6 December 2012 **Provexis plc**

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

Provexis plc ("Provexis" or the "Company"), a business that develops, licenses and markets scientifically-proven functional food and sports nutrition technologies, announces its unaudited interim results for the six months ended 30 September 2012.

Key highlights

- Science in Sport ("SiS®") generated revenues of £3.25m in the period, representing like for like revenue growth of 7.1% compared to the same period last year, this despite historically poor weather and adverse trading conditions;

- Investment programme in SiS® resulting in improved gross margin, healthy innovation pipeline, increased retailer distribution and newly-launched e-commerce platform;

- Alliance partner DSM Nutritional Products ("DSM" or "Alliance partner") continues to progress with proprietary Fruitflow® heart health technology with nine regional consumer products containing Fruitflow® syrup now on sale in various global markets, and further launches expected in the financial year;

- Significant dietary supplement marketer in Europe recently completed successful Fruitflow® syrup test market and expects to launch product in Q4;

- Industrial quantities of tablet grade powder format of Fruitflow® now available, with good levels of interest from potential customers;

- Significant restructuring reflected in reduction in underlying operating loss* to £505,000, 51% lower than in same period last year;

- Increased working capital requirements of the growing SiS® business met by a September drawdown from our equity financing facility of £541k with minimal dilution.

Key financial results

- Revenues for the period £3.26m (2011: £1.53m)

- Underlying operating loss* reduced to £0.51m (2011: £1.03m)

- Statutory loss for the period £0.70m (2011: £1.47m)

- Cash balance at 30 September 2012 £1.4m (2011: £2.8m)

- Loss per share 0.05p (2011: 0.1p)

* before impairment and amortisation of intangible assets, share based payments and exceptional costs of £0.28m (2011:£0.52m), as set out on the face of the Statement of Comprehensive Income

Stephen Moon, Chief Executive Officer of Provexis plc, commented:

"We are very pleased with the progress made with our Science in Sport business, which has continued to grow despite some very tough trading conditions across the sector, including the effect of the extremely poor weather in June and July. With broadened distribution, margin improvements feeding into increased marketing and sales investment, and a healthy innovation pipeline, we are confident of continued progress in the second half.

Fruitflow continues to progress, with nine regional consumer products now on the market around the globe and more to follow in the second half of the year. With a commercially viable tablet grade format now complete, we have reached a major milestone, as this gives us access to the dietary supplement sector. We continue to work very closely with DSM on developing further consumer understanding of Fruitflow and in regulatory matters.

The results of our restructuring programme are now being seen in the significantly reduced operating loss, some fifty one percent less than this time last year. Across the Group we are continuing to seek further cost savings and efficiency improvements.

The economic climate remains very challenging, but with our continued commitment to focusing on the twin revenue streams of SiS and Fruitflow, while managing costs carefully, we believe the business is well placed to make further progress."

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Chairman's statement

We continue to see progress across the Group, as we maintain focus on our strategic objectives of developing revenues from SiS® and Fruitflow® while reducing costs and seeking improved efficiencies. This strategy is delivering results, as evidenced by the growth in revenues and the sharply reduced operating loss in the first half of the year.

SiS® has continued to develop on plan, despite a very challenging summer due to historically poor weather in June and July and adverse trading conditions in general. The building blocks of a strong brand and healthy science-driven innovation pipeline are in place, underpinned by an efficient supply chain and an effective sales infrastructure for both traditional retail and e-commerce channels. We remain confident of achieving our goals for this year, and once we have refined the business model, we will begin to assess opportunities outside of the core UK market more fully.

Our partners DSM are progressing our novel Fruitflow® heart-health technology, with nine regional consumer healthcare brands available in global markets and more launches in the pipeline. I believe, given the response from potential global customers, that the dietary supplement sector offers great potential for Fruitflow®, therefore the recent completion of a commercially-ready tablet grade powder format is a very important step in the development of the technology.

I remain very optimistic about the prospects for the Group, despite the challenging economic environment. Our SiS® business and Fruitflow® technology are both in sectors with long-term growth prospects, and with the executive team and Board very focused on these two revenue streams, together with a keen eye on costs, I believe we will build shareholder value for the medium and long term.

