Press Release **29 October 2009**

LIDCO GROUP PLC

("LiDCO" or the "Company")

Interim Results for the six months ended 31 July 2009

LiDCO (AIM:LID), the cardiovascular monitoring company, today announces its interim results for the six months ended 31 July 2009.

Financial Highlights

- Revenue up 23% at £2.49 million (2008: £2.02 million); underlying income (excluding Med One revenue) up 38%
- Recurring revenue increased 41% to £1.63 million (2008:£1.16 million)
- Gross profit up 12% to £1.51 million; gross margin 61% (2008: 68%)
- Operating loss (based on 2008 foreign currency rates) down 11% to £964,000; actual operating loss £1.19 million (2008: £1.09 million)
- £3.02 million (net) of equity raised in the period
- Cash balance of £2.54 million. Borrowings reduced to £400,000
- Loss per share 0.74p (2008: 0.71p)
- USA sales up by 233% at £1.16 million (2008: £348,000), with a rise of 157% in recurring disposables income
- Product margins remain healthy: 50% on monitors and 89% on disposables

Operational Highlights:

- Substantial progress with distributor arrangements in world's three biggest markets:
  - US: Aspect Medical appointed for whole of the USA in July; reduces direct sales costs by £0.65 million per annum,
  - Japan: Grant of Japanese sales and marketing license for the LiDCO*rapid* to Becton, Dickinson and Company in April
  - Germany – Absolute Medical appointed as a distribution partner in March
  - Combined up-front license fees of US$1.5 million
- Sensors, Smartcard and fees-per-use volumes up 53% to 21,083 units (2008: 13,788 units)
- Monitors sold or placed in the period were up by 78% to 280 units (2008: 157 units)
- The installed monitor base is up by 19% in the period to 1,790 units
- Significant increase in level of recurring revenue - up in all territories - now represents 69% of product income
- Selected as sole technology for OPTIMISE - UK Government sponsored multi-centre surgical outcomes study
- Second generation LiDCO*rapid* v1.02 software launched

Post period highlight

- Covidien (NYSE: COV), a leading global healthcare products company, has entered into a definitive agreement to acquire Aspect Medical Systems, Inc.

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

"In the last six months LiDCO has entered into three significant partnerships giving us fuller access to the three largest markets in the world – United States, Japan and Germany. There is a growing demand worldwide for minimally invasive monitoring technology and the clinical community is showing an increasing recognition for the LiDCO brand. The Company is in a very strong position to take full advantage of this opportunity, we now have the right products and distribution partners to achieve significant growth. We continue to make progress on many fronts and LiDCO remains on track to deliver a maiden profit in the coming full year."

The Company presentation will be available from today on the LiDCO website (www.lidco.com).

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About LiDCO Group Plc

LiDCO is a supplier of minimally invasive hemodynamic monitoring equipment and disposables to hospitals. These products are used primarily for the management of hospital patients requiring critical care or at major cardiovascular risk. LiDCO's computer-based technology significantly reduces the complications (particularly infections) and costs associated with major surgery. The technology was invented in the Department of Applied Physiology based at St Thomas' Hospital, London. LiDCO is based in the UK and its shares are traded on AIM. For more information please see www.lidco.com.

The Company's manufacturing facility is in Hoxton, London, and its current products are:

* LiDCO*plus* is a computer-based platform monitor used in the Intensive Care Unit for real-time continuous display of hemodynamic parameters including cardiac output, oxygen delivery and fluid-volume responsiveness (PPV% and SVV%)

* LiDCO*rapid*: our new cardiac output monitor designed specifically for use in the Operating Theatre for fluid and drug management at the point of care. The monitor features many clinical benefits. These enable acute-care physicians to get accurate and immediate feedback on the patient's fluid and hemodynamic status – a key measure of overall well-being during and after surgery. These benefits are:

- Early and rapid warning of change
- Clear indication of therapeutic route: fluid or drug
- Quantification of hemodynamic response, particularly stroke volume
- Permits more effective delivery of fluids – the right amount at the right time
- Advanced hemodynamic care has been shown to contribute to:
  - Reduced morbidity and complications
  - Reduced length of stay
  - Reduced overall cost of care

* LiDCO single-patient-use disposables used in conjunction with the LiDCO*plus* and LiDCO*rapid* monitors.

