25 September 2013

Proton Power Systems plc

("Proton Power" or the "Group")

Interim Results

Proton Power Systems plc (AIM:PPS), the designer, developer and producer of fuel cells and fuel cell electric hybrid systems, today announces its unaudited interim results for the six months ended 30 June 2013.

Highlights:

- Turnover decreased 3.4% to £543,000 (2012: £652,000)
- Loss for the period increased to £3,001,000 (2012: £1,922,000)
- Continued discussions with bus OEMs and operators regarding our HyRange system
- Demonstrated that Fuel Cell Bus with HyRange system has comparable total cost of ownership ("TCO") to Diesel Hybrid Bus
- Further presentation of SEV Newton truck with HyRange System to logistic operators
- Presentation of a large fuel cell based uninterruptible power supply ("UPS") system to data centre operators in Germany
- Discussions with OEMs regarding partnership to develop fuel cell based airport solutions
- Preparation of applications for government funding of R&D and fuel cell market introduction
- Significant order from Siemens AG for UPS systems for medical applications
- Market introduction of solar battery storage system from SPower

John Wall, Chairman of Proton Power, commented: "

"I am excited about the positive development of the Group in the past six months. With our new high power PM400 fuel cell stack generation, we can address solutions for high power demand in all of our 3 market segments. The new PM400 helps us to bring down cost per Kilowatt. We also made good progress in our system design for mobile and stationary applications. With

economical TCO's we are raising the interest of bus fleet operators and OEM's. UPS (Uninterruptible Power Supply) applications with fuel cells are also benefitting from our new PM400 fuel cell stack generation. The integration of SPower allows to jointly address the power supply market."

- Ends -

Proton Power Systems plc

John Wall, Chairman — Tel: +44 (0) 7802 917 615

Achim Loecher, Group Financial Director — Tel: +49 (0) 89 127 626 550

www.protonpowersystems.com

Westhouse Securities Limited

Nominated adviser and broker

Antonio Bossi — Tel: +44 (0) 20 7601 6100

www.westhousesecurities.com

Chairman's and CEO's statement

We are pleased to report our unaudited interim results for the half year ended 30 June 2013.

A. Fuel cell stack production and development:

The Group designs and produces its own fuel cell stacks as core component of a fuel cell application. During the first half of 2013, the Group further improved the existing stack design (PM200) and successfully tested the larger stack design (PM400).

1. PM200 fuel cell stack generation (up to 8kW)

The current stack generation in production was further optimized with components from new suppliers. More than 11,000 hours of start/stop operation have now been achieved in testing.

2. PM400 fuel cell stack generation (up to 25kW)

The new high power stack has been subjected to long term tests and the integration work in Proton Motor's system platform is on-going. The performance rating of this new fuel cell stack generation is optimised for high power applications for all three market segments.

B. Systems:

The Group offers complete systems and solutions to its customers. We believe it is essential to provide a comprehensive service as most customers have limited or no fuel cell experience. The modular approach of the Group's fuel cell products allows the utilisation of similar packages for the different market segments.

1. **Mobility - light duty vehicles**

   During the first half of the year, the Group finalised a second test vehicle with batteries and an 8kW HyRange system. This vehicle has passed its long term tests and all necessary certificates have now been granted. The current HyRange system generates 8kW of energy per hour. All test results were within our expectation. The Group is working on a second HyRange system with up to 25kW of electric energy per hour. This will allow full hybrid operation with the support of alternating current, or support of refrigerated trucks for grocery distribution. The 25kW HyRange package will be available in 2Q2014. Customers for such applications include logistics companies and food supply chains. The initial investment required for a HyRange powered vehicle remains higher than a comparable diesel powered vehicle. Therefore the group has started activities to further bring down cost.

   Further discussions continue with Magna Group to introduce other light duty vehicle applications. Discussions regarding an initial project in Austria are underway and the plan is to start the project at the beginning of 2014.

   With 8kW and 25kW HyRange systems, the Group will have solutions for light duty vehicles which will allow day-to-day operation without any limitations.

