Press Release **26 October 2011**

LIDCO GROUP PLC

("LiDCO" or the "Company")

Interim Results for the six months ended 31 July 2011

LiDCO (AIM:LID), the hemodynamic monitoring Company, today announces its Interim Results for the six months ended 31 July 2011.

Financial Highlights

- Total revenue increased by 21% to £3.21m (2010: £2.66m)
- Capital, disposable and other revenues up by 11%, 6% & 24% respectively
- Gross profit margins improved to 70% (2010: 68%). Significant margin improvement excluding third party products from 68% to 75%
- Gross profit up 26% to £2.26m (2010: £1.80m)
- Operating loss reduced by 58% to £0.24m (2010: £0.58m)
- Cash balance of £1.12m
- Loss per share 0.14p (2010: 0.35p)

Operational Highlights

- 149 monitors installed in the period (2010: 175) with LiDCO*rapid* representing 67% of installed monitor base which is now 2,059 units on a seven year adjusted basis
- European patent for the LiDCO*rapid* graphical user interface accepted for grant
- UK revenues up 45%, doubling of LiDCO*rapid* Smartcard disposables sales
- Japanese registration & supply and UK distribution agreements signed with Argon Medical
- Agreement signed with ICU Medical appointing LiDCO as UK distributor and providing worldwide access to certain LiDCO IPR

Commenting on the results Terry O'Brien, Chief Executive, said: "The Board is pleased with the progress that has been made during the period, with revenues significantly increasing and the Company securing high quality partners in key territories such as Japan. Notably, we have reduced the operating loss by 58%,

making considerable progress towards profitability. The Company's product offering has been broadened, our intellectual property position strengthened, and our global market reach continues to grow. As the market for minimally invasive hemodynamic monitoring increases, particularly driven by the focus on improving efficiency in global healthcare systems, LiDCO is well placed to capitalize on this growth.

"Going into the second half of 2011, the Board believes that the Company is in a strong position for growth both in the UK and internationally through working closely with our strategically important distribution partners. We anticipate a profitable second half to the year and look forward to reporting further progress as our business and the hemodynamic monitoring market continues to grow."

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

Overview

I am pleased to report that LiDCO has had a good start to the year with revenues significantly up despite the turbulent economic conditions experienced worldwide during the period. The Company's revenue increased by 21%, progress towards profitability continued and we successfully furthered our market reach and product offering through the signing of three partnership agreements. LiDCO's intellectual property portfolio was also strengthened during the period.

LiDCO is part of a highly inventive medical device industry that continues to produce new product innovations that can improve patient outcomes. During these difficult economic times, the challenge to our industry is to ensure that product innovation not only improves patient care but also offers superior care pathway efficiency and cost savings. Despite squeezed budgets, new products are being adopted that are part of an overall solution to the growing health economic funding problem. LiDCO's technology, when used to improve fluid and drug administration in high risk surgery patients, considerably improves patient outcomes and reduces complications and costs. Patients who experience surgical complications will live shorter and less productive lives. LiDCO and its distribution partners are actively involved in the process of helping hospitals to more effectively deliver acute care services bringing both immediate economic impact as well as longer reaching social value.

The diffusion of innovation into health care systems from the early adopter and enthusiastic user to the more pragmatic and conservative early majority of mainstream customers can be slow. The change in practice is initially regarded as disruptive and may affect a number of key stakeholders in the existing distribution supply chain and hospital clinical pathways and upset existing reimbursement arrangements. This can have the effect of deferring returns to investors in growth companies until the mass adoption inflection point is reached. Ultimately, hospitals will fully embrace a new technology when a critical mass of clinical and payment incentives are in place enabling such changes to occur throughout the hospital. It is clear that systematic adoption of hemodynamic monitoring is now happening. In the UK I am pleased to say that this change is being fostered by structural changes within the UK National Health Service. Programmes such as the national Enhanced Recovery Partnership are active in encouraging adoption and providing tariff enhancements. A recent study over a six month period in six London hospitals shows a reduction in the length of stay in monitored patients of five days (Health Service Journal, 08 June 2011). Adoption and