* LiDCO*view*: an easy-to-use graphical display of historical LiDCO*plus* hemodynamic data. Both clinical researchers and routine users can view beat-to-beat hemodynamic data collected with the LiDCO*plus*.

LiDCO Distribution Network:

The Company sells direct to hospitals in the UK, and elsewhere through a worldwide network of speciality critical care and anesthesia distributors.

CHIEF EXECUTIVE OFFICER'S REVIEW

Overview

The first six months of this year have been highly productive for LiDCO, despite challenging global economic conditions. The Company is making excellent progress and has seen significant growth in revenues, distribution reach and a substantial growth of the monitor installed base.

Financials

We are pleased to report sales are up 23% to £2.49 million (2008: £2.02 million) despite a worldwide background of reduced capital spend by hospitals. Recurring disposable revenue sales are encouragingly up in all major territories and we have seen an overall increase of 53% to 21,083 units (2008: 13,788). These results reflect the mounting acceptance and use of our new surgery product the LiDCO*rapid* monitor that, coupled with our growing sales presence, is resulting in an increasing share of the hemodynamic monitoring market. In a little over one year this product has grown to represent almost one third of our installed base. Between the LiDCO*rapid*'s launch in April 2008 and July 2009, 546 monitors have been sold or placed with distributors and hospital customers. As expected, the surgery market is proving to be an excellent growth opportunity for the Company.

The LiDCO*plus* monitor installed base continues to grow, but at a slower rate, mainly due to the resources spent launching and promoting the new LiDCO*rapid* monitor. The combined effects of a lower number of direct capital sales in the UK (but not placements), price differential between the LiDCO*rapid* monitor and the more expensive LiDCO*plus* monitor and a reduced transfer price to Aspect Medical Systems ("Aspect") has resulted in lower monitor revenue in the period (£745,000 compared with £866,000). However, the lower overall capital revenue concealed a 78% increase in monitors to 280 (2008: 157 units) sold and placed in the period. Disposables revenues were up in all territories. Sales advanced most in the USA, where overall revenues were up by 233% at £1.16 million (2008: £348,000) with a rise of 157% in recurring disposables income. During the period the USA was our biggest territory by both size of installed base (760 monitors) and overall income. Sales were predominantly (67%) to export markets, with the domestic UK market now representing 33% of sales revenue. This broader geographic spread of business represents an important transition and one that makes us less vulnerable to slowdowns in sales in any one territory.

Successful Fundraising

In order to strengthen the Company's balance sheet and reduce our exposure to potentially uncertain banking facilities we were successful in raising £3.02m (net) in the period from existing investors including management and a group of new institutional funds. The placing was over subscribed and together with the license fees received has significantly reduced our reliance on our existing banking facilities.

Channels to market

To avoid incurring the ever increasing costs of a direct sales force, our strategy since inception has been to increase sales by using third party specialist distributors outside of the UK and, more recently in the USA. Selling our technology is an attractive option for distributors due to the growth and size of the hemodynamic monitoring market and the significant product margins available to them. Last year we added 13 new distributors, covering 18 countries.

Over the last months we have put in place substantial distribution arrangements for the three biggest markets in the world namely the USA, Japan and Germany. Three highly significant additions to our distribution network were made - Becton Dickinson ("BD") in Japan, Aspect Medical Systems ("Aspect") in the USA and Absolute Medical in Germany. These appointments are a result of the strength of our technology and increasing body of data showing the benefits of advanced hemodynamic monitoring. We have seen the benefit of these arrangements starting to emerge in the first half's results, where we have increased revenues and taken an increased market share.