2. **Mobility - buses and heavy duty vehicles**

   Discussions with major bus and heavy duty vehicle manufacturers, as well as system suppliers for the bus and truck industries, continued. With the new 25kW HyRange system, the Group is able to reduce the TCO for 12m buses to a level comparable with that of diesel hybrid buses. This is based on the design of our systems and the optimised battery/fuel cell combination. The achievement of such low TCO is a milestone for the fuel cell industry.

   The Group's cooperation with a UK based bus manufacturer continues as planned and we presented our solution to Transport for London receiving a positive response. Discussions with other bus manufacturers in Spain and Poland are progressing well and we have also made presentations to other bus manufacturers in Europe and Asia Pacific.

   Based on its modular design, the HyRange system can be deployed with 25kW, 50kW or 75kW configurations, depending on the drive cycle and size of the bus. We expect first orders for the new HyRange system within the coming six months.

3. **Mobility - maritime segment**

   The Group's Alsterwasser tourist boat system in Hamburg is in continuous day-to-day operation and has been since 2008 with more than 50,000 passengers transported. Based on that successful project, we are receiving request for concepts for different types of boats powered by fuel cell systems, including:

   - yachts;
   - coast guard boats; and
   - tourist boats.

We expect increased adoption of fuel cell technology for maritime applications as demand for quiet and emission free operation is growing and the technology has shown reliability in day-to-day operations.

4. **Stationary segment - SPower integration**

The Group's view is that the market for its applications is more likely to be in the higher power range of 20kW to 1MW applications. UPS, smart grid and energy storage applications are the main focus of the SPower division. The new fuel cell stack generation, PM400 with 25kW, is an ideal rating for such applications. We expect to operate various fuel cells in parallel for the higher power ranges.

At the end of 2012, together with our partner Modl, the Group installed a 5kW UPS system for EON Bayern, a leading utility company in Germany. The system is used as a back-up for medium power switching stations with very long backup times and we continued to work on this project during the first half of 2013.

To strengthen our stationary power business, SPower was acquired by the Group in February of this year and the integration of SPower's business into the Group will be finalized by the end of 2013. The joint offering of fuel cells and UPS products is generating major benefits for the Group, especially in the IT sector. Customers can buy complete solutions, from the fuel cell, batteries, and generators up to integrated UPS products. SPower based in Germany, can support installation and after sales service. We are currently addressing major IT companies / Co-location operators. First orders are expected in the coming six months.

The SPower business is performing in line with our budget and recently won a project with Siemens AG for 39 large UPS Systems with batteries to protect medical equipment applications. First shipment for this project started in September 2013. This is the largest single project order in the history of SPower with a value of €857,000. The solar module business of SPower is below budget, given the difficulties in the European market for such products. SPower will minimise its efforts in the solar module business until the market recovers.

SPower plans to release a newly developed solar battery storage system (SPBS3000) for small solar applications of up 3kW. This is a high quality product with very competitive pricing and with a "Made in Germany" tag. It will allow a good rate of return over the lifetime of the product, which will support our sales effort. The Group has high expectations for this new product range, which will be targeted at the Europe and African markets. In opposite to the pure solar module market, storage systems are expected to grow significantly.

The Group is attracting more attention for its product range and is working on an OEM licensing model for its products and solutions. The Group is applying for funding under new R&D programmes and for fuel cell systems and products.

The Group has also increased its headcount with talented engineers and has also further improved the facilities in Puchheim.

Finance

The turnover for the half year was £543,000 and the loss for the half year was £3,001,000.

The Group secured new funding in the first half of 2013 from the major shareholder, Roundstone Properties Limited, which provided loans of €2,500,000 for working capital and a new loan of €2,393,841 to pay the bank liabilities of SPower and to secure supplier guarantees for SPower.

In addition to the above the Group received €266,623 from the German government to develop the Range Extender system and for the development of a new stack generation, €25,900 from the service contract with ATG, the operator of the Zemship in Hamburg, €12,500 from the R&D Project with EADS and €21,774 from various customers for workshops and material.

Outlook

The Group's continuing discussions with major OEM partners have highlighted that there is now a realistic opportunity for the breakthrough of fuel cell technology into the commercial domain. The bus market is looking for emission free solutions for inner-city transport. Megacities require emission free transport to improve air quality. The competitive TCO's for the Group's bus application should strongly support the implementation of its technology.