Dawson Buck
Chairman

Chief Executive's statement

SiS®

Revenues were £3.25m for the six months, representing 7.1% growth on the same period in 2011 (including revenues earned prior to the acquisition of SiS® in June 2011). Sales in June and July were heavily impacted by adverse trading conditions, including the very poor weather, in line with peers in the sports nutrition sector and indeed in the broader soft drinks category. Growth was very positive at the beginning and end of the period, and we have carried good momentum into the second half. Operating profit for the business was £152k, in line with our plan and reflecting the improving gross margin realised from the move to the new factory, investment in plant operations and equipment, and cost saving programmes across the operation.

We have strengthened our sales team and this, together with a revised sales strategy and new initiatives, has resulted in growth in all retail channels and increased distribution in supermarkets and on the high street. Strong selling and promotional plans are in place for the second half of the year, as well as investment in new display equipment. Our e-commerce platform launched on time at the end of the period and we have recently recruited a new e-commerce team to develop this strategically important channel.

We enjoyed many successes during the summer through athletes and teams we work closely with, including 24 Olympic medals, Tour of Britain winner and King of Mountains, team win in the Tour de France, and podium finish in the Vuelta a Espana. We continue to strengthen ties with leading performance directors, sports nutritionists and key opinion leaders. For 2013 our marketing efforts will be underpinned by a revised array of athletes and teams, together with a stronger events sponsorship programme.

We launched our novel Go Gel® plus Nitrates in April and this is seeing good take up from elite and professional athletes. A supporting research programme continues to progress in the area of nitrates and a human trial is currently underway. Our Go Hydro hydration tablet launched in May and recent growth of this format has been very promising. Again, we have collaborated with a research institute on hydration and data from this relationship will be used to support marketing the product range. A novel recovery product containing our proprietary Fruitflow® technology has been completed and first manufacturing is scheduled for December, with a commercial launch early in 2013.

We used our equity financing facility to drawdown £244k in May to support our innovation programme, with a further £541k drawdown in September to meet the increasing working capital needs of the growing SiS® business.

Fruitflow®

Nine regional consumer healthcare brands containing Fruitflow® syrup are now on sale in various global markets. A test market of a Fruitflow® syrup product by a significant dietary supplement marketer in Europe was successful and a product will launch in Q4. In addition our own Fruitflow® gel is close to first production. We expect further product launches during the balance of the financial year.

DSM has completed two industrial scale runs of tablet grade Fruitflow® powder. This is an important step, given it provides a commercially viable format for dietary supplement brand owners.

We are working closely with DSM on further understanding consumer attitudes to Fruitflow® and blood flow, in order to support potential customers in understanding the key success factors for any new brand launches. While the functional food sector as a whole is in growth and blood flow and circulation is seen as a major future opportunity, brand owners are relatively cautious with regard to new brand launches with novel technology in the prevailing economic climate.

Whilst revenues for Fruitflow® remain nominal in the last period, they have increased over the previous six months, as has the number of brands in market. These positive trends, together with the availability of the tablet grade format support our optimism for this novel technology.

Cost improvement

The gross margin of the SiS® business has improved by 4% in the first months of the year, due to efficiencies from the new gel machine and operational savings. Given our focus on continuous cost improvement across the whole supply chain we expect the gross margin to continue to improve. We are making savings in material purchasing, despite commodity pricing moving against us, and we have identified a range of process cost improvements available from modest capital investment.

Fruitflow® operating costs are now minimal and relate to intellectual property extensions and renewals, therefore as revenues develop, gross margin will be high. A small R&D team remains in a low cost facility in

Aberdeen, providing scientific support to DSM and its customers, as well as supporting research and innovation for SiS®.

Savings from last year's restructuring of the pipeline and rationalisation of R&D have now flowed through fully and have made a major contribution to the 51% year on year reduction in underlying operating loss. We are currently seeking a purchaser for the Crohn's disease intellectual property as part of the completion of the R&D rationalisation phase.

Strategy

Our strategy remains to focus on developing the SiS® sports nutrition business and the Fruitflow® heart health technology, with these two areas underpinned by the scientific and regulatory expertise of the Group. We will continue to seek cost reductions and operating efficiencies. This combination of focus on revenue generation, reduced costs and improved margins is targeted at achieving breakeven and then operating profit for the business.

