Press Release **30 October 2008**

LIDCO GROUP PLC

("LiDCO" or the "Company")

Interim Results for the six months to 31 July 2008

LiDCO, (AIM:LID) the hemodynamic monitoring company, today announces its interim results for the six months ended 31 July 2008.

Commercial Highlights

- Successful introduction of the LiDCO*rapid* into the US$800m per annum surgical hemodynamic monitoring market
- New distributors added for: USA, Russia, Israel, Canada, Turkey, Middle East, Portugal, Bulgaria & Argentina
- 137 LiDCO*rapid* monitors sold/placed in first three months of sales
- LiDCO*plus* & *rapid* monitors installed base up 12% in the period to 1,329
- Monitors sold or placed in the period were up 69% to 157 – (2007: 93)
- Selected as technology to be used for two US multi-centre patient studies on improving outcomes in transplantation donors and major surgery patients

Financial Highlights

- Revenue up 3% to £2.02m (2007: £1.97m)
- Operating loss increased by 2% to £1.09m (2007: £1.07m)
- Monitor revenues up 6% (£0.92m vs. £0.87m)
- Sensors, Smartcard and fees-per-use volumes up 2% to 13,788 units; consumables sales value increased 3% to £1.10m
- Gross profit margin increased to 67% (2007: 65%)
- Product margins maintained at 75% on monitors and 87% on disposables
- Admin and distribution expenses increased by 4% to £2.44m (2007: £2.35m)
- Loss per share 0.71p (2007: 0.82p)
- Good progress to profitability made over the last 5 years with H1 sales up 121%, costs down 16%, loss down 56%
- Cash balance £975,000. Laurus loan facility replaced with a £1.25m combined overdraft and invoice financing facility with Royal Bank of Scotland (RBS)

Commenting on the results Terry O'Brien, Chief Executive, said:

"I am pleased with the progress LiDCO has made over the last six months to strengthen our product range, maintain margins and increase the total installed user base of our monitors. We have further expanded our network of distribution partners, including a major deal with KOL Bio Medical Instruments (KOL) in the East Coast of the United States. Overall we have increased both the market opportunity for our products and improved our access to that market while continuing to keep good control on costs. "

For more information please contact:

LiDCO Group Plc

Terry O'Brien – Chief Executive — Tel: +44 (0)20 7749 1500
Paul Clifford – Finance Director

www.LiDCO.com

Panmure Gordon & Co

Edward Farmer/ Katherine Roe — +44 (0)20 7459 3600

www.panmure.com

Media enquiries

Abchurch Communications

Heather Salmond / Stephanie Cuthbert/Simone Alves — +44 (0)20 7398 7718

Stephanie.cuthbert@abchurch-group.com — www.abchurch-group.com

The investor presentation 'LiDCO's Interim Results – six months ended 31 July 2008' will be available on the LiDCO website (www.lidco.com).

CHIEF EXECUTIVE OFFICER'S STATEMENT

This has been a significant period for LiDCO. Our commercial strategy has been to strengthen our product range, broaden our network of distributors and accelerate growth of the installed user base of our minimally invasive hemodynamic monitoring products. The recent launch of the LiDCO*rapid* Monitor was therefore an important milestone for the Company and has had an excellent initial market acceptance resulting in us seeing good demand for the product. Although still at an early stage, the strategy to access the surgery market in order to more swiftly grow the installed base and secure a faster growing recurring revenue stream is already showing much promise.

Launch of the LiDCO*rapid*

Our objective for the period was to introduce the LiDCO*rapid* successfully into the surgical market in order to access an additional and fast growing surgical market revenue stream. We are pleased to report that the LiDCO*rapid* was launched in April on time and within budget.

The LiDCO*rapid* is the first hemodynamic monitoring product specifically designed for use in the highly demanding high-risk surgical market. The potential size of this market is estimated at US$800m per annum. The LiDCO*rapid* is state-of-the-art technology that at the same time is simple to set-up and easy-to-use, providing better monitoring during the surgical procedure. Once a standard arterial line is inserted in the wrist of the patient, the LiDCO*rapid* can be up and running in less than a minute. Use of the LiDCO*rapid* during surgery to maintain blood flow should reduce the build up of an oxygen debt that has been shown to result in complications and death. More patients require being monitored in surgery, compared to the intensive care unit, so the surgical market represents the biggest potential revenue stream for our technology.

