



**30 November 2009**

**IMMUNODIAGNOSTIC SYSTEMS HOLDINGS PLC**  
**Unaudited Interim Results for the Six-Month Period to 30 September 2009**

Immunodiagnostic Systems Holdings plc (“IDS” or the “Company” or the “Group”), a leading producer of diagnostic testing kits for the clinical and research markets, announces its interim results for the six month period to 30 September 2009.

IDS operates in the in-vitro diagnostics (“IVD”) market. The Company designs, manufactures and sells immunoassay kits which are used to measure or detect particular substances within a sample, thus aiding the diagnosis or monitoring of a disease or providing information for research studies. In 2007 the immunoassay sector of the IVD market was estimated to be worth US\$ 10bn.

**Financial Highlights:**

- Revenue up 56% to £16.9m (2008: £10.8m);
- Gross profit up 88% to £12.3m (2008: £6.5m);
- EBITA up 181% to £6.0m (2008: £2.1m);
- Pre-tax profit up 188% to £4.6m (2008: £1.6m);
- Earnings per share (diluted) up 190% to 12.1p (2008: 4.2p)

**Operational Highlights:**

- Sales of flagship Vitamin D products up 104% year on year
- Launch of unique PINP and human GH products on IDS-iSYS
- Geographic reach of the IDS-iSYS extended through an OEM deal with Technogenetics
- Consolidation of R&D operations into Boldon and Liège

**Commenting on Outlook, David Evans, Chairman said:**

“Traditionally the revenues are weighted to the second-half of the financial year and the Board sees this year as no exception.

“Overall the prospects for the Group remain bright and we continue to forge ahead with our plans for growth both organically and where we may deem it appropriate by acquisition.

“Trading in the year to date is in line with management expectations.”

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## Chairman's and Chief Executive's Report

### Introduction

Our shareholders will be aware that H1 of 2009/10 was a very important 6 months for IDS. Having launched our fully-automated immunoanalyser, the IDS-iSYS, towards the end of Q4 of FY2008/9, 'proof of the pudding' time was at hand. The instrument, the first reagents, the preparations in the field with product support engineers and the like, were all to be put to the test. It was also beholden on us not to slacken or fall short in the prosecution of our burgeoning 'manual' assay business world-wide. A tense and testing time.

How did we fare?

### Activities in the Period

Demand for IDS products has continued to grow, and whilst this is particularly so for our Vitamin D products (for which revenues have more than doubled), we have enjoyed rising sales in each major product range. Year-on-year growth for the period in excess of 50% is very pleasing in the light of the difficult ongoing financial conditions that had seen a slowdown of decision-making in many businesses. Our subsidiaries in the USA, Germany, France and Scandinavia have performed above expectations, with increased sales of manual products being achieved even as they put their shoulders to the wheel of automation and IDS-iSYS sales. It clearly signifies the strength of our existing business, and as we enter the much larger field of automated immunoassay adds to our confidence that IDS-iSYS revenues will be predominantly additive to ongoing manual sales.

The vitamin D testing market remains phenomenal, with market research data suggesting year-on-year growth in excess of 50%. The sustained interest in determining the adequacy of a patient's vitamin D status continues to drive demand for testing in many countries. The relationship between inadequate vitamin D status and increased predisposition to disease strengthens as papers continue to appear in learned peer-reviewed scientific journals. A seemingly ever-lengthening list of conditions, both life-threatening and those representing 'quality of life' issues, suggests that the upward trend will continue for some time to come. Articles are now also appearing frequently in high profile publications such as the Financial Times<sup>1</sup> and in widely-available free-to-view publications<sup>2</sup> reflecting enhanced public awareness.

It is the strength of the vitamin D market and the high regard in which IDS' expertise in vitamin D testing is held that enabled us to launch a brand-new machine (the IDS-iSYS) with a single product, the new automated methodology for 25-hydroxy vitamin D. Our approach to entering the automated market with this singular offering has been controlled and cautious. In preparation, we have recruited a number of highly-experienced personnel with solid backgrounds in automation, and this has undoubtedly stood us in good stead in launching the IDS-iSYS.

