

30 September 2009



IdaTech plc

(“IdaTech” or “the Company”)

Interim Results for the six months ended 30 June 2009

IdaTech plc (AIM: IDA), a global leader in the development and manufacture of clean and reliable extended run backup power fuel cell products, operationally headquartered in Bend, Oregon, USA, today announces its Interim Results for the six months ended 30 June 2009.

Operational Key points:

- Successfully completed product acceptance of the first new fuel cell product for ACME Telepower Group (“ACME”), the ElectraGen™ H2, and initial shipments commenced
- Total system sales of 56 (2008: 21)
- Continued development of a natural gas fuelled fuel cell system – significant milestones achieved
- Considerable progress made on reducing component and product costs
- Commenced development of IdaTech's next generation methanol-water fuelled fuel cell system
- Participation, through the Company's European OEM partner, in Germany's National Innovation Program (“NIP”)
- Office established in the strategically important Asia-Pacific region
- Backlog at the end of the period of 358 fuel cell systems for delivery in the second half of 2009

Financial Key points:

- Revenue from product sales increased by 55% to US\$1.0 million (2008 US\$0.6 million)
- Operating loss of US\$13.0 million (2008: US\$10.2 million), in line with management expectations

Post Period Key points:

- Two additional distribution channel partners were added in Asia and Latin America
- An order for 14 systems from the Latin American region for delivery by end of 2009
- Successfully completed first high rate production run at IdaTech's Mexican facility, validating its capability
- Likely delay in the development of the natural gas fuel cell system to be supplied under its Supply Agreement with ACME

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

“IdaTech continues to focus on developing and deploying systems for critical power applications as the entry point for mass commercialisation and profitable growth. Working with our new global supply chain and with our partner, Ballard Power Systems, the Company has made significant strides improving product performance, reducing product costs and preparing the market for our products. These advances will enable IdaTech to compete directly with diesel generators in large scale deployments with cleaner, more efficient and more durable fuel cell products.”

Our work with ACME Tele Power and others has validated our belief that the telecommunications markets have significant potential for growth and volume. We have already seen interest growing in all of our key geographies for larger scale deployments of fuel cell systems.”

For further information please contact:

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

The financial information included in this statement covers the six months ended 30 June 2009.

Strategy

IdaTech's core focus is critical power backup markets and as such the Company's activities during the period have been to prepare the foundation for commercial mass adoption of IdaTech's products within this target market.

As previously announced on 23 September 2009, IdaTech anticipates a delay in the development of the natural gas fuel cell system to be supplied under its Supply Agreement with ACME Telepower Group ("ACME"), resulting in uncertainty surrounding the continuation of the Agreement. This delay means that a milestone in the product acceptance process is likely to be missed in October of this year. Under the terms of the Supply Agreement, missing this particular milestone may result in the termination of the Supply Agreement without penalties to any party.

At a high level, IdaTech has two competitive advantages, its system integration and its proprietary multi-fuel reforming capabilities. IdaTech's proprietary ability to reform a variety of commonly available fuels to produce hydrogen on site and as needed, enables our 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 or where there are incentives for customers to invest in fuel cells, such as tax credits in the USA. The Company believes that the commercial development work undertaken on the natural gas system validates the value proposition for this product in India.

IdaTech has made a number of technological advances during the development of the ElectraGenTMH2 and natural gas fuelled systems which will significantly reduce the cost of these and its next generation products. This will allow the Company to compete directly with traditional diesel generators that currently command a mass market around the world.

Commercial Progress

IdaTech's commercial focus continues to be on those telecommunication companies that are the early adopters of fuel cell systems and which can support mass adoption and volume sales in the near term. A key activity in the period under review has been the establishment of a regional office and the appointment of strategic regional distributors in the key high growth Asia-Pacific region. IdaTech, through its partners, has already sold five systems for customer acceptance testing in the period to customers which it believes could lead to further volume sales in the near term.

