Immediate Release **17 March 2010**

IdaTech plc

Preliminary Results

IdaTech plc (AIM: IDA) a global leader in the development and manufacture of clean and reliable PEM fuel cell products for critical backup power markets, today announces its Preliminary Results for the 12 months ended 31 December 2009.

Operational highlights

- 445 systems shipped and sold and more than five times 2008 volume
- Average order size more than doubled compared with 2008
- Launched ElectraGen™H2 and sold over 300 systems
- Total number of channel partners increased by 4 to 35
  - Addition of ACME Telepower as a distributor
- Commenced development of next generation XTR and XTi systems
  - Significant reduction in cost
  - Due for launch in second half of 2010
- Continued development of natural gas fueled system
  - Further cost and reliability progress made
- Completion of two development contracts; transition of development resources to commercial product development complete
- Upgrade of production facility in Mexico to support ElectraGen™H2 unit production
- Re-alignment of lower power products to take advantage of larger market opportunity than currently exists for the 250 W iGen™
- Backlog at the end of 2009 of 108 systems with positive contribution margin for delivery in Q1 2010

Financial Highlights

- Revenue from product sales almost doubled to US$4.5million (2008 US$2.4 million)
- Total revenue increased to US$6.6 million (2008 US$5.9 million)
- Gross loss of US$5.0 million (2008 US$3.3 million) in line with expectations
- Normalized EBITDA loss (as defined on page 7) US23.3 million(2008 US$16.3 million) in line with expectations
- Continued financial support of the Investec Group
- Cash usage less than expected at US$24.9 million (2008 US$20.2 million) Non-cash, impairment charge, of $2.7 million (after tax) in the carrying value of the intangible assets relating to iGen™

Commenting on the results, Hal Koyama, CEO said:

"The Board believes IdaTech is well positioned to take advantage of the significant market opportunities that it sees for its next generation systems and is confident of achieving increased sales above last year at a profit, during 2010."

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Chairman's Statement

IdaTech made very good progress both commercially and technically in 2009. Commercially the Group has added a number of key customers with whom it is certified and has achieved an increase in the average order size compared with the prior year. The Group believes these are indications that the rate of adoption of IdaTech's systems is increasing.

In addition, a number of strategic decisions were made during the year to ensure the Group remains firmly on track to reach near term profitability. Amongst these were the decisions to re-negotiate with ACME Telepower and to suspend the further development of the 250 W iGen™ product line. IdaTech has identified a much larger opportunity for lower power output products and plans to re-design iGen™ to meet that opportunity.

Technically, IdaTech made breakthroughs which will be utilised in the next generation systems currently under development. These breakthroughs significantly reduce cost whilst improving both the performance and the reliability of the system.

IdaTech is on track to release these next generation systems in late 2010 and early 2011 and it is expected that they will lead the Group to cash breakeven.

Financial Overview

Total sales increased 12% to US$6.6 million compared with US$5.9 million in 2008. Of particular note is the increase in revenue from product sales which increased from US$2.4 million in 2008 to US$4.5 million in 2009. This increase was offset by a decrease in revenue from project work from US$3.4 million to US$2.0 million, highlighting the planned transition of the business to commercial product development.

The operating loss before tax widened to US$33.5 million from US$21.9 million in 2008. The majority of this increase arose due to the decision to cancel the development of the current version of the iGen™ ,which resulted in an accelerated write down of intangibles of US$4.5 million, and the unexpected loss of a US$2.5 million tax credit from the State of Oregon, the state in which IdaTech's development activity occurs. IdaTech is appealing the loss of this tax credit. These financial statements have been prepared excluding the tax credit for 2009 (all amounts relating to prior years have been received by the Group) in the event the appeal is unsuccessful.

Funding

IdaTech's majority shareholder, the Investec Group, has indicated its current intention to ensure that the Group is in a position to meet its debts as and when they fall due.

The loan note funding provided by Investec together with further funding required during the current year, will be repayable on 31 March 2011. The Directors are actively considering the options available to refinance these amounts ahead of the repayment date.

After due consideration, the Directors have concluded it is appropriate to continue to prepare the financial statements on a going concern basis.