Our experiences in H1 have been instructive and rewarding. Whilst the times for 'accounts to go live' have been a little slower than originally anticipated, feedback from a very discerning customer base has been positive, both for the performance of the instrument itself in terms of speed, reliability and precision, and in terms of the vitamin D assay performance, particularly regarding reproducibility between runs and inter-laboratory precision. These are critical parameters in the evaluation of an analytical tool, particularly in the clinical setting, and we are therefore very satisfied that the results meet both our own and our customers' expectations.

Evaluations in potential customers' laboratories have taken longer than anticipated, largely due to the IDS-iSYS being a brand new instrument with no 'track record' as such, coming as it does from a company with little historical presence in the automated immunoassay market. We have had to work assiduously to overcome the natural caution of laboratory managers to introduce a replacement method whilst under continual pressure to report results on time.

Post launch we have placed or sold 43 IDS-iSYS machines, of which 27 relate to the period up to 30<sup>th</sup> September. In terms of machine numbers we were approximately two months behind-where we had hoped

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<sup>1</sup> "To D or Not to D", Sam Apple, Financial Times (colour supplement), 24/25 October 2009

<sup>2</sup> "Scotland's health deficit: an explanation and a plan", Oliver Gillie, Health Research Forum 2008; available as free download at <http://www.healthresearchforum.org.uk/reports/scotland.pdf>

to be at the end of H1, however average revenue per machine is ahead of our initial expectations at around £86,000 in the UK and €76,000 in Europe. These compare favourably to original expectations and management believe that these revenues can be improved upon by “up-selling” our expanding range of new products onto a growing instrument base.

In October we announced a new OEM agreement with one of our key partners, Technogenetics, granting them marketing rights for their autoimmune and infectious disease tests on the IDS-iSYS throughout Europe and the former Soviet Union. We have now received an initial order for 20 instruments from them.

Entering H2, we believe that we have gained significant presence and visibility in a number of prestigious laboratories, including those of some ‘opinion leaders’, which will facilitate the ongoing process. H2 has historically outpaced H1 and we have every confidence that the rate of placements will accelerate as our marketing efforts intensify and the performance of the IDS-iSYS spreads by word of mouth between laboratories. This will also be facilitated as the menu of IDS-iSYS kits is enhanced by successive product launches.

Vitamin D launched to high acclaim in February 2009, and was followed by PINP (a bone formation marker) in July and a very discriminating human Growth Hormone (hGH) assay in September. In the months to come, we will be releasing Parathyroid hormone (PTH), Insulin-like Growth Factor I (IGF-I), Osteocalcin and Bone-specific Alkaline Phosphatase (BAP). The complementary nature of these products and the creation and expansion of specialist panels of disease-related analytes will greatly enhance the attraction of the IDS-iSYS to the specialist endocrine laboratory - PTH is very frequently required to be measured together with vitamin D, and similarly IGF-I is commonly measured alongside hGH.

And as in the instances of PINP and hGH, we have elected not simply to ‘tick the box’ in terms of product availability but have very deliberately ‘raised the bar’ to our competitors in quality terms. The IDS-iSYS PINP and hGH products both offer unique capabilities with clear performance benefits over those of our competitors.

In order to launch in the USA, we are required to obtain what is known as 510(k) market clearance from the United States Food and Drug Administration (US FDA). Our submission is under consideration at this time, and we anticipate completion of the process within the next few weeks to support a scheduled launch of the IDS-iSYS in the USA during December/January.

During the period we consolidated our R&D operations by the closure of our site in Finland and transferring their work to Boldon and Liège with resulting cost savings.

The Board remains confident of the Group’s prospects for the remainder of the year.

## **Financial**

### ***Profit and Loss Account***

Turnover for the period increased to £16.9m from £10.8m an increase of 56% reflecting the significant contribution of our manual products and revenues from our recently launched automated system the IDS-iSYS.

Gross Profit increased to £12.3m from £6.5m an increase of 88%. The overall margin percentage increased to 72.9% from 60.4%.

Total group research and development expenditure for the period was £1.7m of which £1.6m related to product development and was capitalised.

Profit from operations increased to £4.9m from £1.9m an increase of 165%.

Net financing costs increased to £0.4m from £0.3m.

The charge to taxation increased to £1,165k from £528k leaving a profit attributable to ordinary shareholders of £3,411k (2008: £1,061k).

Overall EPS increased to 12.900p from 4.424p and on a fully diluted basis to 12.148p from 4.195p.

### **Balance Sheet**

At 30 September cash at bank amounted to £3.5m (2008: £0.9m)

Group debt at period end totalled £13.2m up £0.3m.

