

30 September 2008



IdaTech plc

("IdaTech" or "the Company")

Interim Results for the six months ended 30 June 2008

IdaTech plc (AIM: IDA), an advanced fuel cell solutions company headquartered in Bend, Oregon, USA, today announces its Interim Results for the six months ended 30 June 2008.

Operational Highlights:

For the six month period ended 30 June 2008

- Three-year supply agreement signed with Ballard to incorporate its MK1020 air cooled fuel cell stack into its next generation of iGen™ products
- Deployment of 14 ElectraGen™ XTR systems to a Latin American customer, a region where the grid is subject to sudden outages
- A total of 21 ElectraGen™ systems sold, of which 18 were reformer systems
- Five iGen™ systems sold to targeted end user evaluations
- Two additional distribution channel partners were added in Spain and Austria bringing the total to 24
- Loss before tax for the six months to 30 June 2008 US\$10.1 million (2007: US\$9.2 million)

Since 30 June 2008

- Order for 30 ElectraGen™ systems from German distribution partner for delivery this year and in 2009
- An order for a further nine systems from a Latin American customer, bringing the total ordered by this customer to 23
- ElectraGen™ XTi system approved by two large US based telecommunication companies. IdaTech is now accepted or certified as vendor by 10 telecommunications companies
- Second three-year supply agreement signed with Ballard for the supply of Ballard's fuel cell stacks to be used in IdaTech's next generation ElectraGen™

Commenting on the Interim Results, Hal Koyama, Chief Executive Officer of IdaTech, said:

"IdaTech has made good technical progress over the period as we have focused on the development of lower cost systems to enable us to supply higher volume markets."

For further information please contact:

IdaTech plc

Harol Koyama, Chief Executive Officer
James Cooke, Chief Financial Officer

**+44 (0) 20 7466 5000 (today)
+1 541 322 1000 (thereafter)**

Dresdner Kleinwort

Charles Batten / Ben Bailey / Jon Drage

+44 (0) 20 7623 8000

Buchanan Communications

Charles Ryland / Ben Willey

+44 (0) 20 7466 5000

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

The financial information included in this statement covers the six months to 30 June 2008.

Strategy

IdaTech's key competitive advantages are its proprietary multi-fuel reforming and systems integration capabilities. IdaTech's proprietary ability to reform a variety of commonly available fuels to produce hydrogen on site and as needed allows IdaTech's products to overcome the so called hydrogen barrier (the difficulties in supplying and managing pure hydrogen) which has previously deterred the mass adoption of fuel cells.

The focus of the business has been in the countries and regions in which the value proposition of the fuel cell system is highest to the customer. These are areas in which the electrical grid is unreliable, where there is a regulatory requirement for longer duration backup times, such as the US, or where there are incentives for the customer to invest in fuel cells. In all these areas IdaTech made continued progress during the period under review.

Since launch in December 2007, the iGen™ Industrial sub-kilowatt system has been deployed in a number of applications, principally in traffic and railway signaling, portable signage and for small microwave repeater stations with a small number of field trials in each of these cases. Larger scale sales from these deployments are expected in 2009. As announced in March this year, IdaTech signed a three-year supply agreement with Ballard to incorporate its MK1020 air cooled fuel cell stack into its next generation of iGen™ products. This decision was driven by the opportunities to reduce costs and improve product reliability through the use of the Ballard fuel cell stack. In addition, it has allowed IdaTech to focus on its in-house fuel cell stack program and evaluate future developments in this technology.

IdaTech continues to look at development projects that align with its product development strategy. However, no new contracts were won in the period under review.

During the period, IdaTech has made a number of technological advances which will significantly reduce the cost of the system and which will allow the production of a commercially available integrated reforming fuel cell system at a substantially reduced cost to the end customer. These lower cost products will be able to address higher volume markets in the geographies in which it currently operates. IdaTech will continue extensively to develop and market its ElectraGen™ product family.

Commercial Progress

Selling its commercially available core critical power backup products has remained the key focus for IdaTech. The target market for the ElectraGen™ family of products is telecommunication companies that are likely to be early adopters of its fuel cell systems and likely to lead to mass adoption and volume sales in the near term.