We aim to become a global leader in endurance sports nutrition through insight, innovation and superior science. As our target of breakeven and profitability for the Group comes to fruition, expansion into other markets will underpin our sector leadership ambitions. In due course we expect our Alliance with DSM to bear fruit and Fruitflow® to become the leading blood flow functional food technology globally.

Outlook

The economic climate will continue to challenge brand owners and innovators, as well as constrain consumer spending. We expect to deliver our growth targets for SiS® and believe the macro prospects for the sports nutrition sector support our longer-term belief in the potential of this business. Fruitflow® continues to move towards gaining critical mass in the market and while some global brand owners are cautious about launching major new innovations, it remains our belief that blood flow and circulation represents a long-term opportunity.

Stephen Moon
Chief Executive

Finance Director's statement

Underlying operating loss
Underlying operating loss has reduced by 51% to £505,084 (2011: £1,033,391), reflecting the significant restructuring conducted in 2011, and continued progress with the Group's SiS® sports nutrition business and Fruitflow® heart health technology.

The Group has chosen to report underlying operating loss as the Directors believe that the operating loss before amortisation and impairment of acquired intangible assets, share based payments and exceptional items measure provides additional useful information for shareholders on underlying trends and performance. A reconciliation of underlying operating loss to statutory loss is presented on the face of the consolidated statement of comprehensive income. This measure is used for internal performance analysis.

The Group's cost base and its resources have been and will continue to be tightly managed within budgets approved and monitored by the Board.

Research and development costs
Research and development costs for the six months ended 30 September 2012 were reduced by 58% to £265,221 (2011: £624,378) including £8,706 capitalised under IAS 38 (2011: £38,987).

Taxation
A research and development tax credit of £44,370 (2011: £29,888) in respect of research and development expenditure incurred and deferred tax credit of £32,341 (2011: £20,112) in respect of the amortisation of acquired intangible assets have been recognised in the financial information for the period. A £162,369 tax credit claim for the year ended 31 March 2011 was paid to the Group during the period.

Loss for the period
The loss attributable to equity holders of the parent for the six months ended 30 September 2012 was £670,781 (2011: £1,379,005), a 51% year on year reduction, and the basic and diluted loss per share was 0.05p (2011: 0.10p).

Principal risks and uncertainties
The principal risks and uncertainties facing the Group are set out on pages 9 and 10 of the 2012 annual report and accounts, a copy of which is available on the Company's website www.provexis.com.

Capital structure and funding
On 23 April 2012 the Company announced that application had been made for the admission to AIM of 4,000,000 ordinary shares of 0.1p each in the Company, pursuant to the exercise of options by a former employee. The Company received net proceeds of £36,000 in respect of this transaction.

On 17 May 2012 the Company announced that it had raised a net £244,336 by drawing down on the Company's equity financing facility (the "EFF") which was arranged by Darwin Strategic Limited ("Darwin"), allotting 13,197,880 new ordinary shares of 0.1p each to Darwin.

On 28 August 2012 the Company announced that it had raised a net £541,111 by drawing down on the Company's EFF, allotting 31,620,884 new ordinary shares of 0.1p each to Darwin.

Further details of the EFF agreement and the drawdowns made using the EFF are available to download from the announcements section of the Company's website www.provexis.com.

In September 2012 a hire purchase agreement was secured with HSBC Equipment Finance for a number of assets acquired in the last year by SiS® for the Company's new Nelson factory. HSBC remitted £258,544 to the Group in September 2012 which is included in the Group's consolidated statement of financial position at 30 September 2012 as part of cash and cash equivalents, and as borrowings.

A £200,000 bank overdraft facility for SiS® was additionally agreed with HSBC in September 2012, providing the Group with greater headroom.

Cash and cash equivalents at 30 September 2012 were £1.4m (30 September 2011: £2.8m).

The Directors are of the opinion that at 6 December 2012, the Company's liquidity and capital resources are adequate to deliver the current strategic objectives and 2013 business plan and that the Group and Company remain a going concern.