use of hemodynamic monitoring will clearly pay off. The UK is now the fastest growing market in Europe for hemodynamic monitoring (2011 iData, European Market for Patient Monitoring), growing at 17% per annum. During the period our LiDCO UK business grew strongly; this growth was led by a doubling in LiDCO*rapid* disposables sales. Including our new Argon disposable distribution business, overall UK turnover increased by 45%. We are growing in size and relevance to UK customers and taking a very significant share of this domestic market opportunity.

With the mounting evidence for the use of hemodynamic monitoring, it is not surprising that the worldwide sales of minimally invasive products in this sector has now grown to a substantial business with sales of around $200 million per annum. Within the medical device industry there is a growing realization that the major surgery market alone is expected to be capable of reaching a recurring revenue business worth approximately $800 million per annum. In order to sell to customers outside of the UK, LiDCO continues to pursue a distribution and licensing strategy in export markets. This growing peer recognition of the market potential for sales of LiDCO's technology is important to the Company. We do not feel that it is economically feasible, or efficient, to sell our products outside of the UK directly through LiDCO-funded sales organizations. Therefore selling through distributors in the smaller territories and via the bigger medical device corporations in major markets is key to our commercial success. In terms of the progress that has been made in implementing this distributor based export strategy, I am pleased to say that we have signed up high quality partners in most of the territories where we think conditions are currently right for the adoption of minimally invasive hemodynamic monitoring. The last six months has been a particularly busy period for us. We have signed new distribution arrangements with ICU Medical and Argon Medical Devices and continued to work closely with the Respiratory and Monitoring division of our distribution partner Covidien, to develop the US marketing strategy for the LiDCO*rapid*. The Board is encouraged by the considerable effort that Covidien is putting into the promotion of the LiDCO*rapid* products through their sales activities, sponsored workshops, satellite symposia at major meetings and the development of sophisticated promotional materials and marketing campaigns. In addition, our Covidien collaboration potentially brings a number of exciting co-development / parameter convergence opportunities, as they are market leaders in sales of a number of other parameters used in the monitoring of surgery patients. We have already agreed to collaborate on the integration of their depth of anesthesia measurement into the LiDCO*rapid* monitor.

In the case of Argon and ICU Medical, the Company's partnerships extend geographically to the UK where we have been appointed as distributor for some of their monitoring parameters, in particular blood pressure and venous oximetry. Handling Argon's and ICU Medical's product sales in the UK allows us to offer a more comprehensive product offering to customers. Sales of Argon's products started late in the period.

As LiDCO enters the second half of 2011 we are in an increasingly strong position to expand both within the UK and internationally in tandem with our distribution partners.

The engagement of these larger corporations represented a significant milestone for us. Their interest reflects a shared view of the size, growth and relevance to them of the hemodynamic monitoring opportunity. Looking to the future, we expect that the flexibility and additional functionality of our PC platform over proprietary monitors will be increasingly realized. The LiDCO*rapid* and LiDCO*plus* hemodynamic monitors in effect can be transformed into multi-parameter perioperative monitors following the integration of one or more third party parameters. Our first integration project is putting Covidien's depth of anesthesia into the LiDCO*rapid* platform. This makes good clinical sense. From a single screen the user will be able to simultaneously optimize fluids and anesthetic drugs, ensuring that adequate oxygen delivery occurs. Currently this information is presented on two separate monitors. Parameter convergence is a low risk high benefit development that can potentially leverage on an existing installed base of each monitor. This development pathway would result ultimately in a combined multi-parameter monitor with a superior competitive edge over older and simpler single parameter monitors. Additionally, convergence lowers the capital cost and inventory levels and makes acquisition of the hardware platform by the hospital more affordable. If a LiDCO*rapid* monitor has already been purchased then the depth of anesthesia parameter would be a simple software upgrade, thus adding value to the initial technology purchasing decision. We hope that that once available in the US and other major territories the combined depth of anesthesia / LiDCO*rapid* monitor could be a significant driver of additional monitor placements.