Over the last few months there has been an increase in interest for IdaTech's products despite the severe worldwide economic downturn. During the six months to 30 June 2009, a larger proportion of the Company's sales have been of direct hydrogen fuelled systems than in the previous period. This has mainly been driven by Government awards and programs, such as the German National Innovation Program, which have been typically applicable to such systems only. Customer feedback suggests that this increased interest will continue because the telecommunications companies using fuel cells continue to see value in the product.

In most cases, these same customers, when exposed to the value proposition and compelling operational case for IdaTech's reformer based fuel cell systems, immediately see the value in overcoming traditional concerns regarding hydrogen. With the ElectraGenTM product group, IdaTech has the capability to support such customer demand led changes by offering the direct hydrogen fuelled ElectraGenTM systems with an upgrade path to full reformed systems

such as the ElectraGen™ XTR and XTi in order for the customer to gain the operational cost savings reformed systems offer. No other fuel cell Company can match this product range.

During the six months ended 30 June 2009, IdaTech sold 56 fuel cell systems (2008: 21). Of these, 10 were delivered to India, for deployment within the fast growing Indian telecommunications market. 25 systems were sold to IdaTech's European OEM distributor, principally for deployment in Germany for high reliability radio networks, as well as in uninterrupted power supply applications, supporting the development of mass deployment of IdaTech's systems in the German market. A further 11 were sold to customers in Latin America, following the deployment of approximately 40 systems there in 2008. These systems are providing backup power in remote and difficult locations, some of which had never had backup capability before.

Operational Progress

During the period under review, the facility in Tijuana was upgraded in readiness for the production of the ElectraGen™ H2 systems. Following the period end, this manufacturing line, recently designed and installed, has been run at full production rate and demonstrated its capability for high volume. Additionally, IdaTech has constructed an extensive low cost supply chain spanning India, China, Germany and North America. It is believed that this capability positions the Company very well for high volume, low cost production and adds another key competitive advantage.

Technical Progress

During the period, development activity was focused on the completion of the ElectraGen™ H2 product, the continued development of the natural gas fuelled system and, towards the end of the period, the commencement of the development of the next generation methanol-water fuelled products.

The development work on both the ElectraGen™ H2 and the natural gas fuelled systems has brought significant benefits to IdaTech in terms of its technical know-how, system design and system integration skills. These advancements are being incorporated into the next generation methanol-water fuelled system, which should result in a lower cost, more robust and reliable product range. The development and deployment of IdaTech's next generation methanol-water fuel cell products is a crucial step in the evolution of the Company in preparation for profitable growth.

Financial Review

Revenue

Total revenue was US\$1,526,600 for the six months ended 30 June 2009 (2008: US\$2,646,000). The decrease is attributable to a reduction in revenue derived from development and government projects. In the period, IdaTech sold 56 systems (2008: 21) generating product revenue of US\$961,400 (2008: US\$619,800). As discussed under Commercial Progress above, the mix of systems sold in the period was more heavily weighted towards lower priced hydrogen systems than in the prior period which has resulted in lower revenue per unit.

Revenue from development contracts accounted for US\$533,600 compared with US\$1,965,400 for the same period in 2008 due to the deferral of certain third party projects in order that the development resources could be focused on delivering the natural gas and the ElectraGen™ H2 systems.

Gross Loss

The business recorded a gross loss of US\$2,389,300 in the period (2008: gross loss of US\$947,800) which was in line with expectations. This was a result of two factors; lower higher-margin third party project revenue and a product sales mix more heavily weighted towards product sales with lower margins than in the prior period.

Operating expenses

Research and development costs (after deducting costs relating to development projects which are classified as cost of sales and capitalisation of product development costs)

increased by US\$1,220,000 to US\$5,047,900 for the period ended 30 June 2009, from US\$3,827,900 in the prior period. The increase was primarily due to the ramp up of product development for the natural gas product.