Ian Ford
Finance Director

Consolidated statement of comprehensive income
Six months ended 30 September 2012

	Notes	**Unaudited six months ended 30 September 2012 £**	Unaudited six months ended 30 September 2011 £	Audited year ended 31 March 2012 £
Revenue		**3,259,374**	1,527,959	3,477,862
Cost of goods		**(1,424,645)**	(671,335)	(1,720,241)
Gross profit		**1,834,729**	856,624	1,757,621
Research and development costs		**(256,515)**	(585,391)	(761,457)
Administrative costs		**(2,359,881)**	(1,824,303)	(5,326,301)
Underlying operating loss		**(505,084)**	(1,033,391)	(2,180,362)
Amortisation and impairment charges		**(136,300)**	(117,470)	(1,390,638)
Costs of acquisition	4	**-**	(152,563)	(153,163)
Restructuring costs		**(50,396)**	(184,677)	(464,513)
Share based payment charges		**(89,887)**	(64,969)	(141,461)
Loss from operations		**(781,667)**	(1,553,070)	(4,330,137)
Net finance income		**7,604**	33,241	46,111
Loss before taxation		**(774,063)**	(1,519,829)	(4,284,026)
Taxation		**76,711**	50,000	328,538
Loss and total comprehensive expense for the period		**(697,352)**	(1,469,829)	(3,955,488)
Attributable to:				
Owners of the parent		**(670,781)**	(1,379,005)	(3,873,215)
Non-controlling interest		**(26,571)**	(90,824)	(82,273)
Loss and total comprehensive expense for the period		**(697,352)**	(1,469,829)	(3,955,488)
Loss per share to owners of the parent				
Basic and diluted - pence	3	**0.05**	0.10	0.28

All amounts relate to continuing operations.

Consolidated statement of financial position
30 September 2012

	Unaudited 30 September 2012 £	Unaudited 30 September 2011 £	Audited 31 March 2012 £
Assets			
Non-current assets			
Goodwill	**7,099,870**	7,994,990	7,038,767
Other intangible assets - development costs	**102,781**	90,961	94,075
Other intangible assets - acquired	**2,208,021**	2,564,316	2,236,761
Intangible assets	**9,410,672**	10,650,267	9,369,603
Plant and equipment	**650,170**	240,242	598,430
Deferred tax	**128,948**	-	128,948
Total non-current assets	**10,189,790**	10,890,509	10,096,981
Current assets			
Inventories	**782,304**	782,910	635,771
Trade and other receivables	**1,353,337**	1,012,962	934,773
Corporation tax asset	**182,000**	179,888	300,000
Cash and cash equivalents	**1,412,925**	2,804,974	1,447,405
Total current assets	**3,730,566**	4,780,734	3,317,949
Total assets	**13,920,356**	15,671,243	13,414,930
Liabilities			
Current liabilities			
Trade and other payables	**(1,609,094)**	(1,279,875)	(1,541,839)
Current tax liabilities	**(39,133)**	-	(39,133)
Borrowings	**(64,774)**	-	-
Total current liabilities	**(1,713,001)**	(1,279,875)	(1,580,972)
Net current assets	**2,017,565**	3,500,859	1,736,977
Non-current liabilities			
Deferred tax	**(502,730)**	(666,722)	(535,072)
Borrowings	**(193,795)**	-	-
Total non-current liabilities	**(696,525)**	(666,722)	(535,072)
Total liabilities	**(2,409,526)**	(1,946,597)	(2,116,044)
Total net assets	**11,510,830**	13,724,646	11,298,886
Capital and reserves attributable to owners of the parent company			
Share capital	**5,134,170**	5,082,352	5,085,352
Share premium reserve	**20,769,423**	19,962,445	19,998,832
Warrant reserve	**60,000**	115,980	60,000
Merger reserve	**6,599,174**	6,599,174	6,599,174
Retained earnings	**(20,806,634)**	(17,808,022)	(20,225,740)
	11,756,133	13,951,929	11,517,618
Non-controlling interest	**(245,303)**	(227,283)	(218,732)
Total equity	**11,510,830**	13,724,646	11,298,886