People

2009 has been another challenging but encouraging year for IdaTech. Without the ongoing commitment, dedication and hard work of all of its employees, IdaTech would not be in the position it is to take advantage of the opportunities in its markets over the next few years and to ensure the Group fulfills its potential.

On behalf of the Board, I would like to thank everyone at IdaTech for their contribution during the year.

Chief Executive's Business Review

Overview of 2009 and Path to Profitability

In 2009, the Group refined its strategic plan to achieve cash breakeven and profitable growth at the earliest opportunity – IdaTech's "Path to Profitability." The principal objective of the Group's path to profitability is to achieve sustainable cash breakeven and profitability as soon as possible and ahead of market expectations. This will be achieved by designing, manufacturing and selling products that are efficient, reliable and offer a compelling value proposition by significantly lowering the total cost of ownership. Against the backdrop of a very difficult year for businesses globally, IdaTech successfully executed against this plan and, despite its increased losses in the year, continued to move towards profitable growth. IdaTech's path to profitability has four key elements:

- Seeding the market: Prepare the worldwide customer base for rapid adoption of IdaTech's fuel cell products.
- New product development: Identify and pursue next generation fuel cell products that can compete directly in the diesel generator market and simultaneously derive attractive gross margins for the Group.
- Lean production: Establishing and validating flexible, low cost and high quality production capabilities.
- Focusing on execution: Eliminate or deemphasize activities that distract the Group from its primary path to profitability and align resources to ensure success.

Seeding the market

IdaTech's initial commercial focus is on the critical power backup market for the telecommunication industry. This market has been estimated to be worth around US$ 2 billion per annum, covering around 3 million sites globally. Geographically, the Group is targeting the key markets of Asia, India and the Americas.

During 2009, IdaTech significantly expanded its reach into its target markets and increased its distributor network to 35 worldwide. IdaTech believes that its selective use of distribution partners leverages its ability to cost effectively expand across wide geographies. To date, the Group has achieved certification for its products with 25 telecommunications companies, including 5 of the top 10 telecommunications companies worldwide by revenue. This strategy of seeding the market is paying off. In 2009, IdaTech recorded sales volume growth of over five times that shipped in 2008 and ended the year with a backlog of 108 units representing almost 25% of the 2010 full year expected system sales, with significant initial and repeat orders in each of the Group's key regions.

IdaTech sold and shipped 445 systems in 2009. All of these systems were in the targeted critical power backup application in the telecommunications market. Sales to customers for commercial deployments of IdaTech's systems represented almost all of the system sales in the year, demonstrating the increasing commercialisation of IdaTech's fuel cell systems, and with the average order size more than doubling compared with 2008.

As well as achieving a near doubling of unit sales of the ElectraGen™, ElectraGen™ XTR and XTi over 2008 levels, IdaTech sold 300 ElectraGen™H2 systems to ACME Telepower (the direct hydrogen fueled product developed during the year). Deployment of these systems is expected to be completed by the end of the second quarter of 2010. In addition to these sales, there was significant interest for sales outside of India.

IdaTech ended the year receiving an order for 108 ElectraGen™ H2 systems. At the date of this report all have been shipped and approximately one third of the systems have been deployed. These systems represent an important step toward profitability, making a positive contribution to overheads.

New Product Development

IdaTech believes there have been two main barriers to the mass adoption of stationary fuel cells; the cost and availability of hydrogen as a fuel (the so called hydrogen barrier) and the capital, or first cost of the fuel cell systems. IdaTech, through its proprietary multi-fuel reforming capability has eliminated the hydrogen barrier as its products can use a convenient, readily available and inexpensive liquid fuel rather than compressed bottled hydrogen gas. Bottled hydrogen gas is relatively expensive, difficult to store and to transport to site and makes refueling, especially in difficult environments, extremely challenging. During 2009, IdaTech conducted intensive development of three new fuel cell products. The objective of this development was to produce products that can compete directly with traditional diesel generators and provide the Group with attractive margins. The new products will also have increased reliability and durability resulting in reduced life cycle costs to the customer.

The first product, the ElectraGen™H2, was completed in less than eight months and under budget. Three hundred of these systems were sold and shipped to ACME for deployment in India. A variant of this product was also produced and 108 systems were sold to an Asian customer.

