Press Release **26 October 2010**

LIDCO GROUP PLC

("LiDCO" or the "Company")

Interim Results for the six months ended 31 July 2010

LiDCO (AIM:LID), the hemodynamic monitoring Company, today announces its interim results for the six months ended 31 July 2010.

Financial Highlights

- Total revenue increased by 7% to £2.66m (2009: £2.49m)
- Revenues excl. USA in Europe, UK and ROW increase by 33% to £1.78m
- Gross profit up 19% to £1.80m; gross margin 68% (2009: 61%)
- Average product margins at 79% improved slightly (2009: 78%)
- Significantly reduced operating loss to £0.58m (2009: £1.19m)
- Lowest ever six months cash outflow before financing at £113,000 (2009:£743,000 outflow)
- Cash balance of £1.73m
- Loss per share 0.35p (2009: 0.74p)

Operational Highlights

- The installed monitor base increased by 8% in the period to 2,250 units
- 175 monitors sold or placed during the 6 month period (2009: 280 - included large US stocking order)
- Studies published showing use reduces mortality in shock patients and reduced length of stay and complications in surgery patients

Post Period End

- LiDCO*rapid* v1.03 and blood pressure module completed in September
- LiDCO's US partner Covidien now has a stronger sales team, surgery franchise and combination technology offering
- LiDCO monitors now have connectivity to both Philips and GE's Centricity Clinical Information Systems

Commenting on the results Terry O'Brien, Chief Executive, said: "With sales up 7% in the first half and costs reduced we continue our progress towards profitability. We expect the second half to be stronger still and the outlook for sales growth remains very positive. We are confident of further growth in our US business through our distributor Covidien as the sales force gets into its stride but have tempered our expectations for sales growth in Europe outside of the UK.

"The benefits of integration of clinical information both at the bedside through the monitor and more widely in hospital are becoming clear. With our collaborations on communication protocols to monitoring systems from Philips and GE and our plans to converge monitoring parameters, we are positioning ourselves to benefit from these market opportunities."

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

- Ends -

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CHIEF EXECUTIVE OFFICER'S REVIEW

I am very pleased to report further progress towards profitability during the period. With revenues up, improved margins and administration expenses kept under control, we have seen our lowest ever loss and cash usage. The Board was encouraged to see sales growth of 34% in our direct UK market, with increases seen across the board for both critical care and surgery products. Overall sales were up 7%, however excluding the USA, where comparisons were affected by a prior year stocking order and acquisitions delaying the full engagement of the Covidien (NYSE: COV) sales organization, sales were up a very encouraging 33%. This is despite conditions in some parts of Europe remaining challenging. After a slow start in the USA we are seeing momentum build in both the pipeline and actual hospital conversions.

This month Becton, Dickinson and Company ("BD") completed the sale of their critical care business group to Argon Medical Devices ("Argon"). I am delighted to report Argon has informed LiDCO that it would like to take over the distribution and sales our product in Japan and we are in productive discussions with Argon and a number of other distributors who are also interested to take over sales in Japan. The market opportunity for our product in Japan is large (US$285m per annum) and we expect to appoint a new distributor shortly.

Sales and trading

Sales are up 7% to £2.66 million (2009: £2.49 million) and overall margins have increased from 61% to 68%. Export sales of £1.56 million represent 59% of revenue. The installed monitor base is up by 8% in the period to 2,250 units (1299 LiDCO*plus*; 951 LiDCO*rapid*). Overall monitor capital revenue was slightly down by £49,000, due to the phasing of Covidien orders and with the comparative prior period including a large initial stocking order. I am pleased to report that since the half year end we have received orders for a further 100 monitors from Covidien, totaling £470,000 for monitors and disposables.

