1 October 2013

LIDCO GROUP PLC
("LiDCO" or the "Company")

Interim Results for the six months ended 31 July 2013

LiDCO (AIM:LID), the hemodynamic monitoring Company, today announces its Interim Results for the six months ended 31 July 2013, which benefit from the wider adoption of intraoperative fluid management technology by the NHS. The Company remains on track to report a pre-tax profit for the full year.

Financial Highlights

- Total revenue up 27% to £4.24m (2012: £3.35m)
- LiDCO product sales (excluding third party products) up 36% to £3.36m (2012: £2.48m)
- UK revenue (excluding third party sales) up 48% to £2.24m (2012: £1.51m)
- Export sales up 16%
- Monitor revenues up 55% to £0.96m (2012: £0.62m)
- Disposable revenues up 31% to £2.27m (2012: £1.73m)
- Gross profit up £644,000 to £2.81m (2012: £2.16m)
- Loss before tax* reduced to £70,000 (2012: £406,000)
- Loss per share 0.06p (2012: 0.18p)
- Cashflow positive with cash of £2.29m at period end (31 Jan 2013: £2.06m)

***** *before share based payments*

Operational Highlights

- 180 monitors installed in the period (2012: 151); 74 surgical monitors (2012: 27) installed in the UK
- Disposable unit sales up 20% to 26,105 (2012: 21,845), with surgical disposables sales up 36%
- UK surgical disposables unit sales up 75% to 11,015 (2012: 6,295)
- Launch in Europe of LiDCO*rapid* ^{v2} monitor with Unity software with continuous non-invasive blood pressure monitoring and depth of anesthesia parameter
- FDA clearance of LiDCO*rapid* ^{v2} with depth of anesthesia monitoring
- Grant of patent in Japan for LiDCO*rapid* graphical user interface

Post Period End

- FDA clearance for LiDCO*rapid* ^{v2} with continuous non-invasive blood pressure monitoring

Commenting on the results Terry O'Brien, Chief Executive Officer, said: "*We are delighted to see strong sales growth in the first half, driven by higher LiDCO product sales in both the UK and export markets. We expect this momentum to continue in the second half, particularly now that the LiDCOrapid* ^{v2}*, with both non-invasive and depth of anesthesia options, is available for sale in the EU and USA. We remain confident about delivering cash generation and profits for the full year*."

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CHIEF EXECUTIVE OFFICER'S REVIEW

I am delighted to report on an encouraging set of results for the first half of the year. The improving financial results demonstrate the increasing use of our products, particularly in the UK, which is a direct result of an accelerated adoption of fluid monitoring by the NHS. In the key export markets of the US and Japan we broadened our patent position and in the US gained regulatory approval for our new combined monitor. We remain on target to meet market expectations, producing a pre-tax profit for the full year.

Financial Results

Revenue in the period increased by 27% to £4.24m (2012: £3.35m) including sales of third party products of £872,000 (2012: £871,000). Revenue from LiDCO's own product sales increased by 36% to £3.36m (2012: £2.48m).

Revenue in the UK (excluding third party sales) increased by 48% to £2.24m (2012: £1.51m). Sales in the US in the period went through a transition to our direct sales force from the third party distribution arrangements prevailing last year. Sales of £415,000 (2012: £528,000) were made in the US with margins improved to 94% from 75%. All non-direct export territories showed an improvement in sales with total export sales (including the US) increasing by 16%. No license fees were received in either this or the comparative period.

The overall gross profit increased by £644,000 to £2.80m. The gross profit margin excluding third party products was reduced slightly from 80% to 78% as a result of low margin distributor sales to encourage CNAP adoption and to refresh the installed customer base. Total overheads increased by £450,000 to £2.90m. The comparative period benefited from the write back of £123,000 of share based payment charges relating to the expiry of share warrants. Excluding share based payment charges, overheads increased by £320,000 including additional costs of approximately £200,000 relating to the recommencement of direct sales of the LiDCO*rapid* in the US. The average headcount of 40 remained approximately the same. Excluding the effect of share based payment charges, the operating loss was reduced from £383,000 to £59,000. EBITDA increased from £119,000 to £253,000.