Net debt amounted to £9.7m ( 2008: £12.1m)

Included in debtors is an amount due from Escalon Medical Corporation in respect of the divestment of the haematology division last year together with some post-transaction trading receivables. In light of a note in their most recently published annual report, to which their auditors specifically refer, the Board of IDS has reviewed the ultimate recoverability of this debt. After extensive discussion with Escalon Medical Corporation we have reached a judgement that no provision should be made against this amount at this time. Should we become aware of any information that changes our view then we will duly inform the market.

### **Board Composition**

During the summer Will Dracup stepped down from the Board after nearly five years of service to the Company and we would like to thank Will for his contribution over that period of time. Our relationship with Will continues in a collaborative agreement with his company Biosignatures Limited for the development of novel biomarkers in certain disease areas.

We are at the final stages of selecting Will's replacement and we will announce this as soon as possible.

Additionally we have appointed Dr Burkhard Wittek to the Board. Burkhard is employed by the Forumgruppe which has a ca 25% holding in the Company. Burkhard brings to the Board a wealth of experience and analytical insight and discipline particularly from the perspective of a shareholder. We welcome this fresh perspective and contribution.

### **Outlook**

The Group continues to make good progress on all fronts.

Traditionally the revenues are weighted to the second-half of the financial year and the Board sees this year as no exception.

The absolute extent of the growth in revenues is dependent upon the following;

- The rate of placement of IDS-iSYS instruments. Whilst the rate of placements has been slower than earlier expectations we remain confident that the issue is one of timing. As we are perceived as the new entrant to the market, the precise timing of sales is difficult to predict. We reiterate our belief that it is not a question of whether the IDS-iSYS will be successful, but how successful it will be. Indeed since the half-year end the rate of placements has increased and is trending in line with our expectations.
- The timing of the clearance to market our iSYS system in the USA. The submission for 510(k) clearance is currently with the US FDA and the application is in process.
- The value of associated reagent sales per machine. To date the rate of revenue per machine is running ahead of our expectations and has more than compensated for the slightly slower than expected pace of roll-out. We will continue to take a conservative view on future expected reagent sales.
- The launch of the additional assays currently in our product pipeline. The pipeline is robust and will deliver a competitive advantage as we enhance product menu and extend analyte panels for the IDS-iSYS. As new tests are launched the revenue generating potential of each machine in placement will increase. We remain confident that new product launches from R&D will be on schedule throughout 2010.

Trading in the year to date is in line with management expectations.

Overall the prospects for the Group remain bright and we continue to forge ahead with our plans for growth both organically and where we may deem it appropriate by acquisition.

We look forward to continuing to update you on the progress of the Group over the coming months.