BD and Aspect are major global medical technology corporations, which have paid LiDCO upfront license fees totalling £940,000 for sales and license rights. Aspect has also taken over the majority of our direct sales people in the USA, reducing our direct costs while indirectly providing a sales force of sufficient scale to access the world's biggest market for the LiDCO*rapid.*

In July we signed an exclusive distribution agreement for the LiDCO*rapid* monitor with Aspect, which has one of the biggest anesthesia medical product sales teams in the US and sells into over 80% of operating rooms in major hospitals. Aspect has a proven ability to build market share with new technology and has considerable experience of developing a recurring revenue stream from the placement of monitors in surgery

accounts. Equally important is that Aspect has the finances necessary to compete and participate in this growing market opportunity. This agreement gives Aspect an additional product line while significantly improving LiDCO's level of US sales coverage. We are immediately benefiting from Aspect's existing sales, sales management and clinical educator force of over 90 staff and with Aspect on board we no longer have the issues and attendant costs of running a sub-scale sales team in the US market. An excellent partnership is already beginning to develop between our two companies. The Aspect team is now fully trained and re-launched the LiDCO*rapid* product in October, showcasing the product to 15,000 anesthetists at the American Society of Anesthesia meeting in New Orleans. On 28 September 2009 Covidien (NYSE: COV), a leading global healthcare products company, entered into a definitive agreement to acquire Aspect for approximately US$210 million. This is exciting news for LiDCO, the terms of the agreement with Aspect remain unaltered and the acquisition should give our products an even greater exposure in the US market.

Looking ahead, there are significant technical synergies that exist between Aspect's Bispectral Index (BIS) product, which ensures the correct depth of anesthesia is achieved, and the use of the LiDCO*rapid* monitor to optimize blood flow and oxygen delivery. By monitoring the brain and simultaneously the hemodynamic response to the stresses of surgery, we can together provide a more complete view of the patient. It is becoming increasingly clear that better management of anesthesia should achieve better patient outcomes. Accordingly we have agreed to collaborate to develop a new unique monitoring product that will integrate both LiDCO's and Aspect's technologies. We believe that this product will represent the most evolved surgical monitor available.

BD is one of the world's biggest global suppliers of medical disposables to the surgery and critical care market and is an important and influential corporate partner for LiDCO. After the US, the Japanese market is the world's second biggest by value. Minimally invasive hemodynamic monitoring is becoming well established in Japan and its use is generously reimbursed by the Ministry of Health. Since signing the contract BD has received confirmation that LiDCO*rapid* use will be eligible for reimbursement and the registration/reimbursement processes have now begun. We expect launch to occur late 2010 to early 2011 – when a second license payment will be paid and product sales will start.

In April, LiDCO signed an agreement with Absolute Medical for the German market. With a population of 82 million people, Germany ranks as the third largest medical device market in the world (behind the USA and Japan) and represents 36% by value of the European medical device market. Thus, together with our partners we now can significantly address the global surgical market opportunity, which we estimate to be worth US$800m per annum.

Market trends and prospects for sales

Although the world's economy has experienced a significant downturn this year, healthcare is expected to remain one of the most defended expenditures made. We expect the worldwide market for minimally invasive hemodynamic monitoring products will continue to grow as hospitals are put under increased pressure to improve profitability through adopting treatments proven to reduce surgical complications. We believe this shift in approach is irreversible and reflects a change in practice in hospitals supported by new payment arrangements made by insurers and reimbursement payments. Not only can our technology be used to reduce the requirement to insert an invasive catheter for fluid management – we have also demonstrated that targeting oxygen delivery using LiDCO*plus* technology on high-risk surgery patients can reduce hospital stay by an average of 12 days[1] and reduce associated hospital costs by £4,800 per patient.

While anticipating continued market growth both we and our distribution partners have already seen a significant shift in how hospitals propose to pay for new technology. Reduced capital equipment purchase budgets have resulted in there being significantly more requests for product placements (where the monitor is installed in a hospital at no cost but the disposables incur a higher charge). To be successful, vendors will need to offer more flexible purchasing terms to hospitals. To do so will require a strong capital base in order to finance the cash flow implications of a predominantly placement approach. In the US market, Aspect already has considerable experience in the development of a recurring revenue stream through monitor placements. Last year it placed 2,500 of its own BIS monitors into the US market and sold 4 million disposables into this installed base. Aspect expects to make further progress in the placement of the LiDCO*rapid* monitors and thus a further increase in market share. Whilst the placement model is not as profitable as capital sales, revenue sharing arrangements exist if monitors are sold as opposed to placed by Aspect.