There was a net cash inflow during the period of £232,000 (2012: outflow £610,000) compared with a loss after tax of £113,000 (2012: £321,000). Expenditure on intangible assets in the period of £463,000 included the final technology licence payment relating to the non-invasive technology and expenditure on this first phase of development of the LiDCO*rapid* ^{v2} is now largely complete.

Cash balances at 31 July 2013 amounted to £2.29 million (31 January 2013: £2.06m).

Operational Review

We have seen good progress across the Company in the first half with revenue from LiDCO products up 36%. We are particularly pleased by the excellent progress made in the UK, where these revenues have grown by nearly 50%, as well as the increase seen in our export revenues which were up by 16% in the period. Our main geographical targets remain the UK, the US and Japan, reflecting the value of these three territories in the worldwide hemodynamic monitoring market.

During the period a total of 180 monitors (2012: 151 monitors) were sold or placed comprising 24 LiDCO*plus* (ICU) monitors and 156 LiDCO*rapid* (surgery) monitors. Total disposable unit sales were up 20% to 26,105 (2012: 21,845), with surgical unit sales up 36%. In revenue terms this translated into an increase of 55% in revenues from monitors to £956,000 (2012: £618,000) and total disposable revenues (excluding third party products) of £2.27m, up 31% (2012: £1.73m).

UK

By far the biggest contributor to LiDCO product revenues has been our home market, where we have focused efforts during the period to address the growing demand for intraoperative fluid management technology as more NHS hospitals comply with NICE and CQUIN guidance for fluid monitoring in high risk

surgery patients. In the UK a total of 86 monitors were installed during the first half of the year (2012: 30), with 74 of those being surgical monitors, an increase of 174% on the same period last year (2012: 27). The proportion of monitors placed rather than sold increased to 43% from 32% for the whole of last year, suggesting a change in the procurement pattern which we expect may continue. It was encouraging to note that of the new monitor installed base, 17 were hospitals installing LiDCO*rapid* technology for the first time.

UK disposable unit sales increased overall by 38% to 17,525 (2012: 12,710), with a 75% increase in surgical disposables to 11,015 units (2012: 6,295 units) and a more modest increase in ICU disposables to 6,510 (2012: 6,415). The average use rate for surgery disposables in the period was 6.02 uses per monitor per month compared to 5.11 during the year to January 2013 with some hospitals using as many as 20 disposables per monitor per month.

In February we announced the launch and first sales in the UK and Europe of the LiDCO*rapid* ^{v2} monitor with Unity software. This new software co-displays a depth of anesthesia parameter and allows LiDCO's technology to be used completely non-invasively. In the UK nearly a third of the surgical monitors were installed in the period with the continuous non-invasive blood pressure module option. We believe there is a developing requirement within UK hospitals to have access to our new monitor, the first of a new modern generation of integrated non-invasive platform monitors that can be used in all at-risk surgery patients. We expect existing customers will progressively upgrade established LiDCO*rapid* ^{v1} monitors to take advantage of the improved functionality and treat a much wider range of patients that do not have arterial line access.

US

The US is the world's largest single market for fluid management in high risk surgery with a market potential for arterial line and non-invasive disposable sales of approximately $650 million per annum. In March we received FDA clearance for our new LiDCO*rapid* ^{v2} monitor with Unity software and depth of anesthesia display and more recently, in September, we received FDA clearance to sell the non-invasive blood pressure module with the LiDCO*rapid*^{v2}. We believe that the US surgery market is ready and receptive for sales of our new multi-parameter technology and that we lead the competition with a unique integrated hemodynamic monitor that has strong intellectual property protection.

Broader and faster US market penetration is the remaining commercial issue for LiDCO in this market. It is a considerable challenge for a UK organisation to profitably grow sales in the US without the advantage of an existing US revenue stream and local direct sales organisation. However, we believe that there are a number of opportunities that should allow us to obtain a significant market share via a combination of our own direct sales, royalty fees from licensees and distribution arrangements.