Total recurring disposable revenue was steady but this figure is affected to a degree by comparisons against the previous USA stocking order. Moreover, we experienced some revenue losses in some USA accounts where LiDCO*plus* sensor disposable revenue is progressively being substituted for lower priced LiDCO*rapid* cards supplied though Covidien. The net result was that although USA disposable income was down by £176,000, disposable revenues outside of the USA increased by 18% to £1.16 million (2009: £980,000) - an overall increase of 10% to 12,615 units. The increase in

disposable revenue reflects growth in the use of our surgery product the LiDCO*rapid* monitor, which now represents 42% of our worldwide installed monitor base.

As expected the LiDCO*plus* monitor installed base is growing, but more slowly than the LiDCO*rapid*. However, both LiDCO*plus* monitor and disposable revenues increased in the period. This was a respectable result given the strong sales focus on LiDCO*rapid* and as mentioned, the substitution of some of our LiDCO*plus* sensor sales business by LiDCO*rapid* card income. Sales outside the USA increased by 33%. This was a good performance given the prevailing economic conditions, particularly in parts of southern Europe.

Markets

UK

The enlarged UK sales team had a successful start to the year with overall sales growth of 34% to £1.10m (2009: £0.82m). Increases were seen across the board for both critical care (LiDCO*plus*) and surgery products (LiDCO*rapid*). Disposable revenues were up 19% to £0.86m (2009: £0.72m). Our recurring revenue stream is now 78% of total UK revenues. Capital revenues almost doubled to £186,000 (2009: £95,000) compared to the comparative period. Increasingly hospitals are adopting our technology as part of their enhanced surgical recovery programs; we expect revenues to continue to grow well in our domestic market.

USA

The comparisons with the comparative period are complicated by the large initial stocking order taken by Aspect and later phasing of sales to Covidien in 2010. It is now clear that commercial progress has been unavoidably delayed due to Covidien's acquisition of Aspect last year and then its recent acquisition, for the same sales division, of the Somanetics Corporation in June. These two acquisitions undoubtedly strengthen Covidien's product offering (particularly for surgery) and have further improved the reach and technical expertise of the sales force. However, in the short term, the inevitable disruption due to sales and marketing reorganization has meant that Covidien's sales efforts with LiDCO*rapid* in the first months of its involvement have been negatively affected.

Given this background, it was encouraging to see that the LiDCO*rapid* USA sales pipeline was starting to build by the second quarter of this year. In the three months to the end of September 2010, the Covidien specialty sales force conducted twice as

many evaluations as in the previous six months. Covidien's specialist sales personnel are required to achieve specific sales targets for the LiDCO*rapid* monitor and disposables in Covidien's 2010/11 budget and so we expect the number of successful evaluations to build from here on. In the first contract year Covidien has achieved the first year minimum sales and is optimistic for the success of the product. LiDCO*rapid* sales are expected to contribute significant revenue growth to their respiratory and monitoring division.

Since the signing of the USA distribution contract in July 2009 and transfer of the sales force, we have significantly reduced our direct selling costs in the USA. The key task is now to address the world's biggest single market for the LiDCO*rapid* through fully training and engaging Covidien – which has one of the biggest patient monitoring sales forces in the world today. Importantly, Covidien USA sales representatives can now offer customers a unique combination of monitoring products that help ensure surgery patients are adequately hydrated, not over sedated and fully oxygenated.

Continental Europe

We are confident that we have the right hemodynamic monitoring products to address the arterial line acute care patient. However, we look to maintain a network of distributors with adequate resources within those territories in which the correct economic climate exists to pay for the adoption of new technology. Recently in parts of southern Europe the economic climate has been weak, holding back purchases in both existing and our newer distributor territories. In Germany, LiDCO's biggest European market, the domestic competitor is strongly entrenched and the hospital system is undergoing considerable consolidation. Nonetheless, sales of disposables into Europe in the period increased by 9% but overall revenues were slightly down by £26,000 due to a lower level of monitor restocking. Looking forward, while matters remain so adverse for change in Germany coupled with the economic weakness of some other countries we are tempering our expectations for Europe over the next year.