The second product is the next generation of the liquid fueled fuel cell systems, the ElectraGen™ME. It will be launched in the second half of 2010 and represents the core product supporting the Group's drive to profitable growth. The ElectraGen™ME's cost base will be significantly less than that of its predecessor system. Additionally, the durability of key components will increase, while reducing its size by approximately 30%. The Group believes this product can compete directly with diesel generator systems.

Currently, due to product cost, IdaTech believes that it has only addressed 1% of the potential telecommunications market. However, the Group believes the ElectraGen™ME will expand the addressable market to 1.8 million base stations.

The third product, the ElectraGen™NG, started development in late 2008 and continued throughout 2009. This product will expand IdaTech's fuel capability to include natural gas in its commercial products. As previously announced, this program was delayed due to the time taken to develop the necessary global supply chain base and to fully test components. This latter issue arose as, after compiling usage data from the ElectraGen™H2 systems deployed earlier in the year, it became apparent that the operational profile of the systems in India meant that the systems would cycle on and off many more times per day than originally expected. This resulted in the need to re-examine and test all components and modules to ensure the necessary reliability and durability of the system. It is believed that the ability to use natural gas as a fuel will open additional telecom opportunities and potential adjacent applications in the future. Full production of this product is expected in 2011.

In each case, IdaTech's new products systems are being developed using a design for manufacturability methodology which was established at the end of 2008 and fully implemented in early 2009. Additionally, enhanced design validation testing procedures have been introduced.

These processes, coupled with modifications to the long term testing procedures, significantly increase the level of pre-production readiness and reliability testing of components, sub-assemblies, modules and complete systems. These changes are believed also to increase the reliability of the end product as well as reduce the overall cost of developing, manufacturing and servicing them.

The Group's product cost and performance objectives are being met through the following specific initiatives:

- proprietary technological advances;
- product design simplification;
- increased use of off the shelf parts; and
- establishment of a global supply chain, taking advantage of lower cost jurisdictions.

Lean Production

In 2007 IdaTech opened its production plant in Tijuana, Mexico. This facility gives the Group a flexible, low cost volume manufacturing operation without the need for large capital investment. These operations were expanded in 2009, with the introduction of a gravity fed production line and an upgraded test facility. These improvements enabled the successful delivery of the ElectraGen™H2 product in the second half of the year, positioning the facility for the production of the ElectraGen™ME in 2010. The ability of the facility to ramp up to higher volume was demonstrated in the last quarter of 2009 when the 300 ElectraGen™H2 systems were assembled and shipped, following a successful handover from the development team. In early 2010, the Tijuana facility was awarded ISO 9001 certification.

In the second half of the year, IdaTech established an Indian entity, which is currently focusing on building the low cost supply chain outside of North America for the ElectraGen™ ME and NG product lines. Once fully equipped, following order growth, the Indian facility can achieve a production capacity of approximately 10,000 units per year.

Focusing on Execution

During the year, IdaTech took a number of tough decisions in its path to profitability. Among the most significant of these was the decision to re-negotiate the contract with ACME Telepower for the natural gas fueled fuel cell system as the Group chose not to pursue a potentially loss making contract. Instead, the Group renegotiated the contract into a distribution agreement, allowing for improved pricing and more time for component verification and testing.

Additionally, IdaTech took the decision to cease development on its iGen™ 250 Watt fuel cell product. The Group believes the sub-one kilowatt market for its fuel cell products is attractive, but is conducting research into the specific product attributes, such as maximum power output, that are required. Additionally, the ElectraGen™ product family offers significantly greater near term potential for profitable growth. Consequently, the Group has made the decision to cancel the development of the iGen™ product and focus resources on the ElectraGen™ME in the near term and until the lower power product specification has been completed. The current version of the iGen™ product will continue to be sold to support development of that market. Consequently, an impairment to the carrying value of the iGen™ was made – see financial overview below.

IdaTech successfully completed the final stage (US$0.9 million) of a three year, US$3.0 million contract for the development of a large scale palladium metal membrane for a Japanese group in 2009.

The Group also successfully completed a development program with the US Department of Energy during the year, recognizing around US$0.2 million in the year and re-started a portion of the program with the US Army for the development of a dual fuel integrated system which had been deferred from 2008. Of the US$0.5 million deferred at the end of 2008, US$0.3 million was recorded in 2009 leaving US$0.2 million carried into 2010.