Customers increasingly require total monitoring solutions i.e. complete products that integrate existing technology into more convenient solutions. LiDCO is committed to this development path and we have identified a number of other parameters that, when integrated into the LiDCO PC platform monitor, will provide an increasingly comprehensive and superior perioperative acute care monitoring "end-to-end" solution. The intent is to lower the customer's capital costs and commercial barriers to adoption.

This is particularly relevant in the USA where there is an increasing focus on "accountable/affordable care" savings models (USA's Patient Protection and Affordable Care Act, March 2010). These savings models will offer incentives to providers for better coordinated care delivery that focuses on preventative actions and minimizes the need for expensive acute care facilities. Given the global focus on containing healthcare costs and improving efficiency, the adoption of advanced and integrated hemodynamic monitoring will be of increasing interest.

Revenue and trading

Revenues were up by 21% to £3.21 million (2010: £2.66 million), with growth seen across all revenue streams; monitors, disposables and license fees. During the period the Company acquired the distribution rights to Argon's critical care product lines in the UK. Early results suggest this will become a significant source of revenue.

Overall monitor capital revenue was up 11% at £774,000 with the seven year adjusted installed monitor base up to 2,059 units (675 LiDCO*plus*; 1,384 LiDCO*rapid*). LiDCO*rapid* monitors have become the majority (67%) of our installed base just over three years since launch. Total recurring disposable revenue was up 6% to £1.73 million with good growth seen in the UK, EU and ROW of 22%. USA disposable sales were affected by a combination of both unfavorable phasing of orders from Covidien and a continued decline of business in the older LiDCO*plus* sensor accounts. Disposable income outside of the USA was driven by LiDCO*rapid* card sales which were up 34% overall and 119% excluding the USA. LiDCO product and licensing sales outside of the UK were £1.62 million representing 55% of all LiDCO product sales.

Major corporate interest in partnering with LiDCO on sales and intellectual property licensing continued with new contracts being signed with Argon Medical Devices in respect of sales in Japan and the UK, and towards the end of the period a licensing agreement (worldwide) and appointment as a distributor in the UK with ICU Medical.

Markets

UK

The enlarged UK sales team had a successful start to the year with overall sales revenue growth of 45% to £1.60 million (2010: £1.10 million). Excluding Argon distribution revenue, like-for-like LiDCO product sales were up 18%. Monitor revenues were stronger than in the prior year and up 49% to £277,000 (2010: £186,000). LiDCO disposable (sensors and Smartcards) revenues were up 19% to £1.02 million (2010:

£862,000) reflecting strong growth in the high risk surgery market segment. Unit sales of our surgery monitoring disposables (Smartcard) were up 105% over the comparative period while ICU sensor sales were up a more modest 7%. LiDCO*rapid* Smartcard average use grew from 4.8 uses to 6.3 uses per month. Sales of Argon's disposables were £294,000 (2010: nil). The Company's total recurring revenue stream in the UK, including Argon distribution revenue, was £1.32 million, which represents 83% of total UK revenues. The Board expects revenues to continue to grow strongly in our domestic market and in particular is very encouraged by the growth of our LiDCO*rapid* business.