ROW

Sales in the ROW were up 145%, reflecting increases across the board in license fees, monitor and disposable revenues. This was a good performance and we have a number of initiatives in place to ensure further progress in these markets.

Minimally invasive hemodynamic monitoring is becoming well established in Japan. We believe the Japanese hemodynamic monitoring high risk surgery market has a potential

market value of US$285 million per annum with reimbursement currently available for patients treated. With respect to our distribution arrangements in Japan, in October 2010 Argon announced that it had acquired the critical care division of BD. LiDCO had signed a distribution agreement with BD in April 2009 for sales of the LiDCO*rapid* in Japan and a registration application file for product approval has been prepared for submission. We have been informed by Argon that it would like to take over the distribution and sales of our product in Japan. We are currently in discussions with Argon and a number of other organizations and expect to appoint a new distributor shortly.

Business Review - Summary Table

	6 months to 31 July 2010	6 months to 31 July 2009	Increase/ (decrease)	Increase/ (decrease) %
Sales by type (£'000)				
- Monitors	696	745	(49)	(7%)
- Sensors, Smartcards and other recurring revenue	1,632	1,627	5	0%
- License Fees and Other Income	334	122	212	174%
Total	**2,662**	**2,494**	**168**	**7%**
Sales by Units				
Monitors sold or placed	175	280	(105)	(38%)
Sensor, Smartcard and Fee per Use Sales	20,669	21,083	(414)	(2)%
Installed Base (period end)	2,250	1,790		

Regional sales performance summary

UK

- Enlarged sales force
- Total revenue up 34% at £1,103,000 (2009: £822,000)
- Monitor revenue up 96% to £186,000 (2009: £95,000)
- Sensor, Smartcard and fee for use sales of £862,000 up 19% (2009: £727,000)
- Other income £55,000 (2009: nil)

USA

- The comparative period is weighted by the large initial stocking order taken by Aspect and later phasing of sales to Covidien in 2010
- Commercial progress has been unavoidably delayed due to Covidien's two acquisitions, given the inevitable disruption due to sales and marketing reorganization
- Total revenue down 24% to £882,000 (2009: £1,159,000)
- Monitor revenue down 39% to £273,000 (2009:£449,000)
- Sensor, Smartcard & fee for use sales down 27% to £474,000 (2009: £650,000)
- License fee and other income of £135,000 (2009: £60,000)

Continental Europe

- Total revenue down by 7% to £355,000 (2009: £381,000)
- Monitor sales revenue of £120,000 down 28% (2009: £166,000)
- Sensor/Smartcard sales up 9% to £235,000 (2009: £215,000)

Rest of World & License Fee Income

- Total revenue up 144% at £322,000 (2009:£132,000)
- Monitor revenue up 234% to £117,000 (2009: £35,000)
- Sensor/Smartcard sales up by 74% to £61,000 (2009: £35,000)
- License fee and other income of £144,000 (2009: £62,000)

FINANCIAL REVIEW

Operating results

Turnover in the period increased by 7% to £2.66 million (2009: £2.49 million). With an increase in margin and reduced overheads, operating losses decreased by a significant 51% to £581,000 (2009: £1,192,000) with the Company being profitable in the second quarter.

The installed base of monitors increased by 175 (2009: 280 units) to a total of 2,250 units. The reduced level of unit sales arose primarily from the effect of the stocking order placed by the USA distributor in July 2009 which was not repeated in the current period. The increase in the installed base comprised 156 LiDCO*rapid* monitors and 19 LiDCO*plus* monitors; 171 of the monitors were sold and 4 were placed.

Margins

The overall gross profit margin increased from 61% to 68% during the period, partly due to an increase in license fee income and partly the result of reducing Med One costs. Payments to Med One in the period amounted to £275,000 (2009: £400,000). These payments are expected to reduce further in the second half and phase out almost completely in the next financial year. Excluding Med One costs, the gross profit margin improved slightly from 77% to 78% with the percentage of sales via distributors slightly below those in the corresponding period.