Outlook

The first six months have been very productive during which the Company has maintained growth, reduced its borrowings and future costs while significantly expanding its route to market, particularly in the world's top three territories. Whilst healthcare expenditure is highly defended in developed countries, hospitals are increasingly requiring suppliers to offer less capital intensive and more flexible ways of acquiring new technologies. With a stronger cash position and having partners with strong balance sheets we have the capital structure to, if necessary, address the market through placing of monitors and deriving income from recurring disposables sales. It is a testament to the strength of the Company's products, partners and the growing acceptance of our technology that these results have been achieved despite the backdrop of a worldwide recession.

The worldwide clinical community is showing an increasing acceptance and recognition for the LiDCO brand for providing safe, minimally invasive monitoring technology that is accurate and very easy to use. This is evidenced by the choice of our technology for use in key multi-centre outcome studies. The Company is in a strong position, it has the right products, funding, cost structure and sales resources in all of the major markets to achieve significant growth in the coming years and we look forward to the future with confidence.

[1] Early goal-directed therapy after major surgery reduces complications and duration of hospital stay. A randomised, controlled trial, Critical Care 2005, **9:**R687-R693 doi:10.1186/cc3887

Business Review - Summary Table

	6 months to 31 July 2009	6 months to 31 July 2008	Increase/ (decrease)	Increase/ (decrease) %
Sales by type (£'000)				
- Monitors	745	866	(121)	(14%)
- Sensors/Smartcards/Fee per Use	1,627	1,156	471	41%
- Licence Fees	122	0	122	100%
Total	**2,494**	**2,022**	**472**	**23%**
Sales by Units				
Monitors sold/placed	280	157	123	78%
Sensor, Smartcard and Fee per Use Sales	21,083	13,788	7,295	53%
Installed Base (end period)	1,790	1,329	461	35%

Regional sales performance summary

USA

•	Strong progress – growth in units sold/placed, overall revenue and disposable sales growth
•	Increased revenue up 233% to £1,159,000 (2008: £348,000)
•	Monitor revenue up to £449,000 (2008:£96,000)
•	Sensor, Smartcard & fee for use sales up 157% to £650,000 (2008: £252,000)
•	Licence fee income of £60,000 (2008: £Nil)

UK

•	Installed base of monitors up by 7% but monitor capital revenue affected by the capital freeze and move to LiDCO*rapid* & placement model
•	Total sales (excluding MedOne) revenue steady at £822,000k (2008: £852,000; with MedOne £1,063,000)
•	Capital revenue (excluding MedOne) down to £95,000 (2008: £159,000)
•	Sensor, Smartcard and, fee for use sales of £727,000 up 5% (2008: £694,000)

Continental Europe

•	Overall sales revenue down by 21% to £381,000 (2008: £484,000)
•	Capital revenues affected by phasing of monitor sales to distributors
•	Monitor sales revenue of £166,000 down 45% (2008: £300,000)
•	Sensor/Smartcard sales up 17% £215,000 (2008: £184,000)

Rest of World & Licence Fee Income

•	Overall revenue steady at £132,000 (2008:£127,000)
•	Monitor revenue down 64% to £35,000 (2008: £98,000)
•	Sensor/Smartcard sales up by 21% to £35,000 (2008: £29,000)
•	Licence fee income of £62,000 (2008 £Nil)

FINANCIAL REVIEW

Effect of exchange rate movements

The net effect of movement in foreign exchange rates both during the period and in comparison with the first half of last year has been to increase the Company's operating loss. If exchange rates had remained the same as the first six months of last year, the operating loss would have been £964,000 representing an 11% improvement on the interim results for last year.