Consolidated statement of cash flows
Six months ended 30 September 2012

	Unaudited six months ended 30 September 2012	Unaudited six months ended 30 September 2011	Audited year ended 31 March 2012
	£	£	£
Cash flows from operating activities			
Loss after tax	**(697,352)**	(1,469,829)	(3,955,488)
Adjustments for:			
Amortisation and impairment	**136,300**	117,470	1,390,638
Depreciation	**88,769**	33,647	89,360
Loss on disposal of intangible assets	**673**	-	9,872
Profit on sale of fixed assets	**-**	(3,631)	(3,631)
Net finance income	**(7,604)**	(33,241)	(46,111)
Taxation	**(76,711)**	(50,000)	(328,538)
Share-based payment charge	**89,887**	64,969	141,461
Operating cash outflow before changes in working capital	**(466,038)**	(1,340,615)	(2,702,437)
Changes in inventories	**(146,533)**	(71,900)	42,239
Changes in trade and other receivables	**(420,602)**	47,259	81,419
Changes in trade and other payables	**67,280**	39,374	320,426
Total cash outflow from operations	**(965,893)**	(1,325,882)	(2,258,353)
Tax paid	**-**	-	(28,134)
Tax credits received	**162,369**	121,220	121,220
Total cash flow from operating activities	**(803,524)**	(1,204,662)	(2,165,267)
Cash flow from investing activities			
Purchase of property, plant and equipment	**(141,782)**	(45,083)	(458,984)
Proceeds from sale of property, plant and equipment	**600**	4,750	4,750
Purchase of intangible assets	**(177,369)**	(38,987)	(62,356)
Interest received	**7,604**	36,042	49,762
Acquisition of subsidiary net of cash acquired	**-**	(6,786,036)	(6,786,036)
Net cash outflow from investing activities	**(310,947)**	(6,829,314)	(7,252,864)
Cash flow from financing activities			
Proceeds from issue of share capital	**785,447**	3,524,694	3,524,694
Expenses paid on share issues	**-**	(236,919)	(236,919)
Proceeds from exercise of share options	**36,000**	-	27,000
Increase in borrowings	**258,544**	-	-
Interest paid	**-**	(330)	(744)
Net cash flow from financing activities	**1,079,991**	3,287,445	3,314,031
Net decrease in cash and cash equivalents	**(34,480)**	(4,746,531)	(6,104,100)
Opening cash and cash equivalents	**1,447,405**	7,551,505	7,551,505
Closing cash and cash equivalents	**1,412,925**	2,804,974	1,447,405

Consolidated statement of changes in equity

30 September 2012

	Share capital	Share premium	Warrant reserve	Merger reserve	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	£	£	£	£	£	£	£	£
At 31 March 2011	4,812,036	16,909,650	115,980	6,273,909	(16,493,986)	11,617,589	(136,459)	11,481,130
Share-based charges	-	-	-	-	64,969	64,969	-	64,969
Issue of shares - acquisition of SiS (Science in Sport) 24 June 2011	35,336	-	-	325,265	-	360,601	-	360,601
Issue of shares - placing 24 June 2011	166,667	2,333,333	-	-	-	2,500,000	-	2,500,000
Issue costs - placing 24 June 2011	-	(199,380)	-	-	-	(199,380)	-	(199,380)
Issue of shares - open offer 27 July 2011	68,313	956,381	-	-	-	1,024,694	-	1,024,694
Issue costs - open offer 27 July 2011	-	(37,539)	-	-	-	(37,539)	-	(37,539)
Total comprehensive expense for the period	-	-	-	-	(1,379,005)	(1,379,005)	(90,824)	(1,469,829)
At 30 September 2011	5,082,352	19,962,445	115,980	6,599,174	(17,808,022)	13,951,929	(227,283)	13,724,646
Share-based charges	-	-	-	-	76,492	76,492	-	76,492
Issue of shares - share options exercised 13 December 2011	3,000	24,000	-	-	-	27,000	-	27,000
Cancellation of warrants - equity financing facility 8 November 2011	-	12,387	(115,980)	-	-	(103,593)	-	(103,593)
Issue of warrants - equity financing facility 8 November 2011	-	-	60,000	-	-	60,000	-	60,000
Total comprehensive expense for the period	-	-	-	-	(2,494,210)	(2,494,210)	8,551	(2,485,659)
At 31 March 2012	5,085,352	19,998,832	60,000	6,599,174	(20,225,740)	11,517,618	(218,732)	11,298,886
Share-based charges	-	-	-	-	89,887	89,887	-	89,887
Issue of shares - share options exercised 27 April 2012	4,000	32,000	-	-	-	36,000	-	36,000
Issue of shares - equity financing facility 23 May 2012	13,198	230,504	-	-	-	243,702	-	243,702
Issue of shares - equity financing facility 3 September 2012	31,620	508,087	-	-	-	539,707	-	539,707
Total comprehensive expense for the period	-	-	-	-	(670,781)	(670,781)	(26,571)	(697,352)
At 30 September 2012	**5,134,170**	**20,769,423**	**60,000**	**6,599,174**	**(20,806,634)**	**11,756,133**	**(245,303)**	**11,510,830**