Sales, general and administrative expenses increased by US\$104,900 to US\$5,529,100 for the period ended 30 June 2009 from US\$5,424,200 for the same period in 2008. The increase was due to an increase in the number of direct sales employees offset by a fall in spending in marketing as a result of more targeted advertising and trade show attendance. In addition, administration costs fell.

Interest receivable and payable

The decrease in the interest received during the period of US\$110,600 to US\$2,300 as compared with the prior period of US\$112,900 was a result of lower cash balances held by IdaTech and lower market interest rates. Interest payable increased significantly during the period US\$547,400 (2008: US\$18,100) due to credit line drawdown.

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 2009 increased by US\$3,406,300 to US\$13,511,400 compared with US\$10,105,100 for the six months ended 30 June 2008.

Cash flow

The net cash used in the six months to 30 June 2009 (excluding the receipt of funds from the credit line drawdown) was US\$11,759,400 (2008: US\$11,737,600). The cash outflow from operations was US\$10,674,300 (2008: US\$11,439,300) as a result of the increased operating expenses in the period, offset by lower inventory and accounts receivable working capital requirements than in the prior period.

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

For the full year, IdaTech expects to sell the 310 ElectraGen™H2 systems to ACME in addition to approximately 150 systems from other sales. These sales are directed at customers which the Company believes will support higher volume sales in 2010 and beyond.

The Company will give further guidance regarding of the ACME contract once a definitive point in the contract has been reached. As previously announced, the Directors believe, that if the Supply Agreement is terminated, it would mean significantly lower sales for 2010. However, such termination should have no material impact on the timing of cash breakeven for the Company.

Sir John Jennings
Chairman

Hal Koyama
Chief Executive Officer

Consolidated income statement for the period 1 January 2009 to 30 June 2009

	Unaudited	
	Six months ended 30 June	
	2009	2008
	US\$'000	US\$'000
Revenue	1,526.6	2,646.0
Cost of sales	(3,915.9)	(3,593.8)
Gross (loss) / profit	(2,389.3)	(947.8)
Research and development costs	(5,047.9)	(3,827.9)
Sales, general and administrative expenses	(5,529.1)	(5,424.2)
Adjusted EBITDA *	(10,124.6)	(7,683.1)
Depreciation	(137.9)	(112.5)
Amortisation of intangible assets	(1,203.8)	(984.1)
Share based payments	(1,500.0)	(1,420.2)
Operating loss	(12,966.3)	(10,199.9)
Finance income	2.3	112.9
Finance costs	(547.4)	(18.1)
Loss for the period before tax	(13,511.4)	(10,105.1)
Taxation	384.4	365.6
Loss for the period	(13,127.0)	(9,739.5)
Basic and diluted loss per share (US\$)	4	(0.26)
		(0.20)

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

All amounts relate to continuing activities.

Consolidated balance sheet as at 30 June 2009

	Unaudited 30 June 2009 US\$'000	31 December 2008 US\$'000	Unaudited 30 June 2008 US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	1,165.3	1,005.6	977.8
Goodwill	18,001.2	18,001.2	18,001.2
Intangible assets	23,112.0	23,792.9	23,466.3
Long term deposits	100.0	100.0	100.0
	42,378.5	42,899.7	42,545.3
Current assets			
Inventories	3,805.3	3,233.3	4,106.4
Trade and other receivables	3,024.0	3,814.5	4,679.1
Cash and cash equivalents	860.6	620.0	2,059.6
	7,689.9	7,667.8	10,845.1
Total assets	50,068.4	50,567.5	53,390.4
LIABILITIES			
Current liabilities			
Trade and other payables	(2,114.9)	(4,022.3)	(3,460.8)
Borrowings	-	(53.0)	(3.9)
Provisions for other liabilities and charges	(1,271.4)	(456.3)	(525.8)
Deferred income tax liabilities	(768.8)	(768.8)	(768.8)
	(4,155.1)	(5,300.4)	(4,759.3)
Net current assets / (liabilities)	3,534.8	2,367.4	6,085.8
Non-current liabilities			
Borrowings	(19,677.5)	(7,002.3)	(53.8)
Deferred income tax liabilities	(6,253.9)	(6,483.9)	(6,868.4)
	(25,931.4)	(13,486.2)	(6,922.2)
Total liabilities	(30,086.5)	(18,786.6)	(11,681.5)
Total net assets	19,981.9	31,780.9	41,708.9
EQUITY			
Capital and reserves			
Share capital	1,019.6	991.2	991.2
Share premium	57,754.8	57,754.8	57,754.8
Retained earnings – deficit	(48,270.2)	(36,442.8)	(26,514.8)
Reverse Acquisition reserve	9,477.7	9,477.7	9,477.7
Total shareholders' equity	19,981.9	31,780.9	41,708.9