Regarding direct sales we have re-established a US sales force focused initially on the growth of disposable sales into our existing LiDCO*rapid* ^{v1} installed base of over 250 monitors. We believe that there is a substantial opportunity to grow average disposable income in a number of major accounts where our previous distribution partner made initial monitor sales. Our sales and clinical educator team of five are resourced to achieve this, so we expect disposable sales to grow in the second half of this year. Whilst we can progressively increase our sales resource, this will obviously take time and require working capital in the short term. Thus we are seeking to benefit from complementary arrangements that leverage the resources of existing third party sales organisations. In July 2011 we announced a non-exclusive licensing arrangement providing ICU Medical world wide access to incorporate into their next generation of monitors certain of LiDCO's intellectual property (IP) rights for minimally invasive hemodynamic monitoring. Under the terms of the agreement, LiDCO received an up-front license payment and will receive royalties on any future monitor and disposable sales derived from the IP. This collaboration is expected to produce significant royalty revenues for LiDCO, particularly from the US, where ICU has a strong presence and market share of the maturing invasive catheter based hemodynamic monitoring market. Royalty revenues are contingent on the completion of product development and registration activities by ICU and are expected to start next year. We will keep the market informed as product launch nears and royalty projections can start to be made. The advantages of a secondary royalty revenue stream to us are clear: this form of income comes without substantive costs and should contribute to accelerating our profitability.

In parallel with the above measures we continue to explore distribution arrangements in the US and we remain in discussions with potential partners to help access this market. We believe that the recent FDA clearance for LiDCO*rapid*^{v2} increases our attraction to potential distribution partners and we hope to update shareholders as these discussions progress. LiDCO believes it has a superior surgical platform and has integrated both non-invasive and depth of anesthesia monitoring providing a significant technology advantage for both the Company and all of our commercial partners.

Japan

Japan is the world's second largest single market for hemodynamic monitoring and has the highest disposable pricing in the world –with a reimbursement of $420/patient. LiDCO is second into this market with the LiDCO*rapid* ^{v1} monitor launched in the second half of 2012 after obtaining registration and reimbursement.

Our strategy to access the market in Japan has been to identify and work with significant local distribution partners. LiDCO's partners in Japan are Argon who is selling disposables into the arterial pressure monitoring market and Nihon Kohden who is Japan's biggest patient monitor manufacturer with 120 branch offices and +1,000 sales representatives. Nihon Kohden also sell BIS™ (depth of anesthesia parameter) for Covidien and has rights to sell LiDCO's combined monitor - LiDCO*rapid* ^{v2} with the BIS™ depth of anesthesia module. It is still early days for us commercially in Japan, we have to establish LiDCO's technology and brand awareness and establish substantive first sales. Given their size Nihon Kohden will take time to roll out our product to their entire sales organization. However, evaluation activity levels within the Nihon Kohden sales force are building with a number of key hospitals having already purchased monitors Sales of disposables are growing and total revenues increased by 56% to £181,000 (2012: £116,000). We expect further monitor and disposable sales in the second half and, overall, we feel that Japan is on the way to being a significant revenue and profit generating territory for the Company.

We announced in March 2013 the grant by the Japan Patent Office of a patent protecting the novel Graphical User Interface ("GUI") of the LiDCO*rapid*. This is an important patent to obtain in the world's second biggest market.

Europe & Rest of the World

The final segment of our market includes a number of small independent distributors across Europe and the Rest of the World. Whilst sales vary across different geographies we saw a good overall increase in revenues of 64% to £527,000 (2012: £321,000). We attained CE marking in February for the LiDCO*rapid* ^{v2} with Unity software and the period saw our first sales through our European distributor network.