USA

Sales to the USA of £836,000 were modestly down by 5% (2010: £882,000) which principally was a consequence of lower sales, due to timing of sales to Covidien. Monitor sales were down by £47,000 to £226,000 (2010: £273,000) and disposables were down £154,000 to £320,000 (2010: 474,000). Licence fee income was up to £290,000 from £135,000 in 2010. Despite the lower sales during the period, Covidien is clearly committed to selling the LiDCO*rapid* in the USA. The lower sales during the period are a consequence of their ordering pattern which has had the effect of reducing sales as compared to the same period last year. Covidien has had a strong finish to its financial year to September 2011, with a number of significant LiDCO accounts having been successfully closed. Monitor orders in the USA in the second half are thus expected to be stronger than in the first half. Revenues were affected to a lesser extent by reduced sales of disposables in the older LiDCO*plus* sensor intensive care accounts where a number of these accounts have transitioned to the LiDCO*rapid* monitor instead.

Continental Europe

Total revenue in Continental Europe increased by 25% during the period to £442,000 (2010: £355,000). Monitor sales revenue was up 28% to £153,000 (2010: £120,000) and disposables sales up by 23% to £289,000 (2010: 235,000). Sales prospects in Europe remain quite challenging in the southern territories. In the territories where economies are stronger and we have successful distributors we expect to see continued progress in adoption of our technology.

ROW

Sales were up 6% to £342,000 (2010:£322,000). Monitor revenue remained steady at £118,000 (2010: £117,000) and disposables sales increased by 62% to £99,000 (2010: £61,000). License fee income was slightly less at £125,000 (2010: £144,000).

In June the Company signed an agreement with Argon Medical Devices, Japan, and the regulatory approval process for sales of the LiDCO*rapid* monitor and associated disposables into the Japanese market has commenced. Minimally invasive hemodynamic monitoring is becoming well established in Japan and the Board believes that the Japanese hemodynamic monitoring high risk surgery market has a potential market value of US$285 million per annum, with product reimbursement available. Through our partnership with Argon Medical Devices Japan, LiDCO is well positioned to capitalize on this. Registration and reimbursement is expected before the end of 2011.

Business Review - Summary Table

	6 months to 31 July 2011	6 months to 31 July 2010	Increase/ (decrease)	Increase/ (decrease) %
Sales by type (£'000)				
- Monitors	774	696	78	11%
- Sensors, Smartcards and other recurring revenue	1,732	1,632	100	6%
- Third party products	294	0	294	
- Licence Fees and Other Income	415	334	81	24%
Total	**3,215**	**2,662**	**553**	**21%**
Sales by Units Monitors sold/placed	149	175	(26)	(15%)
Sensor, Smartcard and Fee per Use Sales	22,267	20,669	1,598	8%
7 Year Installed Base (period end)	2,059	1,868	191	10%

Regional sales performance summary

UK

- Total revenue up 45% to £1,595,000 (2010: £1,103,000)
- Monitor revenue up 49% to £277,000 (2010: £186,000)
- Sensor, Smartcard and fee for use sales of £1,024,000 up 19% (2010: £862,000)
- Third party product sales £294,000 (2010: nil)
- Other income nil (2010: £55,000)

USA

- Total revenue down 5% to £836,000 (2010: £882,000)
- Monitor revenue down 17% to £226,000 (2010: £273,000)
- Sensor, Smartcard and fee for use sales down 32% to £320,000 (2010: £474,000)
- Licence fee income of £290,000 (2010: £135,000)

Continental Europe

- Total revenue up by 25% to £442,000 (2010: £355,000)
- Monitor sales revenue of £153,000 up 28% (2010: £120,000)
- Sensor/Smartcard sales up 23% £289,000 (2010: £235,000)

Rest of World & Licence Fee Income

- Total revenue up 6% to £342,000 (2010: £322,000)
- Monitor revenue up 1% to £118,000 (2010: £117,000)
- Sensor/Smartcard sales up by 62% to £99,000 (2010: £61,000)
- Licence fee income of £125,000 (2010: £144,000)

FINANCIAL REVIEW

Turnover in the period increased by 21% to £3.21 million (2010: £2.66 million) including sales of third party products of £294,000 (2010: nil). Operating losses decreased by a significant 58% to £245,000 (2010: £580,000) as a result of increased sales and an improvement in margins.

