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

Interim Results for the 6 months to 31 July 2007

LiDCO, the UK-based, AIM-quoted cardiovascular monitoring company, today announces its Interim Results for the six months ended 31 July 2007.

Financial Highlights

- Revenue up 22% at £1.97m (2006: £1.62m)
- Underlying hospital and distributor revenues (sales excluding lease arrangements) up 37% to £1.85m (July 2006: £1.35m)
- Loss before tax cut by 29% to £1.05m (2006: £1.48m)
- Admin and distribution expenses reduced by 5% at £2.57m (2006: £2.71m)
- Operating cash outflow reduced by 31% to £0.97m (2006: £1.41m)
- Product margins maintained at 75% on monitors, and improved to 87% on disposables (2006: 85%)
- Loss per share reduced by 38% to 0.82p (2006: 1.33p)
- Cash balance £481,000 & Laurus loan facility of $1.9m available (at 31 July 2007)

Corporate Highlights

- Exclusive critical care marketing collaboration with Becton Dickinson UK
- Further clinical outcome studies show reductions in mortality, complications and length of stay
- Demonstration of new remote hemodynamic monitoring product - LiDCO*live*
- New anesthesia product LiDCO*rapid* in clinical trials
- LiDCO*rapid* patent filed in October

Commercial Highlights

- Continued broad adoption of technology with 40% of installed monitors in the USA, 19% in the UK, 25% in Europe and 16% in the Rest of World
- Installed base of monitors up 17% at 1,128 (July 2006: 962)
- Monitors sold or placed: increased from 39 in the same period in 2006 to 93 units
- Sensors and fees per use volumes up 12% to 13,582 units; sensor sales value increased 17% to more than £1m
- Considerable market growth in Europe, increased by 161% compared with the same period in 2006

Commenting on the results Terry O'Brien, Chief Executive, said: "Significant progress has been made in sales of our computer-based hemodynamic monitoring equipment particularly within the intensive care market. Increased sales are being achieved while maintaining margins and without increases in our administration expenses. Looking forward we are excited about the commercial possibilities of both the impending launch of the anesthesia product – the LiDCO*rapid* and our corporate collaboration with BD."

For more information please contact:
LiDCO Group Plc Tel: +44 (0)20 7749 1500
Terry O'Brien (CEO)

Buchanan Communications Tel: +44 (0)20 7466 5000
Tim Anderson, James Strong

The investor presentation 'LiDCO's Interim Results – six months ended 31st July 2007' will be available on the LiDCO website (www.lidco.com).

CHIEF EXECUTIVE OFFICER'S STATEMENT

Overview

LiDCO has performed well in the half year with revenues growing by 22% over the prior period. Underlying hospital and distributor revenues (sales excluding lease arrangements) have risen by a very encouraging 37% to £1.85m (July 2006: £1.35m). We were able to increase revenues without increasing administration or direct product costs, thereby maintaining product margins. Revenue growth was especially marked in Europe with our European distributor partners performing particularly well with sales revenue up 161%. The resurgence of sales growth in the USA was encouraging - up by 11%, despite a fall in value of the dollar (up by 19% on a constant currency basis). Sales revenues in the UK for LiDCO disposables were strongly up by 20%. However, first half UK monitor placements were slower than expected due to a combination of factors including: redirection of sales staff to other territories, the continuing slowness in UK hospital capital budget processes and competitive product evaluations. Since the period end we have redressed the UK sales staff shortages in order to service the solid sales pipeline available for closure in the second half of the year. The recently introduced LiDCO technology based business case for the adoption of the use of our technology (average savings of £4,800 per patient) for the treatment of high-risk surgery patients should prove helpful in closing these sales. It continues to be true that the UK hospitals' adoption of our technology is limited by budgetary processes, rather than actual clinical demand for our products from existing and new customers.

In the rest of the world we expect the main development during the second half of the year to be the appointment of more distributors and in particular the Middle East, where we anticipate finding significant demand in the considerable hospital expansion that is taking place.

In summary the LiDCO technology continues to be adopted in all licensed territories with the worldwide installed base of monitors finishing the period significantly up by 93 units (prior period increased by 39 units) and now standing at 1,128 units (July 2006: 962).

In June LiDCO announced the signing of an exclusive UK marketing collaboration with Becton Dickinson U.K. Limited. BD is a leading global medical technology company (see www.bd.com); this collaboration will result in the joint promotion, in selected UK hospitals where LiDCO already has existing sales and customer relationships, of a number of critical care products currently being sold by the BD Medical Surgical Systems business unit. LiDCO's strong customer relationship with critical care departments in UK hospitals was a key factor in BD's decision to form this exclusive collaboration. This marketing partnership will result in enhanced sales coverage for BD's critical care product lines in the UK. Under the terms of the agreement, LiDCO will receive a fee based on sales in return for its promotional services.