The result of changes in exchange rates when compared with last year has been to increase sales by £101,000, to increase cost of sales by £175,000 and to increase overheads by £154,000. The largest single element of the adverse fluctuations in exchange rates was the cost of the sales and marketing presence in the USA, which has now been substantially reduced as a result of the agreement with Aspect.

Margins

The average product margin across all products against external procurement costs fell during the period from 81% to 75%, partly as a result of higher costs due to exchange rate movements and partly due to the reduced margins achieved on the sales of LiDCO*rapid* monitors to Aspect. Margins achieved on LiDCO*plus* sensors fell 1% to 86% and on Smartcards by 1% to 94%. The overall gross margin on sales after allowing for Med One costs was 61%, down from 68% for this period last year. Med One payments in the period amounted to £400,000 (2008: £253,000) with approximately half the increase arising from adverse exchange rate movements. However, Med One payments have now peaked and should reduce to zero over the next 2 years.

Overheads

Excluding the effect of exchange rate movements, overheads increased by 6% compared with the same period last year, largely the result of increased sales and marketing costs. Total overheads increased by £267,000 of which £154,000 is the effect of adverse exchange rate movements. Going forward, the transfer of most of the US sales force to Aspect will reduce costs by about £650,000 in a full year commencing from the start of the second half this year.

Cash, financing and working capital

The net cash outflow before financing activities was £743,000 compared with an operating loss of £1.192 million. Historically the Company has used bank loans, overdrafts and invoice discount financing facilities as a means of providing working capital. In order to reduce our dependence on such facilities going forward, the Company issued 31,916,000 new ordinary shares at 10p to existing investors, including management and to new institutional investors raising £3.02 million net of costs. During the period the Company was also in receipt of up-front license fees from Aspect and Becton Dickinson totalling £940,000. In addition to generally strengthening the balance sheet, these funds will more readily allow the Company to adopt a placing model for its monitors with its UK customer base.

Cash balances at 31 July amounted to £2.54 million. The Company continues to monitor overheads and cash carefully and is expecting to achieve break even from both a profit and cash perspective on a monthly basis some time during the first half of next year.

PRODUCT DEVELOPMENT

Product development in 2008 centred around existing product support and enhancements, along with the market expansion to surgery with the launch of the LiDCO*rapid.* The aims for 2009 are to further refine and differentiate the LiDCO*rapid* user interfaces and also to improve and simplify customer use/connectivity of our products.

LiDCO*rapid* user interface enhancements

I am pleased to say that a follow-on software release v1.02 has now been launched, and can be implemented simply on all existing monitors with the use of a USB key.

Important new features include:

- User adjustable timescales for displayed parameters including trending of stroke volume and pulse pressure variations (used for guiding the volume of fluid administered to patients) - now up to 60 minutes of data can be trended.
- User selected event response window with continuous trending.
- History Screen added - with up to 24 hours of graphical trends of key parameters available for review.
- Chart Screen for display and recording of numerical data up to 24 hours - assists the user in the recording of readings to the patient record during or post surgery.

The new features fit in seamlessly with the current user interface, further enhancing usability without changing the core algorithms for determination of stroke volume and cardiac output.

Universal pressure waveform module

The universal waveform acquisition module, under development, will allow wider market adoption of our products by making it easier to access arterial blood pressure data in situations where access to the blood pressure waveform is difficult, or involves additional expensive cabling, or where the primary patient monitor does not provide the necessary analogue arterial pressure output. The new module is planned for release in late 2009/early 2010.

LiDCO language localisation

The aim of this project is to convert LiDCO*rapid* and LiDCO*plus* monitors software from English into all the local languages in territories where we are or will be selling the product. It is anticipated that LiDCO*rapid* language localisation will be concluded in the early months of 2010.

Development of supportive clinical & business cases

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.

We have previously announced that the LiDCO*plus* was selected as the technology for use in two further significant multi-centre outcome trials in the USA (for details see April 2009 preliminary announcement: Prospective trial improving outcomes in high-risk surgery and USA "Monitor" multi-centre randomised transplantation donor optimization study). Both studies are ongoing and being run by doctors working at the University of Pittsburgh.