High power stationary applications for the IT market will also play an important role in the Group's business development. Green IT is expected to grow quickly and generate another opportunity for the Group.

Given the Group's modular concept, each success story will help the other products because the main components used are similar and cost reductions will be achieved as the Group cooperates with our suppliers. Licensing will also play an important role in our future business and generate volume and income.

On behalf of the Board we would like to take this opportunity to thank the Proton Power team and our advisors for their hard work and effort as well as our customers and suppliers for their confidence and support throughout the year.

We look to the coming months with confidence.

John Wall FCA	**Dr Faiz Nahab**
Chairman	CEO

Consolidated income statement

	Note	**Unaudited 6 months to 30 June 2013**	Unaudited 6 months to 30 June 2012	**Audited Year to 31 December 2012**
		£'000	£'000	**£'000**
Revenue		**543**	562	**920**
Cost of sales		**(2,021)**	(1,664)	**(3,449)**
Gross loss		**(1,478)**	(1,102)	**(2,529)**
Fair value loss on embedded derivatives		**(191)**	(14)	**(14)**
Other operating income		**15**	5	**14**
Administrative expenses	*4*	**(931)**	(710)	**(1,465)**
Operating loss		**(2,585)**	(1,821)	**(3,994)**
Finance income		**7**	-	**-**
Finance costs		**(423)**	(101)	**(178)**
Loss for the period attributable to equity shareholders		**(3,001)**	(1,922)	**(4,172)**
Loss per share (expressed as pence per share)				
Basic	*6*	**(0.5)**	(0.3)	**(0.7)**
Diluted	*6*	**(0.5)**	(0.3)	**(0.7)**

Consolidated statement of comprehensive income

	Unaudited 6 months to 30 June 2013	Unaudited 6 months to 30 June 2012	**Audited Year to 31 December 2012**
	£'000	£'000	**£'000**
Loss for the period	**(3,001)**	(1,922)	**(4,172)**
Other comprehensive income and expense			
Exchange differences on translating foreign operations	**95**	279	**(32)**
Other comprehensive income	**95**	279	**(32)**
Total comprehensive income and expense for the period	**(2,906)**	(1,643)	**(4,204)**
Attributable to equity shareholders	**(2,906)**	(1,643)	**(4,204)**

Consolidated balance sheet

	Note	Unaudited At 30 June 2013	Unaudited At 30 June 2012	Audited At 31 December 2012
		£'000	£'000	**£'000**
Assets				
Non-current assets				
Goodwill	*7*	**2,126**	-	**-**
Intangible assets		**89**	55	**50**
Property, plant and equipment		**680**	648	**609**
		2,895	703	**659**
Current assets				
Inventories		**470**	243	**218**
Trade and other receivables		**507**	373	**141**
Cash and cash equivalents		**265**	123	**185**
		1,242	739	**544**
Total assets		**4,137**	1,442	**1,203**
Liabilities				
Current liabilities				
Trade and other payables		**1,295**	548	**527**
Borrowings		**-**	2,360	**-**
Embedded derivatives on convertible loans		**-**	65	**-**
		1,295	2,973	**527**
Non-current liabilities				
Borrowings		**9,221**	-	**4,468**
Embedded derivatives on convertible interest		**419**	-	**228**
		9,640	-	**4,696**
Total Liabilities		**10,935**	2,973	**5,223**
Net liabilities		**(6,798)**	(1,531)	**(4,020)**
Equity				
Capital and reserves attributable to equity shareholders				
Share capital		**9,679**	9,672	**9,672**
Share premium account		**18,224**	18,211	**18,211**
Merger reserve		**15,656**	15,656	**15,656**
Reverse acquisition reserve		**(13,862)**	(13,862)	**(13,862)**
Share based payment reserve		**716**	536	**608**
Foreign translation reserve		**5,053**	5,044	**4,716**
Capital contributions		**1,164**	1,096	**1,113**
Retained earnings		**(43,428)**	(37,884)	**(40,134)**
Shareholders' equity		**(6,798)**	(1,531)	**(4,020)**