Further details of the Company's performance, in terms of revenues and unit sales by key geographies, are given in the tables below:

Revenues performance by product and key geographies

	6 months to July 2013				6 months to July 2012			
	Monitors £000	**Disposables £000**	**Other £000**	**Total £000**	Monitors £000	Disposables £000	Other £000	Total £000
LiDCO sales								
UK	**524**	**1,595**	**120**	**2,240**	216	1,184	112	1,512
US	**24**	**387**	**4**	**415**	209	318	1	528
Japan	**133**	**48**	**-**	**181**	116	-	-	116
Europe & ROW	**275**	**241**	**12**	**527**	77	229	15	321
	956	**2,271**	**136**	**3,363**	618	1,731	128	2,477
3rd party sales								
UK	**-**	872	-	872	-	871	-	871
Total sales	**956**	**3,143**	**136**	**4,235**	618	2,602	128	3,348

Unit sales performance by category in key geographies

Unit sales	**6 months to July 2013**		6 months to July 2012	
(incl placed monitors)	**Monitors Units**	**Disposables Units**	Monitors Units	Disposables Units
LiDCO products				
UK	86	17,525	30	12,710
US	13	3,645	65	4,935
Japan	40	1,000	40	0
Europe & ROW	41	3,935	16	4,200
	180	26,105	151	21,845

OUTLOOK

We have seen significant sales growth in the first half of 2013, driven by higher LiDCO product sales revenues in both the UK and export markets. Revenues for the full year should be underpinned by growth in the second half in all markets. The new and widely applicable LiDCO*rapid* ^{v2} monitor, with non-invasive and depth of anesthesia options, is a market leading technology and is now available in both the EU and USA and will contribute significantly to revenue growth. Costs and margins will continue to be kept under control as revenues advance through a mix of direct sales, distribution and IP license arrangements. The Board anticipates the Company will be both cash generative and profitable in this financial year. We remain confident and excited about LiDCO's future growth prospects.

Terry O'Brien
Chief Executive Officer
1 October 2013

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
For the six months ended 31 July 2013

	Note	**Six Months ended 31 July 2013 Unaudited £'000**	Six Months ended 31 July 2012 Unaudited £'000	Year ended 31 January 2013 Audited £'000
Revenue	3	**4,235**	3,348	7,213
Cost of sales		**(1,430)**	(1,187)	(2,389)
Gross profit		**2,805**	2,161	4,824
Administrative expenses		**(2,900)**	(2,450)	(5,041)
Loss from operations		**(95)**	(289)	(217)
Finance income		**7**	1	4
Finance expense		**(18)**	(24)	(46)
Loss before tax		**(106)**	(312)	(259)
Income tax		**(7)**	(9)	142
Loss for the year and total comprehensive income attributable to equity holders of the parent		**(113)**	(321)	(117)
Loss per share (basic and diluted) (p)		**(0.06p)**	(0.18p)	(0.07p)

CONDENSED CONSOLIDATED BALANCE SHEET
At 31 July 2013

	31 July 2013 Unaudited £'000	31 July 2012 Unaudited £'000	31 January 2013 Audited £'000
Non-current assets			
Property, plant and equipment	**1,089**	1,042	1,055
Intangible assets	**1,561**	1,066	1,338
	2,650	2,108	2,393
Current assets			
Inventory	**2,113**	1,771	2,271
Trade and other receivables	**2,037**	1,981	2,360
Current tax	**-**	-	146
Cash and cash equivalents	**2,292**	1,001	2,060
	6,442	4,753	6,837
Current liabilities			
Trade and other payables	**(1,644)**	(1,391)	(1,573)
Deferred income	**(293)**	(273)	(263)
Borrowings	**(178)**	(447)	(183)
	(2,115)	(2,111)	(2,019)
Net current assets	**4,327**	2,642	4,818
Total assets less current liabilities	**6,977**	4,750	7,211
Long term liabilities			
Finance lease liabilities	**(89)**	(266)	(183)
Deferred income	**(79)**	(254)	(158)
	(168)	(520)	(341)
	6,809	4,230	6,870
Equity attributable to equity holders of the parent			
Share capital	**969**	873	968
Share premium	**27,756**	25,414	27,741
Merger reserve	**8,513**	8,513	8,513
Retained earnings	**(30,429)**	(30,570)	(30,352)
Total equity	**6,809**	4,230	6,870

CONDENSED CONSOLIDATED COMPREHENSIVE CASH FLOW STATEMENT
For the six months ended 31 July 2013