Overall product margins on monitors improved from 50% to 61%, and remained steady at 89% on disposables.

Overheads

Total overheads fell by £324,000 with the largest reduction arising as a result of the transfer of the bulk of the US sales force to the US distributor in July 2009. As noted in the last annual report, the Company strengthened its UK sales force at the end of the last financial year and has continued to increase sales representation in the first half of the current year with an attendant increase in direct sales costs.

Cash, financing and working capital

The net cash outflow before financing activities in the period was £113,000 (2009: £743,000), compared with a loss for the period of £582,000.

Cash balances at 31 July amounted to £1.73m. Other than a small amount in respect of finance leases, the Company has no borrowings.

The bulk of the Company's receivables are denominated in sterling and the only significant currency exposure relates to US dollars, specifically Med One payments and the costs of maintaining an employee and a small distribution centre in the USA. These costs are largely offset by the remaining direct sales generated in the USA.

PRODUCT DEVELOPMENT

Product development work in the first half of 2010 centered on refining the LiDCO*rapid* graphical user interface whilst improving and simplifying customer use and connectivity to our monitors. The latest revision of the LiDCO*rapid* software, version 1.03, was completed in September. This new release introduced a number of important features:

- **Universal pressure waveform module:** allows wider hospital adoption by making it easier to access arterial blood pressure data where access has previously been difficult.
- **LiDCO monitor language localization:** converts the information on the LiDCO*rapid* monitors' screens from English into 22 languages
- **RS232 communication changes:** allowing the LiDCO*rapid* Monitor to communicate with a wider range of hospital information systems. One such communication project, announced in October, was to connect to GE's Centricity Clinical Information Systems in Europe, the Middle East and Africa. This follows on from our previous development of the Philips VueLink software enabling a communications link between LiDCO's proprietary stand-alone monitoring system and Philips' patient monitor.

Platform Evolution

The LiDCO & BIS combined graphical user interface

We believe that there is a market for a combined graphical user interface that can realize the synergies between Covidien's (formerly Aspect) Bispectral Index (BIS) product and the LiDCO*rapid* Monitor. The former ensures the correct depth of anesthesia is achieved, and the latter is used while the patient remains in surgery to restore blood pressure and cardiac output to pre-surgery levels.

We participated in a prospective study at King's College Hospital, London, to look into the benefits to the clinical management of the surgery patient in having both sets of data available and displayed in a single monitor. The results showed that this combination could provide a considerable insight into the underlying factors driving the significant blood pressure changes occurring when a patient is anesthetized. Some of these results were presented at the prestigious 2010 American Society of Anesthesia meeting held in October in San Diego ("ASA meeting"). The response to the data presented at the meeting was excellent.

Clinical Outcome Data & Customer Support

In September 2010 a study from the University of Iowa was published showing that use of LiDCO's hemodynamic monitoring technology was associated with a significant reduction in the mortality rate of patients treated for shock. The results of the study were published in the Journal of Critical Care.

Further outcome research on the benefits of fluid optimization using LiDCO's technology was published at the ASA meeting by researchers at the Dartmouth-

Hitchcook Medical Center in New Hampshire and the University of California Medical Center, Orange County. These investigators showed that patients who were not fluid depleted (hypovolemic) for more than 25% of the operative period (as assessed by LiDCO) had a significantly decreased length of stay (10.1 days to 6.1 days) and complication rates (7 events vs. 1 event) when compared to patients where fluid management was less well controlled.

We have previously announced that the LiDCO's technology was selected as the sole technology for use in two further significant multi-centre outcome trials in the USA and the UK, MOnIToR and OPTIMISE. Both trials are in progress.

To date, LiDCO's monitoring technology has been shown to help reduce complications in high risk surgery, increase the numbers of organs for transplantation and most recently lower death rates in shock patients. In addition, we are seeing documentation of the technology's widespread utility in an increasing number of different patient populations.