Consolidated statement of changes in equity

	Share Capital	Share Premium	Merger Reserve	Reverse Acquisition Reserve	Share Based Payment Reserve	Translation Reserve	Capital Contribution Reserve	Retained Earnings	Total Equity
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 1 January 2012	**9,479**	**17,243**	**15,656**	**(13,862)**	**469**	**4,252**	**1,140**	**(35,493)**	**(1,116)**
Share based payments credit	-	-	-	-	67	-	-	-	67
Proceeds from share issues	193	968	-	-	-	-	-	-	1,161
Transactions with owners	**193**	**968**	**-**	**-**	**67**	**-**	**-**	**-**	**1,228**
Loss for the period	-	-	-	-	-	-	-	(1,922)	(1,922)
Other comprehensive income:									
Currency translation differences	-	-	-	-	-	792	(44)	(469)	279
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**792**	**(44)**	**(2,391)**	**(1,643)**
Balance at 30 June 2012	**9,672**	**18,211**	**15,656**	**(13,862)**	**536**	**5,044**	**1,096**	**(37,884)**	**(1,531)**
Balance at 1 July 2012	**9,672**	**18,211**	**15,656**	**(13,862)**	**536**	**5,044**	**1,096**	**(37,884)**	**(1,531)**
Share based payments debit	-	-	-	-	72	-	-	-	72
Transactions with owners	**-**	**-**	**-**	**-**	**72**	**-**	**-**	**-**	**72**
Loss for the period	-	-	-	-	-	-	-	(2,250)	(2,250)
Other comprehensive income:									
Currency translation differences	-	-	-	-	-	(328)	17	-	(311)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(328)**	**17**	**(2,250)**	**(2,561)**
Balance at 31 December 2012	**9,672**	**18,211**	**15,656**	**(13,862)**	**608**	**4,716**	**1,113**	**(40,134)**	**(4,020)**
Balance at 1 January 2013	**9,672**	**18,211**	**15,656**	**(13,862)**	**608**	**4,716**	**1,113**	**(40,134)**	**(4,020)**
Share based payments credit	-	-	-	-	108	-	-	-	108
Proceeds from share issues	7	13	-	-	-	-	-	-	20
Transactions with owners	**7**	**13**	**-**	**-**	**108**	**-**	**-**	**-**	**128**
Loss for the period	-	-	-	-	-	-	-	(3,001)	(3,001)
Other comprehensive income:									
Currency translation differences	-	-	-	-	-	337	51	(293)	95
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**337**	**51**	**(3,294)**	**(2,906)**
Balance at 30 June 2013	**9,679**	**18,224**	**15,656**	**(13,862)**	**716**	**5,053**	**1,164**	**(43,428)**	**(6,798)**

Share premium account

Costs directly associated with the issue of the new shares have been set off against the premium generated on issue of new shares.

Merger reserve

The merger reserve of £15,656,000 arises as a result of the acquisition of Proton Motor Fuel Cell GmbH during 2006. The merger reserve represents the difference between the nominal value of the share capital issued by the Company and their fair value at 31 October 2006, the date of the acquisition.

Reverse acquisition reserve

The reverse acquisition reserve arises as a result of the method of accounting for the acquisition of Proton Motor Fuel Cell GmbH by the Company. In accordance with IFRS 3 the acquisition has been accounted for as a reverse acquisition.

Share option reserve

The Group operates an equity settled share-based compensation scheme. The fair value of the employee services received for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference fair value of the options granted. At each balance sheet date the Company revises its estimate of the number of options that are expected to vest. The original expense and revisions of the original estimates are reflected in the income statement with a corresponding adjustment to equity. The share option reserve represents the balance of that equity.