	Six Months ended 31 July 2013 Unaudited £'000	Six Months ended 31 July 2012 Unaudited £'000	Year ended 31 January 2013 Audited £'000
Loss before tax	**(106)**	(312)	(259)
Net finance costs	**11**	24	42
Depreciation and amortisation charges	**348**	408	812
Share based payments	**36**	(94)	(80)
Decrease/(increase) in inventories	**158**	(422)	(922)
Decrease in receivables	**323**	446	7
Increase in payables	**71**	180	363
Decrease in deferred income	**(49)**	(55)	(162)
Net tax received/(paid)	**139**	(8)	56
Net cash inflow/(outflow) from operating activities	**931**	167	(143)
Cash flows from investing activities			
Purchase of property, plant & equipment	**(142)**	(165)	(360)
Purchase of intangible assets	**(463)**	(522)	(1,015)
Net interest paid	**(11)**	(24)	(42)
Net cash used in investing activities	**(616)**	(711)	(1,417)
Net cash *inflow*/(outflow) before financing	**315**	(544)	(1,560)
Cash flows from financing activities			
Repayment of finance lease	**(99)**	(79)	(156)
Issue of ordinary share capital	**16**	13	2,435
Net cash (outflow)/inflow from financing activities	**(83)**	(66)	2,279
Net increase/(decrease)in cash and cash equivalents	**232**	(610)	719
Opening cash and cash equivalents	**2,060**	1,341	1,341
Closing cash and cash equivalents	**2,292**	731	2,060
Cash at bank	**2,292**	1,001	2,060
Overdraft	**-**	(270)	-
Closing cash and cash equivalents	**2,292**	731	2,060

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the six months ended 31 July 2013

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
At 1 February 2012	871	25,403	8,513	(30,155)	4,632
Issue of share capital	97	2,338	–	–	2,435
Share based payment expense	–	–	–	(80)	(80)
Transactions with owners	97	2,338	–	(80)	2,355
Profit for the year	–	–	–	(117)	(117)
At 31 January 2013	**968**	**27,741**	**8,513**	**(30,352)**	**6,870**
Issue of share capital	1	15	-	-	16
Share based payment expense	-	-	-	36	36
Transactions with owners	1	15	-	36	52
Loss for the half year	-	-	-	(113)	(113)
At 31 July 2013	**969**	**27,756**	**8,513**	**(30,429)**	**6,809**

NOTES TO THE INTERIM STATEMENT

1. BASIS OF PREPRATION

The Group's interim report for the six months ended 31 July 2013 were authorised for issue by the directors on 1 October 2013. 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 2013, 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 2013 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 2013 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 2014, 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 2013.

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 2013. 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 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 2013 £'000**	Six Months ended 31 July 2012 £'000	Year ended 31 January 2013 £'000
UK	3,112	2,383	4,928
USA	415	528	1,096
Japan	181	116	139
Europe	377	259	622
Rest of World	150	62	428
	4,235	3,348	7,213

Result			
UK	1,373	667	1,504
USA	77	248	551
Japan	29	21	103
Europe	23	104	313
Rest of World	50	29	173
Total	1,552	1,069	2,644
Unallocated costs	(1,647)	(1,358)	(2,861)
Loss from operations	(95)	(289)	(217)

Revenue by type

Monitor sales	956	618	1,337
Disposable sales	2,271	1,731	3,881
Distributed third party disposable sales	872	871	1,726
Total product revenue	4,099	3,220	6,944
License fees	-	-	-
Other income including service contracts	136	128	269
	4,235	3,348	7,213

The Group can identify trade receivables and trade payables relating to the geographical segments. As noted above, the Group has one segment and 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 2013 is based on the loss for the period of £113,000 and the weighted average number of shares in issue during the period of 193,803,343.

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.

The Company presentation will be available from today on the LiDCO 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 2013 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 2013 is not prepared, in all material respects, in accordance with the basis of accounting described in Note 1.

Grant Thornton UK LLP
Auditor
London
1 October 2013

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.

- ENDS -