The marketplace

LiDCO is well placed to benefit from Medicare's recent decision to no longer pay hospitals for the cost of treatment of catheter and surgery related complications and infections. Medicare is the USA's largest health insurer, covering nearly 40 million Americans over the age of 65. This will mean that hospitals will be forced to absorb any

financial loss resulting from the treatment of such complications and infections. This and other market forces continue to drive hemodynamic monitoring away from the use of older invasive catheter products. There is an increased demand for less invasive technology, that has been demonstrated to reduce these costly complications and infections. Previously we have reported that a trial at St George's Hospital, London, on 122 patients undergoing high-risk surgical procedures, had shown that the use of our technology reduces complications by more than one third[1], costs by £4,800 and hospital stay per patient by an average of 12 days. Following this trial, St George's adopted the routine use of our technology for hemodynamically driven goal directed therapy of all high-risk post surgical patients admitted to the intensive care unit. The hospital's own cost benefit analysis estimated that using our technology would save them £2m pounds per year. The introduction of the LiDCO*rapid* expands the use of our products to the surgical intra operative period and not just to the patients that receive post operative intensive care. Better monitoring for more surgical patients both during and after surgery means that further improvements in outcome and cost savings can be targeted. The emerging body of evidence demonstrating the clinical and economic benefits from using our technology has resulted in LiDCO being chosen (discussed in detail later) for two USA, multi-centre clinical trials in surgery and transplantation patients.

[1] Early goal-directed therapy after major surgery reduces complications and duration of hospital stay. A randomised, controlled trial, Critical Care 2005, **9:**R687-R693doi:10.1186/cc3887

Financial results

Turnover in the six months ended 31 July 2008, increased by 3% to £2.02m (2007: £1.97m). Although modest, this increase in revenue includes a very encouraging start and excellent initial market launch of the LiDCO*rapid.*

As a result of the launch of the *LiDCOrapid, we* had anticipated a realignment in our sales focus, and that of our distributors, from being exclusively on intensive care and towards both surgery and intensive care. This modification of our focus has resulted in a higher overall placement of monitors. During the period, overall monitor sales/placements were up 69% at 157 units (20 plus and 137 rapids) (2007: 93 units). The LiDCO*rapid* monitor sells for less than half the price of the LiDCO*plus* monitor, so despite greater monitor sales, monitor income grew by 6% to £0.92m (2007: £0.87m).

As the LiDCO*rapid* was launched at the end of April, the increase in the installed monitor base occurred too late to significantly influence disposable sales in the first half of the year which increased by 2% from 13,582 units to 13,788 units.

Product margins against external procurement costs (excluding payments to Med One) continue to average about 75% on monitors and 87% on disposables. Excluding the payments to Med One, the overall reported gross margin on sales improved to 79% (2007: 76%). Including payments in the period of £253,000 to Med One the overall gross profit margin on sales was 67% (2007: 65%).

During this period and while incurring the costs of introducing the LiDCO*rapid,* the operating loss for the period was steady at £1.09m (2007: £1.07m) and broadly in line with the Company's expectations. Despite the additional costs invariably associated with the launch of the LiDCO*rapid*, our aim was to limit the administration and distribution costs to an inflationary increase. Because of the relatively low investment required to introduce the LiDCO*rapid* to the market we were successful in keeping operating costs under good control with an increase of just 4% (from £2.35m to £2.44m).

As a result of launching the LiDCOrapid monitor as an additional mainstream product, stock levels increased by £200,000 compared with January 2008 which, together with the losses during the period, resulted in cash balances reducing by £1.26m during the period to £975,000. As noted in the 2008 Annual Report and Accounts, the $2m Laurus loan facility reached the end of its term in August and this was replaced with a £250,000 overdraft facility and a £1m invoice financing discount facility with Royal Bank of Scotland.

LiDCO*rapid* disposable revenue streams

The LIDCO*rapid* has a pay-per-use disposable smart card. The Smart card carries the data of a single patient and a new card must be used for each individual. Our pay-to-use approach has a number of advantages for the Company and the customer. For example, the Smart card allows costs to be identified with a patient, does not require any particular storage conditions and has an extended shelf life. The lower capital cost of the monitor allows customers to purchase the technology more cost effectively than the LiDCO*plus* Monitor. Most importantly, it had minimal development, scale-up and

production costs. Overall the LiDCO*rapid* fits well with our strategy to introduce new products that leverage the investments already made in our manufacturing facility, quality certifications and route to market.