Financial Overview

Revenue for 2009 was US$6.6 million (2008 : US$5.9 million) of which US$4.5 million was from the sale of products, an almost doubling of revenue from the 2008 level of US$2.4 million, reflecting the increased number of systems sold. There was a decrease in the average selling price, as 300 of the 445 systems shipped were the lower priced ElectraGen™H2 systems sold to ACME Telepower.

Revenue from development contracts, derived from Government and industrial customers was US$2.0 million (2008 US$3.4 million) in line with IdaTech's strategy of realigning development resources to next generation product development.

A gross loss of US$5.0 million (2008 loss of US$3.3 million) was recorded. This loss arose as a result of increased product sales which were made at a loss, a decrease in project related revenue which attracts a higher positive margin and the cost of expansion of the Tijuana facility in Mexico.

The operating loss for 2009 was US$33.5 million (2008: US$21.9 million). This increased loss was materially impacted by two factors:

- the write off of the carrying value of the intangible assets relating to the iGen™ product line as discussed above of US$4.5 million;

- Withdrawal of the Business Energy Tax Credit ("BETC") by the State of Oregon of US$2.5 million. Since 2006, IdaTech has received approximately 25% of the cost of relevant development expenses as a rebate from the State of Oregon. In early 2010, the Oregon Department of Energy notified the Group that BETC would not be available for 2009, despite the assurances that had been made to the Group during the course of the year. IdaTech has appealed but has taken a cautious approach and has prepared these financial statements as if the appeal is unsuccessful.

Allowing for these factors, EBITDA loss stated on a comparable basis to 2008 ('normalized EBITDA') for the year US$23.3 million (2008 US$ 16.3 million) and the operating loss would be US$26.5 million (2008 US$ 21.9 million) both in line with management and market expectations.

Research and development costs in the year were US$17.7 million (2008 US$7.8 million). Allowing for the potential withdrawal of the BETC of US$2.5 million and the write off of the intangible assets relating to the iGen™ product of US$ 4.5 million, the costs for 2009 would have been US$10.7 million. This increase over the prior year is due to the full year cost of the expansion that occurred during late 2008 and the cost of concurrently developing the three next generation products; ElectraGen™ H2, ME and NG products. Of the $17.7 million total cost, US$7.0 million relate to non-cash amortization costs (2008 US$2.4 million).

Sales, general and administrative expenses were flat at US$10.8 million (2008 US$10.8 million). Overall administrative expenses fell by US$0.2 million versus 2008 due to reduced insurance, legal and professional fees. Sales related expenses also fell US$0.2 million compared to the prior year despite the addition of extra sales resources in North America due to lower travel, trade shows and advertising expenditures. These decreases were offset by the cost of establishing the operation in India.

Finance costs increased to US$1.6 million (2008 US$0.2 million) as the business was funded by its principal shareholder, the Investec Group. The loan is unsecured and interest is charged at 8% per annum.

The income tax credit increased to US$2.6 million (2008 US$0.9m) due to the write back of the deferred tax credit no longer required following the write down in the carrying value of the intangible assets relating to the iGen™ product line.

Cash flow utilised by operations increased to US$23.1 million in the year (2008 US$18.1 million) mainly due to a planned increase in development costs as recorded above. Purchase of tangible assets of US$0.4 million was in line with the 2008 capital expenditure levels. Three quarters of this expenditure was invested in the Tijuana plant to increase its capacity for production and testing. Expenditure on intangible assets fell US$0.5 million to US$1.3million (2008 US$1.8 million), reflecting the Group's focus on cash management in the year.

The other principal changes in the balance sheet are the decreases in inventory, intangible assets and deferred tax and an increase in accounts receivable and borrowings.

There was a decrease in the level of inventories at the end of 2009 compared to 2008 of US$0.7 million to US$2.5 million resulting from a reduction in the level of raw materials and work-in-progress. This reduction occurred due to a better alignment of sales forecast and the purchasing cycle. Finished goods inventory remained constant at US$0.2 million.

Accounts receivable increased by US$0.1 million to US$3.9 million. This increase was due to two factors: an increase in the trade receivables resulting from the higher sales made in the last two months of the year of $1.9 million which was largely offset by the fact the BETC receivable for 2009 has not been included in the financial statements whereas the balance sheet for 2008 included US$1.9 million.

