, management considers the Group to be operating in one primary market segment, related to fuel cells. The secondary segment is considered to be geographic.

The country of the operations is the USA. Revenue is allocated below based on the country in which the Customer is based.

| | Year ended 31 December 2008 | 13 July 2006 to 31 December 2007 | Unaudited Proforma Year ended 31 December 2007 |
|---|---|---|---|
| | US$'000 | US$'000 | US$'000 |
| **Revenue** | | | |
| United States | 3,059.3 | 4,696.3 | 2,720.3 |
| Japan | 1,351.9 | 710.5 | 710.5 |
| Mexico | 918.6 | 30.0 | 30.0 |
| Europe | 313.1 | 1,995.9 | 1,437.6 |
| Other | 287.8 | 248.0 | 178.3 |
| Total Revenue | **5,930.7** | **7,680.7** | **5,076.7** |

| | As at ended 31 December 2008 | As at ended 31 December 2007 |
|---|---|---|
| | US$'000 | US$'000 |
| **Total Assets** | | |
| United States | 48,946.9 | 52,287.1 |
| Japan | - | - |
| Mexico | 1,559.9 | 597.5 |
| Europe | 60.7 | 9,067.6 |

| | | |
|---|---|---|
| All other | - | - |
| Total Assets | **50,567.5** | **61,952.2** |

Total assets are allocated on the basis of where the assets are located. Identifiable intangible assets and goodwill are assumed to reside in the country in which the principal activity to which it relates is based.

| | Year ended 31 December | 13 July 2006 to 31 December | Unaudited Proforma Year ended 31 December |
|---|---|---|---|
| | **2008** | **2007** | **2007** |
| | **US$'000** | **US$'000** | **US$'000** |
| **Capital Expenditure** | | | |
| United States | 243.7 | 36,860.5 | 248.6 |
| Japan | - | - | - |
| Mexico | 157.7 | 208.1 | 208.1 |
| Europe | | - | - |
| All other | | - | - |
| Total Capital Expenditure | **401.4** | **37,068.6** | **456.7** |

Capital expenditure is allocated based on where the assets are located.

The capital expenditure for the period 13 July 2006 to 31 December 2007includes the purchase by IdaTech UK Limited of ITI, IdaTech, LLC and IdaTech GmbH Fuel Cells GmbH at a cost US$34,500,000.

## 6. Called up share capital

| | As at 31 December | As at 31 December |
|---|---|---|
| | **2008** | **2007** |
| | **US$'000** | **US$'000** |
| **IdaTech plc** | | |
| Authorised | | |
| 100,000,000 Ordinary Shares of £0.01 each | **2,002.4** | **2,002.4** |
| 49,499,969 allotted, called up and fully paid | **991.2** | **991.2** |

*IdaTech plc*
IdaTech plc was incorporated with an authorised and issued share capital of £50,000 divided into 5,000,000 Ordinary Shares of £0.01 each.

The following changes have occurred in the share capital of the Company since its date of incorporation:

(a) On 7 June 2007, the Company issued 27,313,475 Ordinary Shares to Investec in consideration for the transfer of all of the issued shares of IdaTech UK Limited;

(b) On 21 June 2007, the Company issued 2,686,525 Ordinary Shares to the trustee of the IdaTech Employee Trust;

(c) On 7 June 2007, the authorised share capital of the Company was increased from £50,000 to £1,000,000 by the creation of 95,000,000 Ordinary Shares of £0.01 each; and

(d) On 7 August 2007, the Company issued a further 14,499,969 shares in connection with the Admission of the Company to AIM

All issued shares are fully paid.

## 7. Loss per share

(a) Basic
Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year / period.

| | Year ended 31 December 2008 | 13 July 2006 to 31 December 2007 | Unaudited Proforma Year ended 31 December 2007 |
|---|---|---|---|
| | US$ | US$ | US$ |
| Loss attributable to the equity holders of the Company | (21,092,400) | (19,002,900) | (15,272,900) |
| Weighted average number of ordinary shares in issue | 49,499,969 | 48,616,724 | 36,119,874 |
| **Basic loss per share (US$ per share)** | **(0.43)** | **(0.39)** | **(0.42)** |

(b) Diluted
Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

The impact of the share options is anti-dilutive. Therefore the diluted loss per share is the same as the basic loss per share.

## 8. Principal subsidiaries

IdaTech plc subsidiaries, which are all consolidated:

| Subsidiary | Country of Incorporation | Proportion of Share Capital Held and Voting Rights | Nature of Business |
|---|---|---|---|
| Idatech UK Limited | UK | 100% | Holding company |
| IdaTech Technologies, Inc | USA | 100% | Holding company |
| IdaTech, LLC | USA | 99.9% | Development of fuel cell technology |
| IdaTech Fuel Cells GmbH | Germany | 100% | Sales and marketing for European operations |