Consolidated statement of cash flows

	Unaudited 6 months to 30 June 2013	Unaudited 6 months to 30 June 2012	Audited Year to 31 December 2012
	£'000	£'000	£'000
Cash flows from operating activities			
Loss for the period	**(3,001)**	(1,922)	**(4,172)**
Adjustments for:			
Depreciation and amortisation	**124**	209	**276**
Loss on disposal of fixed assets	**(10)**	-	**38**
Interest income	**(7)**	-	**-**
Interest expense	**423**	101	**178**
Share based payments	**108**	67	**139**
Movement in inventories	**(179)**	(94)	**(73)**
Movement in trade and other receivables	**(224)**	(224)	**8**
Movement in trade payables	**(1,617)**	37	**26**
Exchange rate movements	**(273)**	218	**-**
Movement in fair value of embedded derivatives	**775**	14	**14**
Net cash used in operations	**(3,881)**	(1,594)	**(3,566)**
Interest paid	**(423)**	-	**(1)**
Net cash used in operating activities	**(4,304)**	(1,594)	**(3,567)**
Cash flows from investing activities			
Purchase of intangible assets	**(37)**	(32)	**(48)**
Purchase of property, plant and equipment	**(115)**	(106)	**(151)**
Interest received	**7**	-	**-**
Net cash used in investing activities	**(145)**	(138)	**(199)**
Cash flows from financing activities			
Proceeds from issue of loan instruments	**4,169**	1,573	**7,247**
Settlement of loan instruments	**-**	-	**(4,741)**
Proceeds from issue of new shares	**20**	-	**1,161**
Net cash generated from financing activities	**4,189**	1,573	**3,667**
Net (decrease) / increase in cash and cash equivalents	**(260)**	(159)	**(99)**
Cash acquired on acquisition	**3**	-	**-**
Effect of foreign exchange rates	**337**	(11)	**(9)**
Opening cash and cash equivalents	**185**	293	**293**
Closing cash and cash equivalents	**265**	123	**185**

Notes to the interim report

1. Basis of preparation

The 31 December 2012 consolidated financial statements of Proton Power Systems plc were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to those companies under IFRS under the historical cost convention as modified by the valuation of derivatives. The condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the 2012 statutory financial statements. No new accounting standards have been adopted by the group since preparing its last annual report.

The Group has chosen not to adopt IAS 34 (Interim Financial Statements) in preparing these financial statements therefore the interim financial information is not in full compliance with IFRS.

The financial information for the year ended 31 December 2012 set out in this interim report is unaudited and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2012 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

The consolidated financial information has been prepared under the historical cost convention and on the basis that the Group continues to be a going concern. Until such time as the Group achieves operational cash inflows through becoming a volume producer of its products to a receptive market it will remain dependant on its ability to raise cash to fund its operations from existing and potential shareholders and the debt market.

In preparing the consolidated financial information, Proton Motor Fuel Cell GmbH has been deemed to be the acquirer and the Company, the legal parent, has been deemed to be the acquiree. Under IFRS 3 "Business Combinations", the acquisition of Proton Motor Fuel Cell GmbH by the Company has been accounted for as a reverse acquisition and the consolidated IFRS financial information of the Company is therefore a continuation of the financial information of Proton Motor Fuel Cell GmbH.

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment at least annually, or more frequently where circumstances suggest an impairment may have occurred. Any impairment is recognised immediately in income statement and is not subsequently reversed.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2. Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

Recognition of development costs
Self developed intangible assets are recognised where the Group can estimate that it is probable that future economic benefits will flow to the entity. See Note 10.

Valuation technique
Market capitalisation is taken to equate to fair value less costs to sell in the assessment of the carrying value of the investment in the Company. See note 12.

Classification and fair value of financial instruments
The Group uses judgement to determine the classification of certain financial instruments, in particular convertible loans advanced during the year. Judgement is applied to determine whether the instrument is a debt, equity or compound instrument and whether any embedded derivatives exist within the contracts.

Judgements have been made regarding whether the conversion feature meets the "fixed for fixed" test in each instrument. In the case of each instrument it is deemed it is not met on the basis that the loan is in Euros and shares are in Sterling.

The Group uses valuation techniques to measure the fair value of these financial instruments. In applying these valuation techniques, management use estimates and assumptions that are, as far as possible, consistent with observable market data. Where applicable market data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3. Segmental information

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments for which discreet financial information is available and is regularly reviewed by the Chief Operating Decision Maker ("CODM").

Based on an analysis of risks and returns, the Directors consider that the Group has only one identifiable operating segment, green energy.

All non-current assets are located in Germany.