Following successful trials in late 2007, IdaTech deployed 14 ElectraGen™ XTR systems in Latin America in a region where the grid is subject to sudden outages. Since 30 June 2008, a further order for nine systems has been received from the same customer. These systems are providing backup power in remote and difficult locations, some of which had never had backup capability before.

IdaTech is targeting deployments in which there are incentives for fuel cells. As previously announced, 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; 10 will be delivered this year and the balance in the first half of 2009.

IdaTech previously announced that it had begun discussions with a major European telecommunication company about potential future deployments in its European operation. It is unlikely that these discussions

will lead to any significant deployment in the short term. The focus of this customer has shifted to deployments for the ElectraGen™ in its Latin American operation where the value proposition is higher than in Europe.

Two additional channel partners were added in Spain and Austria bringing the total to 24 globally.

In total, IdaTech deployed 21 ElectraGen™ systems in the six months to 30 June 2008, compared to a total of three systems deployed in 2007. 18 of these systems delivered in the period were reformer systems.

In the six months to 30 June 2008, IdaTech successfully concluded a number of milestones in the delivery of its advanced development projects resulting in US\$890,200 of revenue. Following the successful delivery of the fully functional dual fuel (diesel and military grade fuel) cell system to the US Army at the end of 2007, the next stage of this contract commenced. This development contract is expected to be completed by the end of 2008 and will incorporate new proprietary technology which will reduce the size, cost and complexity of the system. This contract, worth US\$2.55 million is on track for completion on time and budget by the end of the year. Good progress was made on the US Department of Energy project for testing and evaluating a fuel cell for off-road applications. As part of that program, IdaTech developed a reformer-based fuel cell system and hybrid power plant. This project will be completed in early 2009 and is currently on time and budget.

Operational Progress

The transfer of production of the complete ElectraGen™ XTi systems to IdaTech's Tijuana Mexico facility continued during the period as planned. The transition of the iGen™ production will commence in 2009 once the ElectraGen™ XTi system transfer is complete. Testing and quality capability is being established in Tijuana and is expected to be fully operational by the end of the year.

Technical Progress

Since the 2007 Annual Report, there have been a number of significant breakthroughs in IdaTech's proprietary multi-fuel reforming, purification, integration and control technologies which will allow IdaTech to produce more robust and significantly cheaper integrated fuel cell systems by 2010. These systems will use Ballard's MK 1020 Air Cooled fuel cell stack as previously announced in July this year. IdaTech will initially develop these low cost systems using its HydroPlus fuel (methanol / water mix) currently used in its ElectraGen™ and iGen™ products. The development of these lower cost systems will allow IdaTech to supply higher volume markets and to address new applications.

Financial Review

Revenue

Total revenue was US\$2,646,000 for the six months ended 30 June 2008 (2007: US\$1,718,100). The increase is attributable to the increase in product sales and revenue derived from development projects. In the period, IdaTech sold 21 ElectraGen™ systems and five iGen™ systems (2007: 3 and 0 respectively) generating product revenue of US\$619,800 (2007: US\$221,900).

Revenue from development contracts accounted for US\$1,965,400 compared to US\$1,371,000 for the same period in 2007. Of this, US\$890,200 was derived from IdaTech's advanced technology development projects with the balance coming from the US Department of Defense and a US Department of Energy contract.

Gross Loss

The business recorded a gross loss of US\$947,800 in the period (2007: gross profit of US\$182,300). Profit from the development projects was offset by a loss on product sales and the manufacturing overhead which was not fully covered by product sales in the six months to 30 June 2008.

Operating expenses

Research and development costs (after deducting costs relating to development projects which are classified as cost of sales) decreased by US\$343,300 to US\$3,827,900 for the period ended 30 June 2008, from US\$4,171,200 in the prior period. The decrease was primarily due to a reduction in project spending following the launch of the ElectraGen™ XTi and iGen™ in the second half of 2007.

As expected sales, general, administrative and research expenses increased by US\$488,200 to US\$5,424,200 for the period ended 30 June 2008 from US\$4,963,000 for the period ended 30 June 2007. The increase was primarily due to additional costs associated with IdaTech's employee equity plans which increased US\$316,300 to US\$1,420,200 compared to the prior period. The ongoing weakness of the US dollar compared to the Euro increased the Euro denominated costs of IdaTech's European operation by US\$122,000 compared to the prior year.