Although early days, we have seen progress with the acceptance of the Smart card revenue model which involves a fee-for-use billing approach, rather than the more traditional sale of a sterile disposable. Accordingly, we have achieved our target pricing and margins for the Smart card with product margins already exceeding those achieved for the existing LiDCO*plus* lithium disposables. I am pleased to report that in trading since the end of the summer we have seen significant revenue from the sale of Smart cards for the LiDCO*rapid* monitors starting to occur. For example in September we sold 510 LiDCO*rapid* disposables.

Channel to market

In line with our strategy we have expanded our sales reach by broadening our network of distribution partners. In July we announced that LiDCO had signed an exclusive distribution agreement with KOL Bio Medical Instruments (KOL) for the sale of the LiDCO*rapid* Monitor in the eastern side of the US. This significantly enlarged sales force gives LiDCO access to more than 40% of US market. The combined sales and nurse educator sales force of LiDCO and KOL is now 20 people, approximately four times that of last year. We are expecting good growth in sales from the US. In other territories, as anticipated, we have added distributors in Continental Europe and the Rest of the World territories – see section – Regional Sales Performance. These additional sales teams will contribute to sales and revenue growth in the second half and beyond. We expect further appointments to the distributor network later this year and into next year.

Outlook

In the results of the first half's trading we can see that accelerated growth in the monitor installed base has occurred. This has been driven by the launch of a new product, the LiDCO*rapid,* into the surgical market. Second half revenues should grow supported by an increasing contribution as the new product gains acceptance and the distribution network continues to expand. The focus necessary to launch the LiDCO*rapid* has, as expected, had a knock-on effect on the growth and capital revenues from sales of our

ICU product - the LiDCO*plus* monitor. Nevertheless, although the LiDCO*plus* monitor installed base grew at a slower rate than last year – expectations are that the LiDCO*plus* installed base will continue to grow in the intensive care market (ICU). In support of that belief further endorsement of the usefulness of this product has come from the USA where the LiDCO*plus* Monitor has been chosen as the monitor of choice for two multi-centre trials designed to evaluate the effectiveness of improved hemodynamic care in organ donor and high-risk surgery patients.

The LiDCO brand strengths of safe minimally invasive monitoring, accuracy and now ease of use are increasingly being accepted by the clinical community. This is evidenced by the choice of our technology for use in key outcome studies and the expansion of our customer base. We now have products that address both the surgical and intensive care markets. Over the last five years trading we have increased our first half sales revenues by 121%, reduced our costs by 16% and our loss by 56% and thus made further progress to profitability. We continue to be able to control our costs while expanding our market opportunity and revenues. With the launch of the LiDCO*rapid* and expansion of distribution partners we have the product and structure to progress further.

Business Review - Summary Table

	6 months to 31 July 2008	6 months to 31 July 2007	Increase/ (decrease)	Increase/ (decrease) %
Sales by type (£'000)				
- Monitors	918	866	52	6%
- Sensors/Smartcards/Fee per Use	1,104	1,069	35	3%
- Licence Fees	0	35	(35)	(100%)
Total	2,022	1,970	52	3%
Monitors sold/placed (Units)	157	93	64	69%
Sensor, Smartcard and Fee per Use Sales (Units)	13,788	13,582	206	2%
Installed Base (end period)	1,329	1,128	201	18%

Regional Sales Performance

UK

- Core LiDCO*plus* business grown across period
- Sales revenue up 25% to £1,063,000 (2007: £848,000)
- Monitor sales revenue up 72% to £420,000 (2007: £244,000)
- Sensor, Smartcard and, fee for use sales of £643,000 up 6% (2007: £604,000)
- Launch of the LiDCO*rapid* with pricing / margins in line with expectations

USA

- Distributor (KOL) appointed for Eastern half of the USA – 15 sales staff
- Lower pricing for LiDCO*rapid* reduces overall revenue to £348,000 (2007:£468,000)
- LiDCO*rapid* launch occurred too late to contribute significantly to disposables sales revenues during the period - Sensor, fee for use & rental sales down 4% to £252,000 (2007: £263,000)
- Significant order for 12 LiDCO monitors ($250,000) received in September –

biggest customer now has 28 monitors

- Launch of the LiDCO*rapid* with pricing / margins in line with expectations

Continental Europe

- Focus on launching LiDCO*rapid* into our EU distributor network
- Overall sales revenue down by 7% to £484,000 (2007: £523,000)
- Revenues affected by a transition of capital sales towards the lower priced LiDCO*rapid*
- Monitor sales revenue of £303,000 (2007: £341,000)
- Sensor/Smartcard sales steady £184,000 (2007: £181,000)
- New distributors appointed Turkey, Portugal & Bulgaria