During the period a total of 149 monitors (2010: 175 monitors) were sold or placed

comprising 34 LiDCOplus monitors and 115 LiDCOrapid monitors which included 5 placed monitors. This reduced level of unit sales during the period is a result of reduced monitor sales in the USA due to unfavorable phasing of orders offset by increased sales in both the UK and ROW. Monitor sales in the EU remained level. The seven year installed base grew in the period by 58 monitors to 2,059 monitors comprising 675 LiDCOplus monitors and 1,384 LiDCOrapid monitors.

The overall gross profit margin increased significantly during the period from 68% to 70%, partly due to reducing Med One costs and partly due to improved margins achieved across the sales mix of LiDCO's own products. Payments to Med One in the period amounted to £204,000 (2010: £275,000) and these are expected to reduce considerably in the second half. Excluding Med One costs, the overall gross profit margin reduced slightly from 78% to 77% due to the lower margin achieved on distributed products.

Total overheads increased modestly by £126,000 (5%) with the most significant increase being in sales and marketing costs. The operating loss was reduced by 58% to £245,000 (2010: £581,000). The Board believes that this was an excellent performance.

The net cash outflow before financing activities in the period was £390,000 (2010: £113,000) compared with a loss of £241,000 (2010:582,000), the difference largely being in working capital requirements with stock increasing during the period by £212,000.

Cash balances at 31 July amounted to £1.12 million. Net cash balances were £1.01 million.

PRODUCT DEVELOPMENT

Around 250 million major surgical procedures are performed worldwide each year. This number will only increase as the world's population ages and obtains greater access to advances in surgery. Major surgery is estimated to be associated with 2.5 million deaths worldwide each year and there are about 12.5 million patients with surgical complications to care for (see recent review: Managing perioperative risk in patients undergoing elective surgery in non cardiac surgery patients, Pearse et al., 2011;343:d5759 doi: 10.1136/bmj.d5759). "Multimodal" care in and around the time of surgery is known as enhanced recovery after surgery (ERAS). ERAS is effective in improving quality and reducing the healthcare costs associated with surgical

complications. Hemodynamic monitoring is a crucial part of this "multimodal" surgical care pathway. Users can achieve better outcomes through more balanced fluid, drug and anesthetic use in patients. Research will continue to further refine and quantify the most effective approaches for treating these high risk surgery patients. LiDCO is the hemodynamic monitoring technology used in two of the world's biggest such multicenter trials: OPTIMISE (in the UK) and MOnIToR (in the USA). Both trials are progressing well.

LiDCO monitor platform evolution and parameter convergence

LiDCO's development pathway is to continue to develop hemodynamic monitoring products that meet the growing customer requirement for more user friendly technology that can address the needs of the at-risk surgery and intensive care populations and those who care for them. Hemodynamic monitoring can play a major role in helping deliver further efficiencies in acute care patient treatment from the wider adoption of protocolized patient pathways. We believe that in order to do so we should not only provide precise and accurate hemodynamic measurements, but also better monitor displays of the data. Clinical decisions are made following multi-parameter interpretation by the clinician and nurse. More intelligent and informative graphical user interfaces ("GUI") will speed up such decision making. Our development pathway is focused on further evolving our surgery (LiDCO*rapid*) and intensive care (LiDCO*plus*) monitor PC platforms by further parameter integration and improved functionality coupled to the in-step evolution of our GUIs.

High risk surgery: Recognizing the size of the market opportunity in high risk surgery, in April 2008 we launched the LiDCO*rapid* monitor. At the time we identified the need for a product with a novel GUI that is designed to help mainstream customers move away from hitherto additionally invasive, overly fiddly monitoring approaches. This product has sold well since launch, growing to represent 67% of our world wide installed monitor base. I am pleased to say that in September of this year we were informed by the European Patent Office of the intention to grant our European patient protecting the novel GUI features we believe help make the LiDCO*rapid* unique and easy to use. The broadening of our patented intellectual property into the display arena marks a watershed for us. We are delighted that key aspects of our software can be protected in this way. We have applied for patent cover in other major markets.