David Evans  
Chairman

Roger Duggan  
Chief Executive Officer

**Unaudited consolidated interim balance sheet**  
As at 30 September 2009

|  | 6 Months<br>ended<br>30 Sept 2009<br>£'000 | 6 Months<br>ended<br>30 Sept 2008<br>£'000 | Year ended<br>31 March<br>2009<br>£'000 |
|--|--|--|---|
| <b>Assets</b>  |  |  |   |
| <b>Non-current assets</b>                                  |  |  |   |
| Property, plant and equipment                              | 4,688                                      | 3,169                                      | 3,945                                   |
| Goodwill   | 19,618                                     | 18,608                                     | 19,464                                  |
| Other intangible assets                                    | 38,017                                     | 30,664                                     | 37,139                                  |
| Investments  | 218  | 264  | 220                                     |
|  | <u>62,541</u>                              | <u>52,705</u>                              | <u>60,768</u>                           |
| <b>Current assets</b>                                      |  |  |   |
| Inventories  | 6,043                                      | 5,083                                      | 5,737                                   |
| Trade and other receivables                                | 10,142                                     | 4,952                                      | 8,598                                   |
| Income tax assets  | 0  | 0  | 560                                     |
| Cash and cash equivalents                                  | 3,475                                      | 880  | 4,456                                   |
|  | <u>19,660</u>                              | <u>10,915</u>                              | <u>19,351</u>                           |
| <b>Assets held for sale</b>                                |  |  |   |
| Property, plant and equipment                              | 0  | 363  | 0                                       |
| Inventories  | 0  | 1,272                                      | 0                                       |
| Trade receivables  | 0  | 348  | 0                                       |
|  | <u>0</u>                                   | <u>1,983</u>                               | <u>0</u>                                |
| <b>Total assets</b>  | <u>82,201</u>                              | <u>65,603</u>                              | <u>80,119</u>                           |
| <b>Liabilities</b>   |  |  |   |
| <b>Current liabilities</b>                                 |  |  |   |
| Short term portion of long term borrowings                 | 3,748                                      | 4,925                                      | 2,634                                   |
| Trade and other payables                                   | 5,173                                      | 5,052                                      | 5,884                                   |
| Income tax liabilities                                     | 1,693                                      | -  | 1,250                                   |
|  | <u>10,614</u>                              | <u>9,977</u>                               | <u>9,768</u>                            |
| <b>Net current assets</b>                                  | <u>9,046</u>                               | <u>2,921</u>                               | <u>9,583</u>                            |
| <b>Non-current liabilities</b>                             |  |  |   |
| Long term borrowings                                       | 9,432                                      | 8,005                                      | 11,292                                  |
| Provisions   | 3,534                                      | 5,445                                      | 3,521                                   |
| Deferred tax liabilities                                   | 2,562                                      | 4,032                                      | 4,447                                   |
| Deferred income  | 398  | 461  | 378                                     |
|  | <u>15,926</u>                              | <u>17,943</u>                              | <u>19,638</u>                           |
| <b>Total liabilities</b>                                   | <u>26,540</u>                              | <u>27,920</u>                              | <u>29,406</u>                           |
| <b>Net assets</b>  | <u>55,661</u>                              | <u>37,683</u>                              | <u>50,713</u>                           |
| <b>Total equity</b>  |  |  |   |
| Called up share capital                                    | 529  | 480  | 528                                     |
| Share premium account                                      | 28,512                                     | 25,573                                     | 28,500                                  |
| Other reserves   | 14,127                                     | 5,902                                      | 12,166                                  |
| Retained earnings  | 12,500                                     | 5,735                                      | 9,526                                   |
| Treasury shares  | -7   | -7   | -7                                      |
|  | <u>55,661</u>                              | <u>37,683</u>                              | <u>50,713</u>                           |
| <b>Equity attributable to equity holders of the parent</b> | <u>55,661</u>                              | <u>37,683</u>                              | <u>50,713</u>                           |

**Unaudited consolidated interim income statement**  
For the six month period to 30 September 2009

|   | <b>6 Months<br/>ended<br/>30 Sept 2009<br/>£'000</b> | <b>6 Months<br/>ended<br/>30 Sept 2008<br/>£'000</b> | <b>Year ended<br/>31 March<br/>2009<br/>£'000</b> |
|---|--|--|---|
| <b>Revenue</b>  | <b>16,898</b>  | <b>10,832</b>  | <b>24,937</b>                                     |
| Cost of Sales   | -4,573   | -4,285   | -8,357  |
| <b>Gross Profit</b>   | <b>12,325</b>  | <b>6,547</b>   | <b>16,580</b>                                     |
| Distribution costs  | -2,709   | -2,161   | -4,601  |
| Administrative expenses   | -4,685   | -2,523   | -6,613  |
| <b>Profit from operations</b>   | <b>4,931</b>   | <b>1,863</b>   | <b>5,366</b>                                      |
| Finance income  | 130  | 21   | 118   |
| <b>Profit before tax</b>  | <b>5,061</b>   | <b>1,884</b>   | <b>5,484</b>                                      |
| Finance costs   | -485   | -295   | -703  |
| <b>Profit before tax</b>  | <b>4,576</b>   | <b>1,589</b>   | <b>4,781</b>                                      |
| Income tax expense  | -1,165   | -528   | -585  |
| <b>Profit for the period from continuing activities</b>                       | <b>3,411</b>   | <b>1,061</b>   | <b>4,196</b>                                      |
| Profit for the period from discontinued activities                            | 0  | -32  | 624   |
| <b>Profit for the period<br/>attributable to equity holders of the parent</b> | <b>3,411</b>   | <b>1,029</b>   | <b>4,820</b>                                      |
| <b>Earnings per share</b>   |  |  |   |
| From continuing operations  |  |  |   |
| - basic   | 12.900p  | 4.424p   | 16.918p   |
| - diluted   | 12.148p  | 4.195p   | 16.166p   |
| From continuing and discontinued operations                                   |  |  |   |
| - basic   | 12.900p  | 4.291p   | 19.433p   |
| - diluted   | 12.148p  | 4.069p   | 13.489p   |

