

Regulatory Announcement

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Company	FuturaGene PLC
TIDM	FGN
Headline	Interim Results
Released	07:30 30-Sep-04

FUTURAGENE PLC ('the Company')

CHAIRMAN'S STATEMENT

Interim accounts for the six months ended 30 June 2004

OVERVIEW

The purchase of Futuragene Inc, an Indiana, USA company, was approved by shareholders at the EGM held on 14 June 2004, and completed shortly thereafter, for an initial consideration of 16 million new ordinary shares. Should targets be met, up to a further 29 million new ordinary shares will be issued as additional consideration.

The Group had cash resources totaling £1,920,000 at 30 June 2004, which will be largely used for research funding with universities in order to increase the portfolio of intellectual property which it licences, and to further develop crop prototypes.

FINANCIAL RESULTS

The unaudited financial results for the six months to 30 June 2004 revealed an operating loss of £102,000 but do not include any material operating costs of the Company's new US operations. The basic loss per share is 0.9p and on a fully diluted basis it would be 0.7p.

No dividend is being declared but the Board is progressing with the capital reorganization as stated in the circular so that accumulated losses will be eliminated and, once profitability is achieved, the group will have the capacity to pay dividends.

CASH FLOW AND FUNDING

The placing of 5 million shares at 38p each was completed successfully, raising a gross sum of £1,900,000. The cash balance was £560,000 by way of a grant to Purdue University to increase the portfolio of intellectual property and to further our research and development programme.

Resources are considered sufficient to fund all future requirements based on the current business model. However, the board is considering accelerating the rate of development of the group's intellectual property portfolio and also increasing the number of plants being researched and developed. To achieve this broader accelerated programme may require additional funding. The Directors are considering the best method of obtaining the required resources.

OUTLOOK

The Board is confident that the Group's technologies represent significant steps forward in creating an agricultural revolution. The need for plants resistant to abiotic stress is becoming more and more apparent, as environmental stress on crop production inflict serious and increasing yield diminutions, which are being exacerbated by environmental change. In the united states alone, these stresses are estimated to cost approximately \$12-14 billion a year in crop production losses (Source: Estimating and Economic Impact on Drought: University of Nebraska).

We are seeing interest from a number of parties for the commercialisation of our technology. Whilst revenue generation from crop sales is still some way off, ornamental plants, grass etc. could be sooner. We are hopeful that a joint venture, licensing and funded research will generate funds for further developments in the near future.

L E V KNIFTON
Chairman
30 September 2004

Consolidated Profit & Loss Account For the six months ended 30 June 2004

	Note	Unaudited 6 months ended 30 June 2004 £000	Unaudited 6 months ended 30 June 2003 £000	Audited year ended 31 December 2003 £000
Turnover		-	2	8
Administration expenses: - Continuing		(54)	(111)	(148)
- Acquisition		(13)	-	-
- Discontinued		(35)	-	-
Operating Loss		(102)	(109)	(140)
Other interest receivable and similar income		1	-	-
Loss on ordinary activities before		(101)	(109)	(140)

taxation

Tax credit on loss on ordinary activities		-	6	-
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Loss on ordinary activities after taxation		(101)	(103)	(140)
Dividends		-	-	-
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Retained loss for the period	4	(101)	(103)	(140)
Earnings per ordinary share – basic	2	(0.9p)	(1.5p)	(2.4p)
- diluted	2	(0.7p)	(1.5p)	(1.4p)

There were no recognized gains or losses other than those recognized in the profit and loss account above.

Consolidated Balance Sheet
As at 30 June 2004

	Note	Unaudited 6 months ended 30 June 2004 £000	Unaudited 6 months ended 30 June 2003 £000	Audited year ended 31 December 2003 £000
FIXED ASSETS				
Tangible Assets		54	-	-
Intangible Assets		14	-	-
Goodwill		7,582	-	-
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		7,650	-	-
CURRENT ASSETS				
Debtors		41	13	208
Cash at bank and in hand		1,920	23	28
		-----	-----	-----
		1,961	36	236
		-----	-----	-----
Creditors: amounts falling due within one year		(371)	(8)	(15)