Looking to the future we intend to take the LiDCO*rapid* monitor to the next stage by integrating a new, but related parameter – depth of anesthesia ("DOA"). DOA monitoring ensures the correct depth of anesthesia is achieved and protects against

excessive anesthesia or surgical awareness. Having both DOA and hemodynamic data available and displayed in a single monitor provides a considerable insight into the underlying factors driving the significant blood pressure changes occurring when a patient is anesthetized.

We have already identified additional third party parameters and functionality, relevant to monitoring during surgery that could be integrated into the LiDCOr*apid*. The LiDCO*rapid* monitor has the capacity for retrofitting of additional parameters such as DOA. These can be added via a simple cable connection and upgrade change to the software. Investments in both our software development infrastructure and continuous integration environment allow us to be very agile in terms of new software product development. Given the widespread interest in fluid management and hemodynamic monitoring, we are further refining the GUI's and core algorithm software architecture to allow for potential OEM solutions, whereby elements of the software could be more easily licensed to third parties. We have already granted software licenses to both ICU Medical and Aspect (now part of Covidien).

Intensive Care: Regarding our intensive care product, the LiDCO*plus,* we intend to significantly update the monitor software (v 4.02). This will involve updating the operating system, adding the blood pressure module option and further improving ease of use and calibration methodology. As with the LiDCO*rapid*, we have identified additional parameters and functionality to add over time that we believe are of particular relevance to the care of critical care patients.

Terry O'Brien
Chief Executive Officer
26 October 2011

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
For the six months ended 31 July 2011

	Note	**Six Months ended 31 July 2011 £'000**	Six Months ended 31 July 2010 £'000	Year ended 31 January 2010 £'000
Revenue	3	3,215	2,662	6,237
Cost of sales		(955)	(864)	(2,021)
Gross profit		2,260	1,798	4,216
Administrative expenses		(2,505)	(2,379)	(4,714)
Loss from operations		(245)	(581)	(498)
Finance income		3	4	8
Finance expense		-	-	-
Loss before tax		(242)	(577)	(490)
Income Tax		1	(5)	100
Loss for the year and total comprehensive income attributable to equity holders of the parent		(241)	(582)	(390)
Loss per share (basic and diluted) (p)		(0.14p)	(0.35p)	(0.22p)

CONDENSED CONSOLIDATED BALANCE SHEET

At 31 July 2011

	31 July 2011 £'000	31 July 2010 £'000	31 January 2011 £'000
Non-current assets			
Property, plant and equipment	540	555	513
Intangible assets	727	783	755
	1,267	1,338	1,268
Current assets			
Inventory	1,259	1,051	1,047
Trade and other receivables	1,997	1,282	1,607
Current tax	-	-	109
Cash and cash equivalents	1,122	1,728	1,404
	4,378	4,061	4,167
Current liabilities			
Trade and other payables	(1,066)	(738)	(767)
Deferred income	(130)	(341)	(74)
Borrowings	(111)	-	(10)
	(1,307)	(1,079)	(851)
Net current assets	3,071	2,982	3,316
Total assets less current liabilities	4,338	4,320	4,584
Equity attributable to equity holders of the parent			
Share Capital	872	869	870
Share premium	25,393	25,393	25,393
Merger reserve	8,513	8,513	8,513
Retained earnings	(30,440)	(30,464)	(30,196)
Total equity	4,338	4,311	4,580
Non-current liabilities			
Finance lease liability	-	9	4
Deferred income	-	-	-
Total non-current liabilities	-	9	4
Total equity and non-current liabilities	4,338	4,320	4,584