Rest of World & Licence Fee Income

- Product sales revenue up 31% to £127,000 (2007: £96,000)
- Overall revenue (includes license fee of £35,000) down 3% from £131,000 to £127,000
- Monitor sales up 31% to £98,000 (2007: £75,000)
- Sensor sales up by 38% to £29,000 (2007: £21,000)
- New distributors added Russia, Israel, Canada, Middle East & Argentina

DEVELOPMENT OF SUPPORTIVE CLINICAL & BUSINESS CASES

While the market's transition to minimally invasive monitoring gathers pace, our ambition is to be able to present customers with a compelling clinical and business case linked to the use of our products. To that end improved outcomes have already been demonstrated in two different intensive care populations:

- in a post operative surgical intensive care setting, where treated patients hospital stay was reduced by 12 days and complications by more than one third.
- in severely ill patients with shock and sepsis, where the use of LiDCO technology substantially reduced mortality to 12% of patients treated, compared with 32% in the invasive catheter treated group

Since the preliminary results presentation in April, I am pleased to announce that LiDCO has been chosen as the exclusive technology for use in two further significant multi-centre outcome trials in the USA. Both studies will be coordinated by doctors working at the University of Pittsburgh and will use LiDCO*plus* monitors. They are summarised below:

Prospective trial improving outcomes in high-risk surgery

The first study is a 200 patient randomised controlled trial looking at the application of oxygen delivery mediated, goal-directed therapy in high-risk surgery patients. This takes the treatment protocol previously established in the original St George's hospital trial and goes one step further. Patients in the trial will be hemodynamically managed both during and after surgery with the LiDCO*plus* technology.

In the previous study conducted at St George's Hospital, patients were 'optimised' only in the post operative period while in an intensive care unit bed. The intent of that was to assess the effectiveness of a post surgical pay-back of the oxygen debt accumulated during surgery.

The new study will investigate whether outcomes can be improved still further through the combination of both intra- and post-operative targeting of oxygen levels. This protocol will seek to demonstrate that LiDCO's earlier use during surgery is an additional preventative step limiting the pay back of oxygen required after surgery, and that the maintenance of higher oxygen levels throughout the intra- and post-operative period will be the most effective way to abolish or reduce surgical oxygen debt. The investigators are hoping to demonstrate greater reductions of complications, length of stay and mortality rates compared to conventional monitoring. In addition, patients will be contacted three months after their operation to assess whether their subsequent quality of life has been improved by this approach. This trial may well establish a new standard of care in the highest-risk surgery patient population.

USA "Monitor" multi-centre randomised transplantation donor optimization study

The second trial we have been chosen for is in the field of organ transplantation. The trial has been funded by the US Government and is known as MOnIToR (Monitoring Organ donors to Improve Transplantation Results). The background to this study is that despite efforts to increase organ donation, there remains a critical shortage in both the

numbers of organ donors and with the numbers of organs procured per donor. There are several reasons why not all potential organs are donated, one of the most important reasons is hemodynamic instability of the donor. Inadequate resuscitation can lead to a reduction in organ yield due to a mounting oxygen debt, inflammation and consequently damage to vital tissues. In an effort to improve donor outcomes, LiDCO has worked over the last two years with an Organ Procurement Organization (OPO) in the USA in Chicago and with the University of Pittsburgh to develop an effective and simple-to-use organ donor resuscitation protocol, driven through use of the LiDCO*plus* monitor. It has been shown that donors who are adequately fluid resuscitated provided a significantly higher number (3.7 compared with 2) of organs per donor that are deemed suitable for transplant. Donors who had inadequate volume resuscitation have a higher inflammatory response and patients transplanted with organs from poorly resuscitated patients had higher readmission rates back to hospital after surgery.