## Unaudited consolidated interim cash flow statement

For the six month period to 30 September 2009

|   | 6 Months<br>ended<br>30 Sept<br>2009<br>£'000 | 6 Months<br>ended<br>30 Sept<br>2008<br>£'000 | Year ended<br>31 March<br>2009<br>£'000 |
|---|---|---|---|
| Profit from operations from continuing activities                 | 4,931   | 1,863   | 5,366                                   |
| Profit from operations from discontinued activities               | 0   | 3   | 1,017                                   |
| <b>Profit from operations</b>                                     | <b>4,931</b>                                  | <b>1,866</b>                                  | <b>6,383</b>                            |
| Adjustments for:  |   |   |   |
| Depreciation and amortisation                                     | 1,589   | 635   | 1,428                                   |
| Share based payment expense                                       | 148   | 109   | 218                                     |
| Release of deferred grants  | -20   | -134  | -285                                    |
| Interest paid   | -450  | -330  | -754                                    |
| <b>Operating cash flows before movements in working capital</b>   | <b>6,198</b>                                  | <b>2,146</b>                                  | <b>6,990</b>                            |
| Movement in inventories   | -495  | -99   | 1,416                                   |
| Movement in receivables   | -1,900  | 303   | -2,782                                  |
| Movement in payables  | -535  | -99   | -11                                     |
| Income taxes paid   | -87   | -75   | -302                                    |
| <b>Net cash from / (used by) operating activities</b>             | <b>3,181</b>                                  | <b>2,176</b>                                  | <b>5,311</b>                            |
| <b>Investing activities</b>                                       |   |   |   |
| Acquisition of investments in subsidiaries (net of cash acquired) | 0   | -23   | -52                                     |
| Purchases of other intangible assets                              | -2,369  | -2,241  | -4,326                                  |
| Purchases of property, plant and equipment                        | -1,420  | -1,077  | -1,423                                  |
| Interest received   | 130   | 21  | 117                                     |
| <b>Net cash used by investing activities</b>                      | <b>-3,659</b>                                 | <b>-3,320</b>                                 | <b>-5,684</b>                           |
| <b>Financing activities</b>                                       |   |   |   |
| Proceeds from issue of shares for cash                            | 13  | 30  | 3,005                                   |
| Proceeds of new borrowings  | 0   | 1,405   | 1,405                                   |
| Repayments of borrowings  | -698  | -1,693  | -2,699                                  |
| Dividends paid  | -437  | -360  | -360                                    |
| <b>Net cash from / (used by) financing activities</b>             | <b>-1,122</b>                                 | <b>-618</b>                                   | <b>1,351</b>                            |
| <b>Effect of exchange rate differences</b>                        | <b>619</b>                                    | <b>-331</b>                                   | <b>505</b>                              |
| <b>Net increase / (decrease) in cash and cash equivalents</b>     | <b>-981</b>                                   | <b>-2,093</b>                                 | <b>1,483</b>                            |
| Cash and cash equivalents at beginning of period                  | 4,456   | 2,973   | 2,973                                   |
| <b>Cash and cash equivalents at end of period</b>                 | <b>3,475</b>                                  | <b>880</b>                                    | <b>4,456</b>                            |