Supporting the use of our products is a developing training and education package. We were delighted to announce in July that we have received accreditation from the Royal College of Nursing for our LiDCO*plus* monitor competency based study day. The LiDCO course is evidence-based in line with the British Consensus Guidelines on Intravenous Fluid Therapy for Adult Surgical Patients (GIFTASUP) and, in combination with use of the LiDCO*rapid* and LiDCO*plus* cardiac output monitors, helps hospitals to follow the Department of Health's recommendations to all NHS chief executives to adopt enhanced recovery or goal-directed therapy programs, which are designed to improve patient outcomes and reduce treatment costs.

Terry O'Brien
Chief Executive Officer
25 October 2010

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
For the six months ended 31 July 2010

	Note	**Six Months ended 31 July 2010 £'000**	Six Months ended 31 July 2009 £'000	Year ended 31 January 2010 £'000
Revenue	3	2,662	2,494	5,367
Cost of sales		(864)	(983)	(2,074)
Gross profit		1,798	1,511	3,293
Administrative expenses		(2,379)	(2,703)	(4,832)
Loss from operations		(581)	(1,192)	(1,539)
Finance income		4	1	5
Finance expense		-	(8)	(11)
Loss before tax		(577)	(1,199)	(1,545)
Income Tax		(5)	56	118
Loss for the period and total comprehensive income attributable to equity holders of the parent		(582)	(1,143)	(1,427)
Loss per share (basic and diluted) (p)		(0.35p)	(0.74p)	(0.87p)

CONDENSED CONSOLIDATED BALANCE SHEET
At 31 July 2010

	31 July 2010 £'000	31 July 2009 £'000	31 January 2010 £'000
Non-current assets			
Property, plant and equipment	555	636	587
Intangible assets	783	750	764
	1,338	1,386	1,351
Current assets			
Inventory	1,051	1,109	1,094
Trade and other receivables	1,282	1,786	1,649
Current tax	-	120	120
Cash and cash equivalents	1,728	2,540	1,846
	4,061	5,555	4,709
Current liabilities			
Trade and other payables	(738)	(573)	(603)
Deferred income	(341)	(400)	(614)
Borrowings	-	(387)	(10)
	(1,079)	(1,360)	(1,227)
Net current assets	2,982	4,195	3,482
Total assets less current liabilities	4,320	5,581	4,833
Equity attributable to equity holders of the parent			
Share Capital	869	869	869
Share premium	25,393	25,393	25,393
Merger reserve	8,513	8,513	8,513
Retained earnings	(30,464)	(29,675)	(29,956)
Total equity	4,311	5,100	4,819
Non-current liabilities			
Finance lease liability	9	19	14
Deferred income	-	462	-
Total non-current liabilities	9	481	14
Total equity and non-current liabilities	4,320	5,581	4,833

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 31 July 2010

	Six Months ended 31 July 2010 £'000	Six Months ended 31 July 2009 £'000	Year ended 31 January 2010 £'000
Loss before tax	(577)	(1,199)	(1,545)
Net finance (income) / costs	(4)	(7)	(6)
Depreciation and amortisation charges	308	327	672
Share based payments	74	42	46
Decrease/(increase) in inventories	43	(56)	(41)
Decrease/(increase) in receivables	366	(100)	37
Increase/(decrease) in payables	126	(342)	(302)
(Decrease)/increase in deferred income	(273)	825	577
Finance expense	-	(8)	(11)
Income tax credit received	115	56	118
Net cash inflow/(outflow) from operating activities	178	(448)	(443)
Cash flows from investing activities			
Purchase of property, plant & equipment	(70)	(74)	(132)
Purchase of intangible fixed assets	(225)	(222)	(474)
Interest received	4	1	5
Net cash used in investing activities	(291)	(295)	(601)
Net cash outflow before financing	(113)	(743)	(1,044)
Cash flows from financing activities			
Repayment of finance lease	(5)	(5)	(10)
Issue of ordinary share capital	-	3,022	3,021
Invoice discounting financing facility	-	(278)	(364)
Net cash generated from financing activities	(5)	2,739	2,647
Net (decrease)/increase in cash and cash equivalents	(118)	1,996	1,603
Opening cash and cash equivalents	1,846	243	243
Closing cash and cash equivalents	1,728	2,239	1,846