An amortisation charge of US\$984,100 (2007: US\$949,500) relates to the identifiable intangible assets relating to the Intellectual Property and Core Technology of IdaTech, LLC that were recognised at the time the IdaTech plc Group acquired IdaTech, LLC in July 2006. These intangible assets are being amortised through the income statement over the estimated useful lives of the underlying assets.

Interest receivable and payable

The increase in the interest received during the period of US\$97,900 to US\$112,900 as compared to the prior period of US\$15,000 was a result of higher cash balances held by IdaTech during the six months to 30 June 2008 resulting from the funds raised by the Group from the IPO in August 2007.

For the period under review, the business was funded from its cash reserves as noted above. In the prior period, the Group was funded by loans from its then parent Company, Investec plc at an interest cost of US\$275,500. Interest incurred during the period of US\$18,100 related to the finance charges for a number of immaterial capital leases (2007: US\$9,100).

Earnings before interest, tax, depreciation and amortisation ("EBITDA")

EBITDA loss increased by US\$992,300 to US\$7,683,100 in the six months to 30 June 2008. This was principally due to a decrease in the trading margin resulting from positioning the business for larger volumes.

Loss for the period before tax

As a result of the factors above the Group's loss before tax for the six months to 30 June 2008 increased by US\$910,600 to US\$10,105,100 compared to US\$9,194,500 for the six months ended 30 June 2007.

Cash flow

The net cash used in the six months to 30 June 2008 was US\$11,737,600 (2007: US\$702,900). The cash outflow from operations was US\$11,439,300 (2007: US\$9,804,600) as a result of the increased operating expenses and a working capital movements outflow of US\$3,835,400 (2007 outflow of US\$3,113,800).

The increase in working capital in the period arose as a result of the build up in inventory ahead of the expected purchase orders in the second half of the year and the receivable due from the State of Oregon under its Business Energy Tax Credit which allows IdaTech to obtain a cash payment equal to 25% of its allowable development expenditure. This was approximately US\$2,447,100 as at 30 June 2008 (June

2007: nil). The increase in the working capital in the six months to 30 June 2007 was US\$3,134,500 mainly relating to IPO expenses prepaid but not yet expensed.

Future funding

Investec, IdaTech's majority shareholder has indicated its current intention to provide financial support for the Company. IdaTech may seek to raise additional funds in due course.

Trading Outlook

IdaTech will continue to seek to secure vendor qualification status and further market penetration of its ElectraGen™ product family with its key target customers in the telecommunications sector but will concentrate on those operators which operate in very difficult physical environments where prime power is unreliable, such as Latin America, and for which they will pay a premium, in countries where there is a regulatory requirement for longer duration backup times, such as the USA, or where there are incentives for fuel cells (for example Germany and certain states in the USA).

iGen™ is currently under trial in a number of applications such as traffic signaling, portable traffic signage. Once these trials are completed IdaTech expect iGen™ sales to increase in 2009.

The development of the low cost systems as detailed under Technical Progress above, is an objective for IdaTech over the next 15 months. Once launched in 2010, these products will open up significantly larger markets than originally anticipated.

Following slower adoption rates than anticipated and delays in relation to large orders, IdaTech now expects to sell approximately 80 5kW systems in 2008 which is significantly below management expectations. Management would expect IdaTech to sell several hundred 5kW systems in 2009, slightly below previous expectations.

Sir John Jennings
Chairman

Hal Koyama
Chief Executive Officer

Consolidated income statement for the period 1 January 2008 to 30 June 2008

		Unaudited	
		Six months ended 30 June	
		2008	2007
		US\$'000	US\$'000
Revenue	4	2,646.0	1,718.1
Cost of sales		(3,593.8)	(1,535.8)
Gross (loss) / profit		<hr/>	<hr/>
		(947.8)	182.3
Research and development costs		(3,827.9)	(4,171.2)
Sales, general and administrative expenses		(5,424.2)	(4,936.0)
Adjusted EBITDA *		(7,683.1)	(6,690.8)
Depreciation		(112.5)	(180.7)
Amortisation of intangible assets		(984.1)	(949.5)
Share based payments		(1,420.2)	(1,103.9)
Operating loss		<hr/>	<hr/>
		(10,199.9)	(8,924.9)
Finance income		112.9	15.0
Finance costs		(18.1)	(284.6)
Loss for the period before tax		<hr/>	<hr/>
		(10,105.1)	(9,194.5)
Taxation	6	365.6	381.3
Loss for the period		<hr/>	<hr/>
		(9,739.5)	(8,813.2)
Basic and diluted loss per share (US\$)	5	(0.20)	(0.32)

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

All amounts relate to continuing activities.