Taken together, these results have generated considerable interest within the US transplantation community and significant funding has now been awarded to the University of Pittsburgh in order to conduct a much expanded USA multi-centre randomised transplantation donor optimisation study, using our technology in 960 subjects. In this study donors will be resuscitated conventionally, or with a protocol targeting fluids and cardiac output using the LiDCO*plus* monitor. Success will be judged as a 0.5 increase in the numbers of organs per donor transplanted as compared to the control group. Nevertheless, if only successful to the tune of 0.5 extra organs per donor and implemented throughout the USA this would represent a 17% increase in the numbers of organs available – from around 22,500 to 26,250 per annum. As there are currently 98,000 people on the U.S. organ waiting list the success of this study would be very welcome news.

Terry O'Brien
Chief Executive Officer
30 October 2008

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 31 July 2008

	Note	**Six Months ended 31 July 2008 £'000**	Six Months ended 31 July 2007 £'000	Year ended 31 January 2008 £'000
Revenue	3	2,022	1,970	4,051
Cost of sales		(675)	(697)	(1,442)
Gross profit		1,347	1,273	2,609
Distribution costs		(29)	(29)	(93)
Administrative expenses		(2,407)	(2,316)	(4,526)
Loss from operations		(1,089)	(1,072)	(2,010)
Finance income		44	25	49
Finance expense		(20)	(2)	(25)
Loss before tax		(1,065)	(1,049)	(1,986)
Income Tax		60	75	120
Loss for the year attributable to equity holders of the parent		(1,005)	(974)	(1,866)
Loss per share (basic and diluted) (p)		0.71p	0.82p	1.50p

CONDENSED CONSOLIDATED BALANCE SHEET
At 31 July 2008

	31 July 2008 £'000	31 July 2007 £'000	31 January 2008 £'000
Non-current assets			
Property, plant and equipment	765	880	833
Intangible assets	768	699	747
	1,533	1,579	1,580
Current assets			
Inventory	1,038	1,043	839
Trade and other receivables	1,302	1,207	1,329
Current tax	180	217	120
Cash and cash equivalents	975	481	2,234
	3,495	2,948	4,522
Current liabilities			
Trade and other payables	(634)	(772)	(707)
Deferred income	(32)	(46)	(41)
Borrowings	(556)	(49)	(563)
	(1,222)	(867)	(1,311)
Net current assets	2,273	2,081	3,211
Total assets less current liabilities	3,806	3,660	4,791
Equity attributable to equity holders of the parent			
Share Capital	710	592	710
Share premium	22,531	20,723	22,550
Merger reserve	8,513	8,513	8,513
Retained earnings	(27,975)	(26,168)	(27,016)
Total equity	3,779	3,660	4,757
Non-current liabilities			
Finance lease liability	27	–	34
Total non-current liabilities	27	–	34
Total equity and non-current liabilities	3,806	3,660	4,791

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 31 July 2008

	Six Months ended 31 July 2008 £'000	Six Months ended 31 July 2007 £'000	Year ended 31 January 2008 £'000
Operating loss	(1,089)	(1,072)	(2,010)
Depreciation and amortisation charges	331	255	611
Share based payments	44	44	88
(Increase)/decrease in inventories	(199)	37	241
(Increase)/decrease in receivables	(33)	9	(50)
(Decrease)/increase in payables	(82)	(40)	(96)
Finance expense	(20)	(2)	(25)
Income tax credit received	-	-	142
Net cash outflow from operating activities	(1,048)	(769)	(1,099)
Cash flows from investing activities			
Purchase of property, plant & equipment	(38)	(29)	(170)
Purchase of intangible fixed assets	(217)	(220)	(467)
Interest received	44	25	49
Net cash used in investing activities	(241)	(224)	(588)
Net cash outflow before financing	(1,259)	(993)	(1,687)
Cash flows from financing activities			
Issue of ordinary share capital	-	-	1,945
Convertible loan drawdown/(repayment)	-	-	502
Net cash generated from financing activities	-	-	2,447
Net (decrease)/increase in cash and cash equivalents	(1,259)	(993)	760
Opening cash and cash equivalents	2,234	1,474	1,474
Closing cash and cash equivalents	975	481	2,234

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 31 July 2008

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
At 1 February 2007	592	20,723	8,513	(25,240)	4,588
Issue of share capital	118	1,827	–	–	1,945
Share based payment expense	–	–	–	90	90
Loss for the year	–	–	–	(1,866)	(1,866)
At 31 January 2008	**710**	**22,550**	**8,513**	**(27,016)**	**4,757**
Issue of share capital	–	(19)	–	–	(19)
Share based payment expense	–	–	–	46	46
Loss for the half year	–	–	–	(1,005)	(1,005)
At 31 July 2008	**710**	**22,531**	**8,513**	**(27,975)**	**3,779**