1. General information, basis of preparation and accounting policies

General information
Provexis plc is a public limited company incorporated and domiciled in the United Kingdom (registration number 05102907). The address of the registered office is Kings Road House, 2 Kings Road, Windsor, Berkshire SL4 2AG, UK.

The main activities of the Group are those of developing, licensing and marketing scientifically-proven functional food and sports nutrition technologies for the global functional food and sports nutrition sectors.

Basis of preparation
This condensed financial information has been prepared using accounting policies consistent with International Financial Reporting Standards in the European Union (IFRS). The same accounting policies, presentation and methods of computation are followed in this condensed financial information as are applied in the Group's latest annual audited financial statements, except as set out below. While the financial figures included in this half-yearly report have been computed in accordance with IFRS applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

The interim financial information does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and has been neither audited nor reviewed by the Company's auditors BDO LLP pursuant to guidance issued by the Auditing Practices Board.

The results for the year ended 31 March 2012 are not statutory accounts. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 of the Companies Act 2006.

The interim report for the six months ended 30 September 2012 can be downloaded from the Company's website www.provexis.com. Further copies of the interim report and copies of the 2012 annual report and accounts can be obtained by writing to the Company Secretary, Provexis plc, Kings Road House, 2 Kings Road, Windsor Berkshire SL4 2AG, UK.

This announcement was approved by the Board of Provexis plc for release on 6 December 2012.

Going concern
The Directors are of the opinion that at 6 December 2012, the Group and Company's liquidity and capital resources are adequate to deliver the current strategic objectives and 2013 business plan and that the Group and Company remain a going concern.

Accounting policies
The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2012, as described in those annual financial statements, except as follows:

Borrowings
Borrowings, including asset-based facilities such as invoice financing, are initially recognised at fair value plus any transaction costs associated with the issue of the relevant financial liability. Subsequent to initial measurement, borrowings are measured at amortised cost with the borrowing costs being accounted for on an accruals basis in the income statement using the effective interest rate method.

2. Segmental reporting

The Group's reporting segments are determined based on the Group's internal reporting to the Chief Operating Decision Maker (CODM). The CODM has been determined to be the Executive Committee of the Board of Directors as it is primarily responsible for the allocation of resources to segments and the assessment of performance of the segments.

The CODM uses underlying operating profit/(loss), as reviewed at monthly Executive Committee meetings, as the key measure of the segments' results as it reflects the segments' underlying trading performance for the financial period under evaluation.

Underlying operating profit/(loss) is a consistent measure within the Group which measures the performance of each segment before goodwill and acquired intangible asset amortisation and impairment, share based payment charges, restructuring charges and acquisition costs arising from acquisitions.

Segment assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The segment results, the reconciliation of the segment measures to the respective statutory items included in the Group Statement of Comprehensive Income and the segment assets are as follows:

Six months ended 30 September 2012	**Provexis**	**SiS**	**Total**
Revenue	11,343	3,248,031	3,259,374
Segment result (underlying operating (loss) / profit)*	**(656,954)**	**151,870**	**(505,084)**
Segment trading assets	1,464,127	3,045,557	4,509,684
Goodwill	2,661,879	4,437,991	7,099,870
Other intangible assets	102,781	2,208,021	2,310,802
Total assets	**4,228,787**	**9,691,569**	**13,920,356**

Six months ended 30 September 2011	**Provexis**	**SiS**	**Total**
Revenue	-	1,527,959	1,527,959
Segment result (underlying operating (loss) / profit)*	**(1,237,319)**	**203,928**	**(1,033,391)**
Segment trading assets	3,093,339	1,927,637	5,020,976
Goodwill	3,802,685	4,192,305	7,994,990
Other intangible assets	76,333	2,578,944	2,655,277
Total assets	**6,972,357**	**8,698,886**	**15,671,243**

* A reconciliation of underlying operating profit to operating profit is shown on the face of the Statement of Comprehensive Income

All operations are based in the UK. In the six months ended 30 September 2012 13% of revenue was derived from overseas markets (2011: 13% of revenue, for the period from acquisition to 30 September 2011). There were no intersegment sales or transfers for the period (2011: £Nil).