Consolidated balance sheet as at 30 June 2008

Note

		Unaudited 30 June 2008 US\$'000	Unaudited 31 December 2007 US\$'000	Unaudited 30 June 2007 US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment		977.8	838.0	776.8
Goodwill	7	18,001.2	18,001.2	18,001.2
Intangible assets		23,466.3	24,328.8	23,533.9
Long term deposits		100.0	100.0	68.7
		42,545.3	43,268.0	42,380.6
Current assets				
Inventories		4,106.4	1,669.1	960.5
Trade and other receivables		4,679.1	3,217.9	4,674.9
Cash and cash equivalents		2,059.6	13,797.2	667.6
		10,845.1	18,684.2	6,303.0
Total assets		53,390.4	61,952.2	48,683.6
LIABILITIES				
Current liabilities				
Trade and other payables		(3,460.8)	(3,461.1)	(2,517.5)
Borrowings	8	(3.9)	(3.0)	(3,260.5)
Provisions for other liabilities and charges		(525.8)	(462.4)	(638.4)
Deferred income tax liabilities		(768.8)	(768.8)	(768.8)
		(4,759.3)	(4,695.3)	(7,185.2)
Net current assets / (liabilities)		6,085.8	13,988.9	(882.8)
Non-current liabilities				
Borrowings	8	(53.8)	(55.2)	(53.6)
Deferred income tax liabilities		(6,868.4)	(7,252.7)	(7,640.3)
		(6,922.2)	(7,307.9)	(7,693.9)
Total liabilities		(11,681.5)	(12,003.2)	(14,879.1)
Total net assets		41,708.9	49,949.0	33,804.5
EQUITY				
Capital and reserves				
Share capital	9	991.2	991.2	693.5
Share premium		57,754.8	57,754.8	36,850.4
Retained earnings – deficit		(26,514.8)	(18,274.7)	(13,217.1)
Reverse Acquisition reserve		9,477.7	9,477.7	9,477.7
Total shareholders' equity		41,708.9	49,949.0	33,804.5

Unaudited consolidated statement of changes in shareholders' equity for the period 1 January to 30 June 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 1 January 2007	37,300.8	-	-	(2,847.8)	-	34,453.0
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	34,243.9	-	-	-	34,784.7
Shares issued by IdaTech plc to employee benefit trust	53.5	2,606.9	(2,660.4)	-	-	-
Reverse acquisition reserve	(44,262.4)	-	-	-	9,477.7	(34,784.7)
Share based payments	-	-	-	1,103.9	-	1,103.9
Loss for the period	-	-	-	(8,813.2)	-	(8,813.2)
As at 30 June 2007	693.5	36,850.8	(2,660.4)	(10,557.1)	9,477.7	33,804.5
As at 1 January 2008	991.2	57,754.8	(2,371.8)	(15,902.9)	9,477.7	49,949.0
Share based payments	-	-	-	1,420.2	-	1,420.2
Foreign currency movements	-	-	-	79.2	-	79.2
Loss for the period	-	-	-	(9,739.5)	-	(9,739.5)
As at 30 June 2008	991.2	57,754.8	(2,371.8)	(24,143.0)	9,477.7	41,708.9

Reverse acquisition reserve: The reverse acquisition reserve arose as a result of the share for share exchange undertaken when IdaTech plc acquired IdaTech UK Limited. 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 cash flow statement for the six months to 30 June 2008