## Unaudited consolidated statement of changes in equity

|   | Share<br>Capital | Share<br>premium<br>account | Other<br>reserves | Retained<br>earnings | Treasury<br>shares | Total         |
|---|------------------|-----------------------------|-------------------|----------------------|--------------------|---------------|
|   | £'000            | £'000                       | £'000             | £'000                | £'000              | £'000         |
| At 1 April 2009   | 528              | 28,500                      | 12,166            | 9,526                | -7                 | 50,713        |
| Profit for the period   |                  |                             |                   | 3,411                |                    | 3,411         |
| Foreign exchange translation differences on foreign currency net investment in subsidiaries |                  |                             | 27                |                      |                    | 27            |
| Share based payments charged to equity reserves   |                  |                             | 148               |                      |                    | 148           |
| Deferred tax effect of share based payments charged to equity reserves                      |                  |                             | 1,786             |                      |                    | 1,786         |
| Dividend Paid   |                  |                             |                   | -437                 |                    | -437          |
| Shares issued in the period (net of expenses)   | 1                | 12                          |                   |                      |                    | 13            |
| <b>At 30 September 2009</b>   | <b>529</b>       | <b>28,512</b>               | <b>14,127</b>     | <b>12,500</b>        | <b>-7</b>          | <b>55,661</b> |
| At 1 April 2008   | 479              | 25,544                      | 5,909             | 5,066                | -7                 | 36,991        |
| Profit for the period   |                  |                             |                   | 1,029                |                    | 1,029         |
| Foreign exchange translation differences on foreign currency net investment in subsidiaries |                  |                             | -116              |                      |                    | -116          |
| Share based payments charged to equity reserves   |                  |                             | 109               |                      |                    | 109           |
| Dividend Paid   |                  |                             |                   | -360                 |                    | -360          |
| Shares issued in the period (net of expenses)   | 1                | 29                          |                   |                      |                    | 30            |
| <b>At 30 September 2008</b>   | <b>480</b>       | <b>25,573</b>               | <b>5,902</b>      | <b>5,735</b>         | <b>-7</b>          | <b>37,683</b> |
| At 1 April 2008   | 479              | 25,544                      | 5,909             | 5,066                | -7                 | 36,991        |
| Profit for the period   |                  |                             |                   | 4,820                |                    | 4,820         |
| Foreign exchange translation differences on foreign currency net investment in subsidiaries |                  |                             | 6,039             |                      |                    | 6,039         |
| Share based payments charged to equity reserves   |                  |                             | 218               |                      |                    | 218           |
| Dividend Paid   |                  |                             |                   | -360                 |                    | -360          |
| Shares issued in the period (net of expenses)   | 49               | 2,956                       |                   |                      |                    | 3,005         |
| <b>At 31 March 2009</b>   | <b>528</b>       | <b>28,500</b>               | <b>12,166</b>     | <b>9,526</b>         | <b>-7</b>          | <b>50,713</b> |

## Notes to the Interim Financial Statements

For the period to 30 September 2009

### 1 Basis of preparation

This interim statement for the six month period to 30 September 2009 is unaudited and was approved by the Directors on 27 November 2009. The financial information contained in the interim report has been prepared in accordance with the accounting policies set out in the annual report and accounts for the year ended 31 March 2009.

The financial information contained in the interim report does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The financial information for the full preceding year is based on the statutory accounts for the year ended 31 March 2009. Those accounts, upon which the auditors, Baker Tilly UK Audit LLP, issued an unqualified audit opinion, have been delivered to the Registrar of Companies.

As permitted, this interim report has been prepared in accordance with AIM Rule 18 and not in accordance with IAS 34 "Interim Financial Reporting" therefore it is not fully in compliance with IFRS.

### 2 Assets held for sale and discontinued operations

As at 30 September 2008, the Group was actively seeking a buyer for the haematology activities, which had been acquired as part of Biocode Hycel, as a stand-alone business. In accordance with IFRS 5, the assets to be sold as part of that business had been designated a disposal group and classified as assets held for sale. As the fair value of the assets was higher than their carrying amount at the time of reclassification, no revaluation was necessary at that time. The disposal was completed in the year ended 31 March 2009. The results attributable the discontinued activities were as follows:

|   | <b>6 Months<br/>ended<br/>30 Sept 2009<br/>£'000</b> | <b>6 Months<br/>ended<br/>30 Sept 2008<br/>£'000</b> | <b>Year ended<br/>31 March<br/>2009<br/>£'000</b> |
|---|--|--|---|
| Revenue                                 | 0  | 1,650  | 2,449   |
| Total expenses                          | 0  | -1,682   | -2,467  |
| Profit before tax                       | 0  | -32  | -18   |
| Income tax expense                      | 0  | 0  | 0   |
| Trading result after tax                | 0  | -32  | -18   |
| Gain on disposal                        | 0  | 0  | 642   |
| Profit for from discontinued activities | 0  | -32  | 624   |

### 3 Revenue and segmental information

Revenue and profit before tax relate principally to the main activity of the manufacturing and distributing of medical diagnostic products, and are attributable to the continuing operations of the Group.