NOTES TO THE INTERIM STATEMENT

1. STATUS OF THE FINANCIAL STATEMENTS

These financial statements are not the Company's statutory accounts for the purposes of Section 240 of the Companies Act 1985. They are unaudited. The Company's statutory accounts for the year ended 31 January 2008 received an unqualified audit report, which did not contain a statement under S237 (2) of the Companies Act 1985, and have been filed with the registrar of companies at Companies House.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and under the historical cost convention. They are presented in sterling, which is the functional currency of the parent company and the Group.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The financial statements have been prepared on the going concern basis, which assumes that the Group will have sufficient funds to continue in operational existence for the foreseeable future. The Group has continued to invest in the development of its operations and in particular its sales and marketing presence by continuing to invest in both its direct and indirect sales channels during the year and in a new product offering. As a result the Group has continued to trade at a loss during the six months ended 31 July 2008.

The directors have approved forecasts for the foreseeable future, which indicate that the Group will have sufficient funds to trade during that period. The forecasts assume a level of new sales about which there is uncertainty. If such new sales are not achieved, the directors believe that there are sufficient opportunities available to them to obtain

additional funding from sources which are currently being explored, to enable the Group to continue to develop its operations and to meet its liabilities as they fall due.

3. Revenue and segmental information

The Group has one primary segment - the supply of monitors, sensors and support services associated with the use of the LiDCO's cardiac monitoring equipment. Geographical and product type analysis is used by management to monitor sales activity and is presented below:

Turnover and result by geographical region

Group Revenue	**Six Months ended 31 July 2008 £'000**	Six Months ended 31 July 2007 £'000	Year ended 31 January 2008 £'000
UK	1,063	848	1,724
USA	348	468	1,241
Europe	484	523	873
Rest of World	127	131	213
	2,022	1,970	4,051
Result			
UK	251	133	249
USA	(195)	(211)	(111)
Europe	182	217	291
Rest of World	42	35	93
Total	279	173	522
Unallocated Costs	(1,368)	(1,245)	(2,532)
Loss from operations	(1,089)	(1,072)	(2,010)

Revenue by type

Monitor sales	918	866	1,934
Consumables sales	1,104	1,069	2,064
License fees	0	35	53
	2,022	1,970	4,051

Sales of monitors to Med One amounted to £211,000 (2007: £125,000). The payments to Med One relating to consumables and included within cost of sales amounted to £253,000 (2007: £228,000) during the period.

In the interim statement for the six months to July 2007, the payments to Med One were

included within administration costs. In the financial statements to 31 January 2008 and in these interim statements these costs have been included within cost of sales as it is considered more appropriate. The results to July 2007 have been restated.

The Group can identify trade receivables and trade payables relating to the geographical segments. As noted above, the Group has one primary segment and other assets and liabilities together with non sales related overheads are not accounted for on a segment by segment basis. Accordingly, segment assets, liabilities and segment cash flows are not provided.

4. DISTRIBUTION OF THE INTERIM STATEMENT

Copies of this statement will be available for collection free of charge from the Company's registered office at 16 Orsman Road, London N1 5QJ. An electronic version will be available on the Company's website, www.lidco.com.

Independent review report to LiDCO Group Plc

Introduction

We have been engaged by the Company to review the financial information in the half-yearly financial report for the six months ended 31 July 2008 which comprises the condensed income statement, condensed consolidated balance sheet, condensed cashflow statement and notes. We have read the other information contained in the half yearly financial report which comprises only the Chief Executive Officer's statement and Financial Review and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The AIM rules of the London Stock Exchange require that the accounting policies and presentation applied to the interim figures are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable for such accounts.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with the basis of preparation.

Our responsibility

Our responsibility is to express to the Company a conclusion on the financial information in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed

by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report for the six months ended 31 July 2008 is not prepared, in all material respects, in accordance with the basis of accounting described in Note 2.

Grant Thornton UK LLP
Auditor
London
30 October 2008

The maintenance and integrity of the LiDCO Group Plc website is the responsibility of the directors: the interim review does not involve consideration of these matters and, accordingly, the Company's reporting accountants accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the interim report differ from legislation in other jurisdictions.