	<u>Note</u>	Unaudited Six months ended 30 June 2008	2007
		US\$'000	US\$'000
Cash flows from operating activities			
Cash outflows from operations		(11,439.3)	(9,804.6)
Tax paid		(18.8)	-
Interest paid		(18.1)	(284.6)
Net cash outflow from operating activities		<u>(11,476.2)</u>	<u>(10,089.2)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(252.3)	(246.9)
Purchase of intangible assets		(121.6)	(540.0)
Interest received		112.9	15.0
Net cash outflow from investing activities		<u>(261.0)</u>	<u>(771.9)</u>
Cash flows from financing activities			
Proceeds of issue of shares (net of expenses)		-	7,060.8
Proceeds from borrowings		1.4	3,102.1
Repayments of borrowings		(1.8)	(4.7)
Net cash inflow from financing activities		<u>(0.4)</u>	<u>10,158.2</u>
Net decrease in cash and cash equivalents		(11,737.6)	(702.9)
Cash and cash equivalents at beginning of the period		13,797.2	1,370.5
Cash and cash equivalents at end of the period		<u>2,059.6</u>	<u>667.6</u>
Cash flows from operating activities Loss before tax and interest			
		(10,199.9)	(8,924.9)
Adjustments for			
Depreciation		112.5	180.7
Amortisation		984.1	949.5
Share based payments		1,420.2	1,103.9
Inventories		(2,437.3)	(432.9)
Trade and other receivables		(1,461.2)	347.0
IPO expenses prepaid		-	(3,134.5)
Trade and other payables		(0.3)	119.9
Other payables		63.4	(13.3)
Foreign exchange movements		79.2	-
Net cash generated utilised by operating activities		<u>(11,439.3)</u>	<u>(9,804.6)</u>

NOTES TO THE UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2008

1. General information

The Company is a public limited company incorporated and domiciled in the UK. The address of its registered office is 2 Gresham Street, London, EC2V 7QP.

The Company has a listing on the AIM Market of the London Stock Exchange.

The unaudited financial information for the six months ended 30 June 2008 was approved for issue on 29 September 2008.

These interim financial results do not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985. Statutory accounts for the year ended 31 December 2007 were approved by the Board of Directors on 18 March 2008 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain any statement under Section 237 of the Companies Act 1985 but it did contain an emphasis of matter regarding the future funding requirement of the business.

2. Basis of preparation

These financial statements for the six months to 30 June 2008 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with International Accounting Standard ("IAS") 34, "Interim financial reporting" as adopted by the European Union. The six-monthly financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2007, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

These financial statements have been prepared on a going concern basis. The Directors, after making appropriate enquiries, have a reasonable expectation, that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors have adopted the going concern basis in preparing these financial statements.

Although the Directors expect that the net funds available together with its other existing sources of finance will be sufficient to fund the Group for a period of at least twelve months from the date of approval of these financial statements, the Group is expected to require further financing beyond this time period.

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.

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 – the "ITI Group".

The consolidated retained earnings reserves of the Group as at 30 June 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").

3. Accounting policies

The accounting policies adopted by the Group are consistent with those of the annual financial statements for the period 13 July 2006 to 31 December 2007, as described in those financial statements.

The following interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2008 or later periods but are not relevant for the Group's operations:

IFRIC 12, 'Service concession arrangements' (effective from 1 January 2008). IFRIC 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. IFRIC 12 is not relevant to the Group's operations because none of the Group's companies provide for public sector services.

IFRIC 13, 'Customer loyalty programmes' (effective from 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. IFRIC 13 is not relevant to the Group's operations because none of the Group's companies operate any loyalty programmes.

IFRIC 14, IAS 19 – 'The limit on a defined benefit asset, minimum funding requirements and their interaction'.

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods, but the Group has not early adopted them:

IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply IAS 23 (Amended) from 1 January 2009 but is currently not applicable to the Group as there are no qualifying assets.

IFRS 8, 'Operating segments' (effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply IFRS 8 from 1 January 2009. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. As goodwill is allocated to Groups of cash-generating units based on segment level, the change will also require management to reallocate goodwill to the newly identified operating segments. Management does not anticipate that this will result in any material impairment to the goodwill balance.

4. Segmental Information

Unaudited Six months ended 30 June	Unaudited Six months ended 30 June
---	---

	2008	2007
	US\$'000	US\$'000
Development contracts	1,965.4	1,371.0
Product sales	619.8	221.9
Other	60.8	125.2
	<hr/>	<hr/>
	2,646.0	1,718.1

5. Loss per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period.

	Unaudited Six months ended 30 June 2008	Unaudited Six months ended 30 June 2007
Loss attributable to the equity holders of the company	US\$(9,739,498)	US\$(8,813,247)
Weighted average number of ordinary shares in issue	49,499,969	27,976,458
	<hr/>	<hr/>
Basic loss per share (US\$ per share)	(0.20)	(0.32)

(b) Diluted

Diluted earnings 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.