The carrying value of intangible assets decreased by US$ 5.7 million to US$ 18.1 million compared with the prior year. This was mainly due to the write off of the intangible assets relating to the iGen™ product of US$ 4.5 million, the annual amortization charge of US$ 2.5 million offset by the part-capitalization of development work in the year relating to the ElectraGen™ ME and NG products of US$1.3 million.

During the year, IdaTech drew upon its loan facility with the Investec Group, its principal shareholder. During 2009, IdaTech drew down $25 million. At the end of the year the balance was $32 million. The loan is due for repayment on 31 March 2011.

Funding and going concern

These financial statements have been prepared on a going concern basis as the Investec Group, IdaTech's main shareholder, has indicated its willingness to fund the business.

Current funding is via debt. Although the timing is yet to be finalised, the Board believes it would be desirable to raise additional equity funding,

Outlook

The Group believes that 2010 will mark a significant turning point for IdaTech, driving its product margin into positive territory, while bringing its product pricing into direct competition with diesel generators. Demonstrating the initial step in this change, the first 108 systems shipped in 2010 will be at a positive contribution margin. During the second half of 2010, IdaTech plans to release for commercial sale the next generation ElectraGen™ ME systems. These are expected to be significantly lower cost and to have higher performance than the current ElectraGen™ XTR and XTi systems.

Consequently, the Group expects to see a reduction in the cash burn rate as the next generation systems begin to make a positive gross margin and contribution to the operational expenses of the business.

The Board believes IdaTech is well positioned to take advantage of the significant market opportunities that it sees for its next generation systems and is confident of achieving increased profitable sales, during 2010.

Consolidated statement of comprehensive income for the year ended 31 December 2009

	Year ended 31 December 2009 US$'000	Year ended 31 December 2008 US$'000
Revenue	6,550.6	5,930.7
Cost of Sales	(11,537.2)	(9,226.2)
Gross loss	**(4,986.6)**	**(3,295.5)**
Research and development costs	(17,708.8)	(7,835.8)
Sales, general and administrative expenses	(10,797.6)	(10,743.9)
Other expense	(3.7)	(48.2)
Operating loss	**(33,496.7)**	**(21,923.4)**
Operating loss before exceptional cost	(28,989.7)	21,923.4)
Research & development exceptional cost	(4,507.0)	-
Operating loss	(33,496.7)	(21,923.4)
Finance income	6.3	139.8
Finance costs	(1,595.1)	(166.4)
Finance costs - net	(1,588.8)	(26.6)
Loss before income tax	(35,085.5)	(21,950.0)
Income tax credit	2,571.6	857.6
Loss for the year	**(32,513.9)**	**(21,092.4)**
Other comprehensive income		
Gains/losses recognised directly in equity		
Other	409.8	(66.0)
Currency translation differences	(3.4)	(5.0)
Other comprehensive losses for the year	**406.4**	**(71.0)**
Total comprehensive loss for the year	**(32,107.5)**	**(21,163.4)**
Basic and diluted loss per share (US$)	**(0.63)**	**(0.43)**

Consolidated statement of changes in shareholders' equity for the year ended 31 December 2009

	Capital	Premium	Reserve	Earnings	Acquisition Reserve	holders' Equity
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
As at 31 December 2007	991.2	57,754.8	(2,371.8)	(15,902.9)	9,477.7	49,949.0
Comprehensive income	-	-	-		-	-
Loss for the year	-	-	-	(21,092.4)	-	(21,092.4)
Other	-	-		(66.0)	-	(66.0)
Currency exchange differences	-	-		(5.0)	-	(5.0)
Share based payments	-	-	-	2,995.3	-	2,995.3
As at 31 December 2008	**991.2**	**57,754.8**	**(2,371.8)**	**(34,071.0)**	**9,477.7**	**31,780.9**
Loss for the year	-	-	-	(32,513.9)	-	(32,513.9)
Other		346.7	-	-		346.7
Currency exchange differences			-	(3.4)		(3.4)
Share based payments				2,906.6		2,906.6
Treasury shares			(1,037.3)			(1,037.3)
Shares sold by employee benefit trust			1,319.7			1,319.7
Share based payments utilised				(1,729.5)		(1,729.5)
Issuance of shares to employee benefit trust	28.4	-	-			28.4
As at 31 December 2009	**1,019.6**	**58,101.5**	**(2,089.4)**	**(65,411.2)**	**9,477.7**	**1,098.2**

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.