Together with BD, we are now able to offer UK hospitals a broader portfolio of products for critical care and anesthesia patients. The start of this exclusive UK collaboration began with the joint promotion of the combined critical care products portfolio at the 6th Evidence Based Peri-Operative Medicine Conference for the High-Risk Surgical Patient in London in July.

Business Review - Summary Table

	6 months to 31 July 2007	6 months to 31 July 2006	Increase/ (decrease)	Increase/ (decrease) %
Sales by type (£'000)				
- Monitors*	866	641	225	35%
- Sensors	1,026	877	150	17%
- Fee per Use & Rentals	43	62	(19)	(31%)
- License Fees	35	35	-	0%
- Total	1,970	1,615	355	22%
Monitors sold/placed (Units)	93	39	54	138%
Sensor and Fee per Use Sales (Units)	13,582	12,112	1,470	12%
Installed Base (end period)	1,128	962	166	17%

*Includes sales to medical equipment leasing partner

Regional Sales Performance

USA

- Overall sales revenue has increased by 11% (19%**) to £468,000 (2006: £423,000)
- Monitor sales increased by 31% (39%**) to £205,000 (2006: £157,000)
- Sensor, fee for use & rental sales down 1% - due to fall in US currency (up 7%**) to £263,000 (2006: £266,000)

** Revenues increase at constant currency shown in ()

UK

- Overall sales revenue down 6% to £848,000 (2006: £904,000)
- Monitor sales revenue down 39% to £244,000 (2006: £401,000)
- Sensor and, fee for use sales of £604,000 up 20% (2006: £503,000)

Continental Europe

- Overall sales revenue up 161% to £523,000 (2006: £200,000)
- Monitor sales up 498% to £341,000 (2006: £57,000)
- Sensor sales up 27% to £182,000 (2006: £143,000)

Rest of World & Other Income

- Overall sales revenue up 50% to £132,000 (2006: £88,000)
- Monitor sales up 188% to £75,000 (2006: £26,000)
- Sensor sales down by £6,000 to £21,000 (2006: £27,000)
- License fees income unchanged at £35,000

FINANCIAL REVIEW

The attached interim financial statements for the six months ended 31 July 2007 have been prepared for the first time in accordance with IFRS and we are pleased to announce that the impact of IFRS has had no effect, other than presentation, on the reported figures. Where necessary, comparative figures previously reported under UK GAAP have been restated for the transition to IFRS.

Turnover was £1.97 million, up by 22% from £1.62 million in the six months ended 31 July 2007. The installed base of monitors increased in the six month period by 93 units and by 166 units over the previous twelve months to 1,128 (compared to 962 units as at 31 July 2006). This has led to an accompanying increase in sensor usage of 12% from 12,112 to 13,582 units.

Product margins against external procurement costs on non-leasing related sales continue to average about 75% on monitors and have slightly increased to almost 87% on disposables. The overall reported gross margin on sales is 76% (2006: 76%).

Administrative and distribution expenses have decreased by £138,000 (5%) from £2.711m to £2.573m. Overall, the reported net loss before tax of £1.049m (2006: £1.482m) is £433,000 (29%) lower than for the prior period. This is principally due to increase in sales, savings in staff costs, professional fees and premises costs. An R&D tax credit of £75,000 is included (£55,000 in prior period), which results in a net loss after tax of £974,000 (2006: £1.427m) and a loss per share of 0.82p versus 1.33p.

At the end of July, the Company's cash balance was £481,000. Net cash outflow from operating activities has decreased by 31% due to a combination of increased sales and reduction in administration expenses during the period. In August the Company drew down a further £500,000 from its £1m Laurus loan facility; the total amount drawn down now stands at £550,000.

MARKETS, PRODUCT DEVELOPMENT, CLINICAL & BUSINESS CASE

LiDCOrapid – addressing a growing market need in" risk" surgery

Not surprisingly, given the strong clinical and business case for the use of hemodynamic monitoring, the market continues to grow at an encouraging rate estimated at around 50% per annum. Today our main customer for the LiDCO*plus* technology is predominantly the intensive care physician. Recently we have noted that a newer - and large - market opportunity within the anesthesia/major surgery market is starting to emerge. We believe that the requirements for a hemodynamic monitoring product that can be used in this market are different to those required for the intensive care unit. In response to this evolving market opportunity we are developing a