Net current assets		1,590	28	221
Total assets less current liabilities		9,240	28	221
Creditors: amounts failing due after more than one year including convertible debt		(200)	-	(200)
NET ASSETS		9,040	28	21
CAPITAL AND RESERVES				
Called up share capital	3	151	46	46
Share premium account		11,407	3,502	3,532
Capital redemption reserve		2,415	2,415	2,415
Share capital to be issued		1,140	-	-
Merger reserve		(844)	(844)	(844)
Profit and loss account		(5,299)	(5,091)	(5,128)
Equity Shareholders' Funds		9,040	28	21

Consolidated Cash Flow Statement
For the six months ended 30 June 2004

	Note	Unaudited 6 months ended 30 June 2004 £000	Unaudited 6 months ended 30 June 2003 £000	Audited year ended 31 December 2003 £000
Cash inflow/(outflow) from operating activities	4	251	(144)	(170)
Returns on investments and servicing of finance		1	-	-
Taxation		-	24	-
Capital expenditure: Purchase of subsidiary net of cash balances		(260)	-	-
Financing: Share issues		1,900	111	166

Cash increase/(decrease) in the period	1,892	(9)	(4)
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Reconciliation of net cash flow to movement in net funds

Note	Unaudited 6 months ended 30 June 2004 £000	Unaudited 6 months ended 30 June 2003 £000	Audited year ended 31 December 2003 £000
Increase/(decrease) in cash in the period	1,892	(9)	(4)
Net funds at start of the period	28	32	32
Net funds at the end of the period	1,920	23	28

Reconciliation of movement in Shareholders' Funds for the six months ended 30 June 2004

Note	Unaudited 6 months ended 30 June 2004 £000	Unaudited 6 months ended 30 June 2003 £000	Audited year ended 31 December 2003 £000
Retained loss for the period	(101)	(103)	(140)
New share capital subscribed (net of issue costs)	9,120	111	141
Net increase/(reduction) to shareholders' funds	9,019	8	1
Operating shareholders' funds	21	20	20
Closing shareholders' funds	9,040	28	21

NOTES TO THE INTERIM REPORT

1. Accounting Policies

Basis of preparation

The interim report has been prepared using accounting policies consistent with those set out in the Company's (formerly Overnet data Plc) Annual Report and Accounts for the year ended 31 December 2003.

The financial statements, and the Annual Report and Accounts for the year ended 31 December 2003 were prepared on a going concern basis.

The interim report for the six months to 30 June 2004 was approved by the Board on 27 September 2004.

2. Loss per Share

	Unaudited 6 months ended 30 June 2004 Pence	Unaudited 6 months ended 30 June 2003 Pence	Audited year ended 31 December 2003 Pence
Earnings per ordinary share – basic	(0.9p)	(1.5p)	(2.4p)
- diluted	(0.7p)	(1.5p)	(1.4p)

Loss per ordinary share is based on the group's loss for the financial period of £101,000 (December 2003 - £140,000 and June 2003 - £103,000).

The weighted average number of shares used in the calculation is – basic 11,117,186; diluted 14,232,332 (December 2003 – basic 5,757,057; diluted 10,257,057 and June 2003 – basic and diluted 6,981,530)

3. Called up Share Capital

The issued share capital as at 31 December 2003, per the audited accounts, was 9,158,468 ordinary shares of £0.005 each. This was increased at the EGM by the issue of 5,000,000 shares under the placing at 38p and the initial tranche of 16,000,000 shares on the acquisition of Futuragene Inc. there is a contingent additional consideration, as per the merger agreement, of up to 29,000,000 shares.

As stated in the document, options totaling 4,719,920 shares have been granted; of these 2,500,000 were exercised on 17 July 2004.

4. Reconciliation of operating loss to net cash outflow from operating activities

	Unaudited 6 months ended 30 June 2004 £000	Unaudited 6 months ended 30 June 2003 £000	Audited year ended 31 December 2003 £000
Operating loss	(102)	(109)	(140)
Depreciation on tangible fixed assets	-	-	-
Goodwill amortisation	18	-	-
Net (increase)/decrease in working capital	335	(35)	(30)
Net cash inflow/(outflow) from operating activities	251	(144)	(170)

5. The information for the year ended 31 December 2003 has been extracted from the audited accounts for that period which have been delivered to the Registrar of Companies and received an unqualified audit opinion. The unaudited results for the six months have been prepared on a basis consistent with the accounting policies disclosed in the Company's 2003 accounts and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985.

6. Copies of this interim statement are available from the Company at its registered office at Finsgate, 5-7 Cranwood Street, London, EC1V 9EE.