Consolidated balance sheet as at 31 December 2009

	As at 31 December 2009 US$'000	As at 31 December 2008 US$'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,102.5	1,005.6
Goodwill	18,001.2	18,001.2
Intangible assets	18,098.2	23,792.9
Trade and other receivables	100.0	100.0
	37,301.9	**42,899.7**
Current assets		
Inventories	2,506.4	3,233.3
Trade and other receivables	3,910.4	3,814.5
Cash and cash equivalents	756.9	620.0
	7,173.7	**7,667.8**
Total assets	**44,475.6**	**50,567.5**
LIABILITIES		
Current liabilities		
Trade and other payables	(5,972.1)	(4,022.3)
Borrowings	-	(53.0)
Provisions for other liabilities and charges	(35.3)	(124.1)
Deferred income tax liabilities	(493.5)	(768.8)
	(6,500.9)	**(4,968.2)**
Net current assets	**672.8**	**2,699.6**
Non-current liabilities		
Borrowings	(32,000.0)	(7,002.3)
Provisions for other liabilities and charges	(688.9)	(332.2)
Deferred income tax liabilities	(4,187.6)	(6,483.9)
	(36,876.5)	**(13,818.4)**
Total liabilities	**(43,377.4)**	**(18,786.6)**
Total net assets	**1,098.2**	**31,780.9**
EQUITY		
Capital and reserves		
Share capital	1,019.6	991.2
Share premium	58,102.1	57,754.8
Retained earnings - deficit	(67,501.2)	(36,442.8)
Reverse acquisition reserve	9,477.7	9,477.7
Total shareholders' equity	**1,098.2**	**31,780.9**

Consolidated cash flow statement for the year ended 31 December 2009

	Year ended 31 December 2009 US$'000	Year ended 31 December 2008 US$'000
Cash outflows from operating activities		
Cash outflows from operations	(23,104.4)	(18,055.3)
Tax received		-
Interest paid	(25.1)	(19.2)
Net cash outflow from operating activities	(23,129.5)	(18,074.5)
Cash flows from investing activities		
Purchase of property, plant and equipment	(409.9)	(401.4)
Purchase of intangible assets	(1,272.4)	(1,838.2)
Interest received	6.3	139.8
Net cash outflow from investing activities	**(1,676.0)**	**(2,099.8)**
Cash flows from financing activities		
Proceeds of issue of shares (net of expenses)		-
Proceeds from borrowings	24,997.7	7,000.0
Repayments of borrowings	(55.3)	(2.9)
Net cash inflow from financing activities	**24,942.4**	**6,997.1**
Net (decrease) / increase in cash and cash equivalents	136.9	(13,177.2)
Cash and cash equivalents at beginning of the year	620.0	13,797.2
Cash and cash equivalents at end of the year	**756.9**	**620.0**

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 2009 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. 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 435 of the Companies Act 2006. They have, however, been extracted from the statutory accounts for the period ended 31 December 2009. The Auditors have reported on these financial statements; their reports were unqualified, but did include reference to an emphasis of matter regarding the Group's ability to continue as a going concern (see below), and did not contain statements under Section 498(2) or 498(3) of the Companies Act 2006.. The 2008 statutory accounts have been filed with Registrar of Companies. The 2009 statutory accounts will be sent to shareholders on 21 May 2010 and will be filed with the Registrar of Companies following their adoption at the forthcoming Annual General Meeting.

2. General Information

IdaTech plc and its subsidiaries (together ‘the Group’) manufacture and distribute fuel cells both directly and through distribution partners. The group has manufacturing facilities in the US and Mexico. Our distribution network includes sales offices in the US, Germany, France and Malaysia. During the year, the Group expanded into India with possible manufacturing facilities in the near future.

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

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.

3. 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

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 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.