CONDENSED CONSOLIDATED COMPREHENSIVE CASH FLOW STATEMENT
For the six months ended 31 July 2011

	Six Months ended 31 July 2011 £'000	Six Months ended 31 July 2010 £'000	Year ended 31 January 2011 £'000
Operating loss	(245)	(577)	(490)
Net finance income	-	(4)	(8)
Depreciation and amortisation charges	331	308	639
Share based payments	(3)	74	150
(Increase)/decrease in inventories	(212)	43	47
(Increase)/decrease in receivables	(391)	366	42
Increase/(decrease) in payables	290	126	164
(Decrease)/increase in deferred income	56	(273)	(540)
Income tax credit received	111	115	111
Net cash (outflow)/inflow from operating activities	(63)	178	115
Cash flows from investing activities			
Purchase of property, plant & equipment	(134)	(70)	(127)
Purchase of intangible assets	(196)	(225)	(429)
Interest received	3	4	8
Net cash used in investing activities	(327)	(291)	(548)
Net cash outflow before financing	(390)	(113)	(433)
Cash flows from financing activities			
Repayment of Finance lease	(5)	(5)	(10)
Issue of ordinary share capital	2	-	1
Net cash outflow from financing activities	(3)	(5)	(9)
Net decrease in cash and cash equivalents	(393)	(118)	(442)
Opening cash and cash equivalents	1,404	1,846	1,846
Closing cash and cash equivalents	1,011	1,728	1,404
Cash at bank	1,122	1,728	1,404
Overdraft	(111)	-	-
Closing cash and cash equivalents	1,011	1,728	1,404

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 31 July 2011

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
At 1 February 2010	869	25,393	8,513	(29,956)	4,819
Issue of share capital	1	–	–	–	1
Share based payment expense	–	–	–	150	150
Transactions with owners	1	–	–	150	151
Loss for the year	–	–	–	(390)	(390)
At 31 January 2011	**870**	**25,393**	**8,513**	**(30,196)**	**4,580**
Issue of share capital	2	–	–	–	2
Share based payment expense	–	–	–	(3)	(3)
Transactions with owners	2	–	–	(3)	(1)
Loss for the half year	–	–	–	(241)	(241)
At 31 July 2011	**872**	**25,393**	**8,513**	**(30,440)**	**4,338**

NOTES TO THE INTERIM STATEMENT

1. BASIS OF PREPRATION

The Group's interim report for the six months ended 31 July 2011 were authorised for issue by the directors on 25 October 2011. 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 2011, 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 2011 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 2011 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 2012, 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 2011.

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 2011. 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 2011 £'000**	Six Months ended 31 July 2010 £'000	Year ended 31 January 2011 £'000
UK	1,595	1,103	2,356
USA	836	882	2,358
Europe	442	355	859
Rest of World	342	322	664
	3,215	2,662	6,237
Result			
UK	105	141	495
USA	364	296	965
Europe	236	178	449
Rest of World	187	213	373
Total	892	828	2,282
Unallocated Costs	(1,137)	(1,409)	(2,780)
Loss from operations	(245)	(581)	(498)

Revenue by type

Monitor sales	774	696	2,009
Consumables sales	1,732	1,632	3,681
Argon sales	294	-	-
License fees and other income	415	334	547
	3,215	2,662	6,237

The payments to Med One relating to consumables and included within cost of sales amounted to £204,000 (2010: £275,000) 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 2011 is based on the loss for the period of £241,000 and the weighted average number of shares in issue during the period of 174,009,876.

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 2011 which comprises the condensed consolidated comprehensive income statement, condensed consolidated balance sheet, condensed consolidated comprehensive 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 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.

As disclosed in Note 1 the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union.

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 condensed set of financial statements in the half-yearly financial report for the six months ended 31 July 2011 is not prepared, in all material respects, in accordance with the basis of accounting described in Note 1.

Grant Thornton UK LLP
Auditor
London
25 October 2011

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.

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