The segments identified include the following:

- Provexis, being the asset holding company of the group (excluding SiS) and the development and marketing of health based nutritional products; and
- SiS, being the development and marketing of sports based nutritional products

3. Loss per share

Basic and diluted loss per share amounts are calculated by dividing the loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

There are 90,071,648 share options (2011: 97,071,648) and 10,000,000 warrants (2011: 10,000,000) in issue that are currently anti-dilutive and have therefore been excluded from the calculations of the diluted loss per share.

	Unaudited six months ended 30 September 2012 £	Unaudited six months ended 30 September 2011 £	Audited Year ended 31 March 2012 £
Loss for the period attributable to owners of the parent - £	**670,781**	1,379,005	3,873,215
Weighted average number of shares	**1,487,282,971**	1,328,957,209	1,398,837,335
Basic and diluted loss per share - pence	**0.05**	0.10	0.28

4. Acquisition
As part of the Group's strategy to grow through acquisition, on 24 June 2011 the Group acquired 100% of the share capital of SiS (Science in Sport) Limited, a company which manufactures and sells sports nutrition products.

The purchase has been accounted for under the acquisition method of accounting.

The Group has identified the fair values of the assets acquired and liabilities assumed, including the separate identification of intangible assets in accordance with IFRS 3 'Business Combinations'. This formal process involves an assessment of the assets acquired and liabilities assumed with assistance provided by external valuation specialists where appropriate. The assessment period remains open up to a maximum of 12 months from the relevant acquisition date. The assessment was completed in the period ended 30 September 2012 and accordingly the fair values presented are now final.

Adjustments are made to the assets acquired and liabilities assumed during the assessment period to the extent that further information and knowledge come to light that more accurately reflect conditions at the acquisition date.

The consideration paid or payable in respect of the acquisition comprises the amount paid on completion and an amount which was held in escrow which was contingent on certain warranties and indemnities being satisfied and has been allocated against the identified net assets, with the balance recorded as goodwill. Transaction costs and expenses such as professional fees were charged to the Statement of Comprehensive Income.

Goodwill arose on the acquisition of SiS® because the cost of the combination included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of SiS®. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. A summary of the effect of the acquisition is detailed below:

	Book value at acquisition	**Fair value adjustments**	**Fair value**
	£	**£**	**£**
Website costs capitalised	16,201	-	16,201
Trademarks	-	1,004,029	1,004,029
Patents / recipes / formulations	-	180,886	180,886
Covenants not to compete	-	22,480	22,480
Customer relationships	-	1,228,696	1,228,696
Property, plant and equipment	140,155	-	140,155
Inventories	711,010	(94,103)	616,907
Trade and other receivables	809,444	-	809,444
Net cash	213,964	-	213,964
Trade and other payables	(658,223)	-	(658,223)
Tax and deferred tax	(67,267)	(584,662)	(651,929)
	1,165,284	**1,757,326**	**2,922,610**
Goodwill			4,437,991
Consideration			**7,360,601**
Satisfied by:			
cash consideration	6,750,000	-	6,750,000
non-cash consideration (issue of shares)	1,000,000	(639,399)*	360,601
cash consideration held in escrow	250,000	-	250,000
	8,000,000	(639,399)	**7,360,601**
Net cash acquired			(213,964)
Transaction costs and expenses			153,163
Total net cost of acquisition			**7,299,800**

*In accordance with IFRS 3 Business Combinations (revised 2008) the fair value adjustment to consideration paid in shares is based on the difference between the share price at the date on which the Company obtained control of SiS and the price determined in the Sale and Purchase Agreement for calculating the number of shares to be issued to the vendors.

The acquisition made during the year to 31 March 2012 contributed £3.5m to the Group's revenue and a £0.7m operating loss to the Group's loss from operations.