Going concern

These financial statements have been prepared on a going concern basis. As reported in the Chairman’s Statement and Chief Executive’s Business Review, IdaTech’s main shareholder, the Investec Group has indicated its current intention to ensure the business is managed and/or appropriately funded so that it is in a position to meet its debts as and when they fall due. This has been provided as a current intention only and does not represent a legally binding obligation by the Investec Group. 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.

Additionally the loan notes due to the Investec Group amounting to $32 million are repayable on 31 March 2011. The Directors will be working with the shareholder to refinance the existing loan notes and additional funding drawn down in the current financial year.

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 the Group's activities.

Application of new standards

(a) The Group has adopted the following new and amended IFRSs as of 1 January 2009:

- IAS 1 (revised), ''Presentation of financial statements''. The revised standard prohibits the presentation items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring ''non-owner changes in equity'' to be presented separately from owner changes in equity. All ''non-owner changes in equity'' are required to be shown in a performance statement. The Group has elected to present single statement of comprehensive income. The financial statements have been prepared under the revised disclosure requirements.

- IFRS 8 "Operating segments" – This replaces IAS 14 "Segment reporting" and requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes.

- IFRS 2 (amendment), 'Share-based payment' deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with emloyees and others providing similiar services; they would not impact the number of awards expected to vest or valuation there of subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment does not have a material impact on the group or company's financial statements.

(b) The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year, but are not currently relevant for the Group:

- IAS 23 – Borrowing cost
- IFRS 7 – Financial instruments
- IFRIC 12 "Service concession arrangements".
- IFRIC 13 "Customer loyalty programmes".
- IFRIC 14 "IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction".
- IFRIC 15 "Agreement for the Construction of Real Estate".
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation".
- IFRIC 17 "Distribution of Non-cash Assets".
- IFRIC 18 "Transfers of Assets from Customers".
- IFRS 3 (amendment) "Business combinations" and consequential amendments to IAS 27 "Consolidated and separate financial statements",

(c) The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year:

- IAS 28 “Investments in associates” and IAS 31 “Interests in joint ventures”, effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.
- IAS 27 (revised), 'Consolidated and separate financial statements'
- IAS 38 (amendment), ‘Intangible Assets’.
- IFRS 5 (amendment), ‘Non-current assets held for sale and discontinued operations’

4. 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 2009, the Group has recorded a liability of US$724,200 (31 December 2008 US$456,271) 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 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.

5. Called up share capital

	As at 31 December 2009 US$'000	As at 31 December 2008 US$'000
IdaTech plc		
Authorised		
100,000,000 Ordinary Shares of £0.01 each	**2,002.4**	**2,002.4**
51,405,524 (2008 49,499,969) allotted, called up and fully paid	**1,019.6**	**991.2**
Beginning period	991.2	991.2
Issuance of shares See note e	28.4	-
As at 31 December 2009	**1,019.6**	**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 the Investec Group 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.

(e) On 3 April 2009, the Company issued 1,905,825 Ordinary Shares to the trustee of the IdaTech Employee Trust for $28,400. The result was no increase in share premium.

All issued shares are fully paid.

6. Cash outflow from operations

	Year ended 31 December 2009	**Year ended 31 December 2008**
	US$'000	**US$'000**
Loss before income tax	(35,085.5)	(21,950.0)
Adjustments for:		
-Depreciation	302.7	224.9
-Amortisation	6,967.1	2,374.1
-Share based payment charge (net of equity awards settled in cash)	2,906.6	2,929.3
-Loss on disposal of property, plant and equipment	10.3	8.9
-Net finance costs - Note 20	1,588.8	26.6
-Inventories	726.9	(1,564.2)
-Trade and other receivables	(95.9)	(596.6)
-Trade payables	(804.0)	502.8
-Other payables	378.6	(11.1)
Net cash utilised by operating activities	**(23,104.4)**	**(18,055.3)**

Net book amount of property, plant and equipment disposed	10.3	8.9
Total proceeds from disposal of plant, equipment and property	-	-
Loss on disposal	**10.3**	**8.9**

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.

	Year ended 31 December 2009	**Year ended 31 December 2008**
	US$	**US$**
Loss attributable to the equity holders of the Company	(32,513,900)	(21,092,400)
Weighted average number of ordinary shares in issue	51,405,524	49,499,969
Basic loss per share (US$ per share)	**(0.63)**	**(0.43)**

(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.