4. Share based payments

The Group has incurred an expense in respect of share options and shares issued to employees as follows:

	Unaudited 6 months to 30 June 2013	Unaudited 6 months to 30 June 2012	**Audited Year to 31 December 2012**
	£'000	£'000	**£'000**
Share options	**108**	67	**139**

5. Taxation

Due to losses within the Group, no expenses for tax on income were required in either the current or prior periods.

6. Loss per share

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

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares, share options, however these have not been included in the calculation of loss per share because they are anti dilutive for these periods.

	Unaudited 6 months to 30 June 2013		Unaudited 6 months to 30 June 2012		**Audited Year to 31 December 2012**	
	Basic	**Diluted**	Basic	Diluted	**Basic**	**Diluted**
	£'000	**£'000**	£'000	£'000	**£'000**	**£'000**
Loss attributable to equity holders of the Company	**(3,001)**	**(3,001)**	(1,922)	(1,922)	**(4,172)**	**(4,172)**
Weighted average number of ordinary shares in issue (thousands)	**639,919**	**639,919**	639,239	639,239	**639,239**	**639,239**
Effect of dilutive potential ordinary shares from share options and convertible debt (thousands)	-	-	-	-	-	-
Adjusted weighted average number of ordinary shares	**639,919**	**639,919**	639,239	639,239	**639,239**	**639,239**
	Pence per share	**Pence per share**	Pence per share	Pence per share	**Pence per share**	**Pence per share**
Loss per share (pence per share)	**(0.5)**	**(0.5)**	(0.3)	(0.3)	**(0.7)**	**(0.7)**

The adjustment to the weighted average number of shares used in the calculation of diluted loss per share reflects share options in issue where the exercise price exceeds the average market price of shares in the period.

No interim dividend has been proposed or paid in relation to the current or prior interim period.

7. Business acquisition

On 7 February 2013 the Group acquired 100% of the share capital of SPower Holding GmbH with its subsidiary SPower GmbH (together "SPower"). Established in 2007, SPower serves IT, Telecoms, public infrastructure and healthcare customers in Germany, Europe and Middle East with power supply solutions for DC and AC power demand. Beside the business for power supply, SPower also offers solutions for Solar Systems as well as a new product line for Solar Energy Storage, which will be released to the market in the third quarter of 2013. Following the acquisition SPower will be completely integrated into Proton Motor's business division. Sales, after sales service and logistics will be strengthened and cross selling synergies will be optimised. None of the goodwill recognised is expected to be deductible for tax purposes.

The following table summarises the consideration paid for SPower, the provisional fair value of assets acquired and liabilities assumed at the acquisition date.

	£'000
Consideration	-
Recognised amounts of identifiable assets acquired and liabilities	
Property, plant and equipment	24
Licences (included in intangibles)	17
Cash and cash equivalents	3
Inventories	73
Trade and other receivables	142
Trade and other payables	(2,165)
Borrowings	(220)
Total identifiable net liabilities	(2,126)
Goodwill	2,126

The revenue included in the consolidated statement of comprehensive income since 7 February 2013 contributed by SPower was £269,000. SPower also contributed a loss of £116,000 over the same period.

Had SPower been consolidated from 1 January 2013, the consolidated statement of comprehensive income would show revenue of £683,000 and a loss of £3,043,000.

Dr. Faiz Nahab and Thomas Melczer, who are both directors of Proton Power, each hold approximately 41.8 per cent of SPower's share capital and will each receive a nominal total consideration of €1 for their SPower shares. Dr. Faiz Nahab has also provided, and will continue to provide, a guarantee for a bank loan to SPower of €2.2 million. In addition, Dr. Faiz Nahab is connected to Roundstone Properties Ltd, a substantial shareholder in the Company. The acquisition of SPower is therefore classified as a transaction with related parties for the purposes of the AIM Rules. In accordance, therefore, with the AIM Rules, the directors of the Company, with the exclusion of Dr. Faiz Nahab and Thomas Melczer, having consulted with the Company's nominated adviser, Westhouse Securities Limited, consider that the terms of the transaction are fair and reasonable insofar as the Company's shareholders are concerned.

- Ends -