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 July 2010

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
At 1 February 2009	710	22,531	8,513	(28,575)	3,179
Issue of share capital	159	2,862	–	–	3,021
Share based payment expense	–	–	–	46	46
Transactions with owners	159	2,862	–	46	3,067
Total comprehensive expense for the period	–	–	–	(1,427)	(1,427)
At 31 January 2010	**869**	**25,393**	**8,513**	**(29,956)**	**4,819**
Issue of share capital	–	–	–	–	–
Share based payment expense	–	–	–	74	74
Transactions with owners	–	–	–	74	74
Total comprehensive expense for the period	–	–	–	(582)	(582)
At 31 July 2010	**869**	**25,393**	**8,513**	**(30,464)**	**4,311**

NOTES TO THE INTERIM STATEMENT

1. BASIS OF PREPARATION

The Group's interim report for the six months ended 31 July 2010 were authorised for issue by the directors on 25 October 2010. The consolidated interim financial information, which is unaudited, does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. Accordingly, this condensed report is to be read in conjunction with the Annual Report for the year ended 31 January 2010, which has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and any public announcements made by the Group during the interim reporting period.

The statutory accounts for the year ended 31 January 2010 have been reported on by the Group's auditors, received an unqualified audit report and have been filed with the registrar of companies at Companies House. The unaudited condensed interim financial statements for the six months ended 31 July 2010 have been drawn up using accounting policies and presentation expected to be adopted in the Group's full financial statements for the year ending 31 January 2011, which are not expected to be significantly different to those set out in note 1 to the Group's audited financial statements for the year ended 31 January 2010.

The interim report has not been audited but it has been reviewed under the International Standard on Review Engagements (UK and Ireland) 2410 of the Auditing Practices Board.

After review of the Group's operations, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the unaudited condensed interim financial statements.

2. ACCOUNTING POLICIES

The interim financial information has been prepared on the basis of the recognition and measurement requirements of IFRS, which were the accounting policies used in the Report and Accounts for the Group for the year ended 31 January 2010. The accounting policies are unchanged from those used in the last annual accounts.

3. REVENUE AND SEGMENTAL INFORMATION

The Group has one segment - the supply of monitors, disposables 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 2010 £'000**	Six Months ended 31 July 2009 £'000	Year ended 31 January 2010 £'000
UK	1,103	822	1,822
USA	882	1,159	2,273
Europe	355	381	990
Rest of World	322	132	282
	2,662	2,494	5,367
Result			
UK	141	(81)	113
USA	296	(10)	459
Europe	178	153	402
Rest of World	213	68	127
Total	828	130	1,101
Unallocated Costs	(1,409)	(1,322)	(2,640)
Loss from operations	(581)	(1,192)	(1,539)

Revenue by type

Monitor sales	696	745	1,855
Disposables sales	1,632	1,627	3,125
License fees and other income	334	122	387
	2,662	2,494	5,367

The payments to Med One relating to consumables and included within cost of sales amounted to £275,000 (2009: £400,000) during the period.

The Group can identify trade receivables and trade payables relating to the geographical segments. As noted above, the Group has one 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 2010 is based on the loss for the period of £582,000 and the weighted average number of shares in issue during the period of 173,899,054.

5. 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 2010 which comprises the condensed consolidated comprehensive income statement, condensed consolidated statement of changes in equity, condensed consolidated balance sheet, condensed consolidated cashflow statement and notes. We have read the other information contained in the half yearly financial report which comprises only the Chief Executive's statement 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 1, 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 2010 is not prepared, in all material respects, in accordance with the basis of accounting described in Note 1.

GRANT THORNTON UK LLP
REGISTERED AUDITOR
LONDON
25 October 2010

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.