More recently in September we were pleased to announce that the LiDCO*rapid*, the Company's monitor for acute care fluid and drug management, has been chosen as the sole cardiac output monitoring system to be used in OPTIMISE, a government-supported multi-centre trial in the UK, which aims to improve surgical outcomes by optimising cardiovascular management. This trial is believed to be the largest of its type in the world to date and is therefore a significant validation of the choice of LiDCO's technology. The LiDCO*rapid* will be used to monitor the administration of fluids and drugs in the treatment arm of the OPTIMISE trial. Twelve UK centres and 726 adult high-risk patients undergoing major abdominal surgery will be involved in the study which is scheduled to start this autumn. Co-ordinated by Dr Rupert Pearse, consultant and senior lecturer in intensive care medicine at Barts and The London NHS Trust, the study is supported by an £850,000 grant from the National Institute for Health Research. LiDCO will supply the twelve participating hospitals with up to 24 monitors for the study, which is expected to take 12-18 months to complete.

Terry O'Brien
Chief Executive Officer
29 October 2009

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 31 July 2009

	Note	**Six Months ended 31 July 2009 £'000**	Six Months ended 31 July 2008 £'000	Year ended 31 January 2009 £'000
Revenue	3	2,494	2,022	4,532
Cost of sales		(983)	(675)	(1,512)
Gross profit		1,511	1,347	3,020
Distribution costs		(31)	(29)	(107)
Administrative expenses		(2,672)	(2,407)	(4,709)
Loss from operations		(1,192)	(1,089)	(1,796)
Finance income		1	44	57
Finance expense		(8)	(20)	(31)
Loss before tax		(1,199)	(1,065)	(1,770)
Income Tax		56	60	120
Loss for the year and total comprehensive income attributable to equity holders of the parent		(1,143)	(1,005)	(1,650)
Loss per share (basic and diluted) (p)		0.74p	0.71p	1.16p

CONDENSED CONSOLIDATED BALANCE SHEET
At 31 July 2009

	31 July 2009 £'000	31 July 2008 £'000	31 January 2009 £'000
Non-current assets			
Property, plant and equipment	636	765	671
Intangible assets	750	768	746
	1,386	1,533	1,417
Current assets			
Inventory	1,109	1,038	1,053
Trade and other receivables	1,786	1,302	1,686
Current tax	120	180	120
Cash and cash equivalents	2,540	975	487
	5,555	3,495	3,346
Current liabilities			
Trade and other payables	(573)	(634)	(905)
Deferred income	(400)	(32)	(37)
Borrowings	(387)	(556)	(618)
	(1,360)	(1,222)	(1,560)
Net current assets	4,195	2,273	1,786
Total assets less current liabilities	5,581	3,806	3,203
Equity attributable to equity holders of the parent			
Share Capital	870	710	710
Share premium	25,393	22,531	22,531
Merger reserve	8,513	8,513	8,513
Retained earnings	(29,676)	(27,975)	(28,575)
Total equity	5,100	3,779	3,179
Non-current liabilities			
Finance lease liability	19	27	24
Deferred income	462	-	-
Total non-current liabilities	481	27	24
Total equity and non-current liabilities	5,581	3,806	3,203

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 31 July 2009

	Six Months ended 31 July 2009 £'000	Six Months ended 31 July 2008 £'000	Year ended 31 January 2009 £'000
Operating loss	(1,192)	(1,089)	(1,796)
Depreciation and amortisation charges	327	331	688
Share based payments	42	44	91
(Increase)/decrease in inventories	(56)	(199)	(214)
(Increase)/decrease in receivables	(100)	(33)	(357)
(Decrease)/increase in payables	(342)	(82)	294
Increase in deferred income	825	-	-
Finance expense	(8)	(20)	(31)
Income tax credit received	56	-	121
Net cash outflow from operating activities	(448)	(1,048)	(1,204)
Cash flows from investing activities			
Purchase of property, plant & equipment	(74)	(38)	(208)
Purchase of intangible fixed assets	(222)	(217)	(447)
Interest received	1	44	57
Net cash used in investing activities	(295)	(211)	(598)
Net cash outflow before financing	(743)	(1,259)	(1,802)
Cash flows from financing activities			
Repayment of finance lease	(5)	-	-
Issue of ordinary share capital	3,022	-	-
Convertible loan drawdown/(repayment)	-	-	(553)
Invoice discounting financing facility	(278)	-	364
Net cash generated from financing activities	2,739	-	(189)
Net (decrease)/increase in cash and cash equivalents	1,996	(1,259)	(1,991)
Opening cash and cash equivalents	243	2,234	2,234
Closing cash and cash equivalents	2,239	975	243