Geographical analysis of turnover by origin:

|        | <b>6 Months<br/>ended<br/>30 Sept<br/>2009<br/>£'000</b> | <b>6 Months<br/>ended<br/>30 Sept<br/>2008<br/>£'000</b> | <b>Year<br/>ended<br/>31 March<br/>2009<br/>£'000</b> |
|--------|--|--|---|
| UK     | 4,811  | 3,546  | 7,789   |
| Europe | 6,876  | 4,954  | 10,972  |
| USA    | 5,211  | 2,332  | 6,176   |
|        | <u>16,898</u>  | <u>10,832</u>  | <u>24,937</u>   |

Geographical analysis of profit before tax by origin:

|                        |              |              |              |
|------------------------|--------------|--------------|--------------|
| UK                     | 4,175        | 1,861        | 4,984        |
| Europe                 | -257         | -402         | -680         |
| USA                    | 1,013        | 404          | 1,062        |
| Profit from operations | <u>4,931</u> | <u>1,863</u> | <u>5,366</u> |
| Finance Costs (net)    | -355         | -274         | -585         |
| Profit before tax      | <u>4,576</u> | <u>1,589</u> | <u>4,781</u> |

Geographical analysis of net assets/(liabilities) by origin:

|        |               |               |               |
|--------|---------------|---------------|---------------|
| UK     | 36,540        | 24,814        | 23,754        |
| Europe | 17,318        | 12,155        | 25,594        |
| USA    | 1,803         | 714           | 1,365         |
|        | <u>55,661</u> | <u>37,683</u> | <u>50,713</u> |

### 4 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has two classes of dilutive potential ordinary shares: those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year and the contingently issuable shares under the Group's share option scheme. At 30 September 2009, the performance criteria for the vesting of the awards under the option scheme had been met and consequently the shares in question are included in the diluted EPS calculation.

The calculations of earnings per share are based on the following profits and numbers of shares.

|   | <b>6 Months<br/>ended<br/>30 Sept 2009</b> | <b>6 Months<br/>ended<br/>30 Sept 2008</b> | <b>Year ended<br/>31 March<br/>2009</b> |
|---|--|--|---|
|   | £  | £  | £                                       |
| From continuing and discontinued operations:  |  |  |   |
| Profit after tax                              | <u>3,410,745</u>                           | <u>1,029,264</u>                           | <u>4,819,957</u>                        |
|   | No.  | No.  | No.                                     |
| Weighted average no of shares:                |  |  |   |
| For basic earnings per share                  | 26,440,813                                 | 23,987,972                                 | 24,802,348                              |
| Effect of dilutive potential ordinary shares: |  |  |   |
| -Share Options                                | <u>1,635,202</u>                           | <u>1,307,537</u>                           | <u>1,154,875</u>                        |
| For diluted earnings per share                | <u>28,076,015</u>                          | <u>25,295,509</u>                          | <u>25,957,223</u>                       |
| Basic earnings per share                      | 12.900p                                    | 4.291p                                     | 19.433p                                 |
| Diluted earnings per share                    | 12.148p                                    | 4.069p                                     | 18.569p                                 |
| From continuing operations:                   | £  | £  | £                                       |
| Profit after tax                              | <u>3,410,745</u>                           | <u>1,061,214</u>                           | <u>4,196,177</u>                        |
| Weighted average no of shares as above        |  |  |   |
| Basic earnings per share                      | 12.900p                                    | 4.424p                                     | 16.918p                                 |
| Diluted earnings per share                    | 12.148p                                    | 4.195p                                     | 16.166p                                 |

## 5 Taxation

Taxation for the 6 months ended 30 September 2009 is based on the effective rates of taxation in each jurisdiction which are estimated to apply for the year ended 31 March 2010.

## 6 Other reserves

The other reserves consist of the merger reserve, the foreign currency translation reserve and the reserve for shares to be issued under employee share option plans.

The merger reserve arises on consolidation of the results of Immunodiagnostic Holdings PLC and the consolidated results of Immunodiagnostic Systems Limited. The reserve represents the difference arising on consolidation between the nominal value of shares issued by Immunodiagnostic Holdings PLC in consideration for 100% of the share capital of Immunodiagnostic Systems Limited and the nominal value of the shares acquired, plus the share premium account relating to those shares.

## 7 Interim results

These results were approved by the Board of Directors on Friday 27 November 2009. Copies of this interim report will be available to the public from the Group's registered office and [www.idsplc.com](http://www.idsplc.com).