Unaudited consolidated statement of changes in shareholders' equity for the period 1 January to 30 June 2009

	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 of January 2008	991.2	57,754.8	(2,371.8)	(15,902.9)	9,477.7	49,949.0
Shared based payment	-	-	-	2,995.3	-	2,995.3
Loss for the period	-	-	-	(21,092.4)	-	(21,092.4)
Equity awards 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
Shares issued to employee benefit trust	28.4	-	(154.8)	-	-	(126.4)
Share based payments	-	-	-	1,500.0	-	1,500.0
Loss for the period	-	-	-	(13,127.0)	-	(13,127.0)
Equity awards settled in Cash	-	-	-	(46.4)	-	(46.4)
Currency Translation differences	-	-	-	0.8	-	0.8
As at 30 June 2009	1,019.6	57,754.8	(2,525.6)	(45,743.6)	9,477.7	19,981.9

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 2009

	<u>Note</u>	Unaudited Six months ended 30 June	
		2009	2008
		US\$'000	US\$'000
Cash flows from operating activities			
Cash outflows from operations		(10,674.3)	(11,439.3)
Tax paid		-	(18.8)
Interest paid		(546.1)	(18.1)
Net cash outflow from operating activities		<u>(11,220.4)</u>	<u>(11,476.2)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(318.0)	(252.3)
Purchase of intangible assets		(168.0)	(121.6)
Interest received		2.3	112.9
Net cash outflow from investing activities		<u>(483.7)</u>	<u>(261.0)</u>
Cash flows from financing activities			
Proceeds of issue of shares (net of expenses)		-	-
Proceeds from borrowings		12,000.0	1.4
Repayments of borrowings		(55.3)	(1.8)
Net cash inflow from financing activities		<u>11,944.7</u>	<u>(0.4)</u>
Net decrease in cash and cash equivalents		240.8	(11,737.6)
Cash and cash equivalents at beginning of the period		620.0	13,797.2
Cash and cash equivalents at end of the period		<u>860.8</u>	<u>2,059.6</u>
Cash flows from operating activities			
Loss before tax and interest		(12,966.3)	(10,199.9)
Adjustments for			
Depreciation		137.9	112.5
Amortisation		1,203.8	984.1
Share based payments		1,500.0	1,420.2
Inventories		(579.6)	(2,437.3)
Trade and other receivables		(673.5)	(1,461.2)
Trade and other payables		(431.0)	(0.3)
Other payables		1,134.4	63.4
Foreign exchange movements		-	79.2
Net cash generated utilised by operating activities		(10,674.3)	(11,439.3)

NOTES TO THE UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2009

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 2009 was approved for issue on 30 September 2009.

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 2008 were approved by the Board of Directors on 30 March 2009 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 2009 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 2008, 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.

3. Accounting policies

The accounting policies adopted by the Group are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in those financial statements.

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED
30 JUNE 2009**

4. 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 2009	Unaudited Six months ended 30 June 2008
Loss attributable to the equity holders of the company	US\$(13,127.0)	US\$(9,739.5)
Weighted average number of ordinary shares in issue	50,452,747	49,499,969
Basic loss per share (US\$ per share)	(0.26)	(0.20)

(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.