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 31 July 2009

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
At 1 February 2008	710	22,550	8,513	(27,016)	4,757
Issue of share capital	–	(19)	–	–	(19)
Share based payment expense	–	–	–	91	91
Loss for the year	–	–	–	(1,650)	(1,650)
At 31 January 2009	**710**	**22,531**	**8,513**	**(28,575)**	**3,179**
Issue of share capital	160	2,862	–	–	3,022
Share based payment expense	–	–	–	42	42
Loss for the half year	–	–	–	(1,143)	(1,143)
At 31 July 2009	**870**	**25,393**	**8,513**	**(29,676)**	**5,100**

NOTES TO THE INTERIM STATEMENT

1. STATUS OF THE FINANCIAL STATEMENTS

These financial statements are unaudited. The financial information for the year ended 31 January 2009 is not the Company's statutory accounts for the purposes of Section 240 of the Companies Act 1985. The Company's statutory accounts for the year ended 31 January 2009 received an unqualified audit report, which did not contain a statement under s237(2) or s237(3) 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 on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS) which were the accounting policies used in the report and accounts for the Group for the year ended 31 January 2009. The accounting policies are unchanged from those used in the last annual accounts with the exception of the adoption of IAS1(revised) "Presentation of Financial Statements" and IFRS8 "Operating Segments".

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.

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 2009 £'000**	Six Months ended 31 July 2008 £'000	Year ended 31 January 2009 £'000
UK	822	1,063	2,161
USA	1,159	348	1,027
Europe	381	484	1,093
Rest of World	132	127	251
	2,494	2,022	4,532
Result			
UK	(81)	250	565
USA	(10)	(195)	(329)
Europe	153	182	477
Rest of World	68	42	92
Total	130	279	805
Unallocated Costs	(1,322)	(1,368)	(2,601)
Loss from operations	(1,192)	(1,089)	(1,796)

Revenue by type

Monitor sales	745	863	1,959
Consumables sales	1,627	1,159	2,495
License fees	122	0	78
	2,494	2,022	4,532

Sales of monitors to Med One amounted to £Nil (2008: £211,000). The payments to Med One relating to consumables and included within cost of sales amounted to £400,000 (2008: £253,000) during the period.

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. LOSS PER SHARE

The calculation of the loss per share for the six months to 31 July 2009 is based on the loss for the period of £1,143,000 and the weighted average number of shares in issue during the period of 153,865,363.

5. ISSUED SHARE CAPITAL

During the period the Company issued 42,500 ordinary shares pursuant to the exercise of options. In addition a total of 31,916,000 ordinary shares were issued at 10 pence per share to existing investors including management and to new institutional investors. The number of ordinary shares in issue at 31 July 2009 was 173,941,554.

In connection with the agreement with Aspect Medical, the Company issued warrants to Aspect over 13,915,324 ordinary shares. The warrants are exercisable in two stages provided Aspect achieves its sales targets in the first 2 years of the agreement. These warrants are exercisable at a 20% premium to the average share price between 14 July and 11 August 2009.

6. 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 2009 which comprises the condensed consolidated income statement, condensed consolidated balance sheet, condensed consolidated cashflow statement, condensed consolidated statement of changes in shareholders' equity 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.

The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The financial information in the half-yearly financial report has been prepared in accordance with the basis of preparation in Note 2.

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 2009 is not prepared, in all material respects, in accordance with the basis of accounting described in Note 2.

Grant Thornton UK LLP
Auditor
London
29 October 2009

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.