6. Taxation

	Unaudited Six months ended 30 June 2008 US\$'000	Unaudited Six months ended 30 June 2007 US\$'000
Income tax on interest receivable	(18.8)	-

Deferred tax	384.4	381.3
	<u>365.6</u>	<u>381.3</u>

Upon the recognition of additional intangible assets in July 2006 when IdaTech UK Limited acquired the ITI Group, a deferred tax liability of US\$9,137,869 was recognised and recorded in the balance sheet. This liability is credited to the income statement over the same periods used for the underlying assets.

7. Goodwill

Goodwill acquired represents a payment made by the IdaTech plc in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised. The goodwill arising is attributable to the workforce of the acquired business, the expected future production and sale of currently undeveloped products and goodwill arising from the deferred tax liability.

The carrying value of goodwill was tested for impairment against its fair value less cost to sell, based on discounted cash flow projections. Cash flows projections to 2016 prepared by management were used. This ten year period was used as the company is at an early stage of commercialisation and the full benefit of the intangible assets and the goodwill will be realised over a long period. A terminal value based on growth rates of 3 per cent. was used.

An estimated weighted average cost of capital of 25 per cent. has been used which is by reference to the rate of return required in development stage enterprises (with products available for sale) funded by venture capital financing. The assumptions are those which a market participant would make in assessing the fair value less cost to sell. No impairment was identified.

There have been no events since this date which have indicated an impairment.

8. Borrowings

	Unaudited As at 30 June 2008 US\$'000	Unaudited As at 31 December 2007 US\$'000	Unaudited As at 30 June 2007 US\$'000
Non-current			
Other loans	53.8	55.2	53.6
Current			
Amounts due to parent undertaking	-	-	3,253.9
Other loans	3.9	3.0	6.6
	<u>3.9</u>	<u>3.9</u>	<u>3,260.5</u>
Total borrowings	<u>57.7</u>	<u>58.2</u>	<u>3,314.1</u>

From 1 January to 30 June 2007, interest bearing funds continued to be borrowed from Investec to fund the business ahead of the initial public offering which occurred on 7 August 2007. These borrowings were repaid from the proceeds of the initial public offering.

9. Called up share capital

	Unaudited As at 30 June 2008	Unaudited As at 31 December 2007	Unaudited As at 30 June 2007
Authorised			
Number of shares	100,000,000	100,000,000	100,000,000
Nominal value – 1p each	£1,000,000	£1,000,000	£1,000,000
Allotted, called up and fully paid			
Number of shares	49,499,969	49,499,969	35,000,000
Nominal value – 1p each	£495,000 US\$991,200	£495,000 US\$991,200	£350,000 US\$693,503

The Company was incorporated with an authorised 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 as nominee for the Executive Directors, members of senior management and former members of senior management in connection with the acquisition of 4,993,333 shares of restricted stock in ITI;

(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.

10. Related-party transactions

On 20 July 2006, IdaTech UK Limited, a wholly-owned subsidiary of the Investec plc Group, acquired the ITI Group. With effect from 7 June 2007, IdaTech plc, also a wholly-owned subsidiary of the Investec plc Group, became the legal parent of the IdaTech UK Limited Group.

On 7 August 2007, the Investec plc Group's ownership was reduced to 73.1%. The following transactions were carried out with related parties.

	Unaudited Six months ended 30 June	
	2008 US\$'000	2007 US\$'000
(a) Purchases of services:		
Fees paid to Investec plc for director's services	15.0	3.8

Goods and services are bought from related parties on normal commercial

terms.

	2008 US\$'000	2007 US\$'000
(b) Interest		
Interest paid to Investec on borrowings	-	275.5
	<hr/>	<hr/>
Interest received from Investec (on bank deposits)	62.7	-
	<hr/>	<hr/>

Interim financial statements

Statement of directors' responsibilities

The directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

The directors of IdaTech are listed in the IdaTech Annual Report for 31December 2007 and is available on the IdaTech website: www.idatech.com
the IdaTech website: www.idatech.com