new and unique product - the LiDCO*rapid.* This product is designed to be simple to interpret, quick to set-up and a cost effective way of managing the hemodynamics of surgical, or any hemodynamically unstable patient requiring fluid and drug support. The LiDCO*rapid* is designed to be used by a physician or nurse to detect potentially deleterious changes in the hemodynamic status of the patient and then helps the user choose, use, and monitor the response of the patient to the therapeutic intervention. The LiDCO*rapid* is the first hemodynamic monitor specifically designed for use in the highly demanding conditions encountered in the operative room. We expect that the LiDCO*rapid* will also find application in other situations where a timely response to hemodynamic change and fluid resuscitation is required. The product's continuously available, beat-to-beat hemodynamic data will facilitate the use of enhanced fluid and drug based surgical optimization programs in a substantial number of the patients undergoing moderate and high-risk surgical procedures. This form of advanced care has been previously demonstrated to reduce complications and hospital length of stay. LiDCO believes that the design of our new product's graphical user interface is inventive and a novel approach to acute care. Accordingly, we have filed a patent application to protect what is believed will constitute a further and valuable addition to our intellectual property portfolio.

Our research and development strategy is to respond quickly to market opportunities by providing unique hemodynamic monitoring products. The LiDCO*rapid* development follows on from the recent launch of the LiDCO*plus* version 4.0 software, the new LiDCO PC products LiDCO*view*^{SE} (launched) and LiDCO*live* (in development). LiDCO believe that the LiDCO*plus* monitor and LiDCO*rapid* product (when available) will together represent the most evolved platforms available today for the care and optimization of both intensive care and surgery patients. We anticipate the launch of the new LiDCO*rapid* monitor and associated disposable product could be achieved as early as the first quarter of 2008. The availability of this product should allow us, and our distribution partners, to more fully access an additional substantial and growing market opportunity. Furthermore, the simpler regulatory requirements, user set-up and therefore less specialized sales support required for selling this product, opens up the possibility for LiDCO to appoint additional distributors in countries and territories where our products are not yet represented. Company estimates of the market size for sales of disposables into the global high-risk surgery market suggest that this market could eventually reach annual sales revenues of £429 million per annum. The UK market's value alone, for high-risk surgery could be in the region of £25 million per annum.

LiDCOlive – data display independent of location

The LiDCO*live* development is aimed at the creation of a virtual intensive care unit, taking real-time hemodynamic patient data and easy to interpret screens to the clinician - irrespective of his/her physical location. Location-independent monitoring is required in order to reduce the impact of a growing shortage of the highly skilled intensive care staff necessary to care for these patients. LiDCO is therefore developing a PC based software product called LiDCO*live* that can display the LiDCO*plus* Monitor trend screen and real-time patient data on any PC or laptop regardless of location. The clinician together with the bed-side based nurse can then discuss potential treatment approaches and immediately see the effects of their agreed change in fluid or drug therapy. This `virtual ICU' approach using LiDCO's technology has the potential to considerably improve the care of high-risk patients and help fully utilize the skills of the hospital clinical staff. The LiDCO*live* has been successfully demonstrated in Japan, the Czech Republic

and the USA at various international meetings this year. A trialist of the LiDCO*live* Dr. Loua Shaikh (Department of Critical Care Medicine, Frimley Park Hospital, UK) said *"In terms of patient care, the impact of time and distance on the delivery of experience and expert knowledge, to the bedside are considerably diminished.*" The LiDCO*live* software is still a product in development and is expected to be launched during the second quarter of 2008.

LiDCO Technology - Improving Clinical Outcomes

In March, the University of Iowa presented the results of an audit of clinical outcomes in the surgical intensive care unit. They reported that the use of our technology reduced the mortality rate of patients in shock from 32% to 12%. This result, taken together with previous findings elsewhere, demonstrates the potential of our technology to not only improve results in surgical patients but also in shock patients. Shock patients are regarded as a much more complex and difficult to treat. This study should prove to be of great interest to the intensive care community in the USA and further a field.

Also in March at the ISICEM in Brussels we announced the results of a surgical patient study presented by the Division of Critical Care, Faculdade de Medicina de são José do Rio Preto, Brazil. LiDCO's technology was used to optimize hemodynamics both during the surgery itself, and post operatively. This study demonstrated that LiDCO*plus* monitor mediated early goal directed therapy (EGDT) reduced hospital length of stay by half (six days versus 13) and also reduced the mortality rate of treated patients. Complications in the EGDT treated patients were also halved. The results of this trial and the Iowa data further show that the benefits of hemodynamic monitoring clearly outweigh the investment required to adopt our technology.

Terry O'Brien
Chief Executive Officer
30th October 2007

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 31 July 2007

	Six months ended 31 July 2007 (unaudited) £'000	Restated Six months ended 31 July 2006 (unaudited) £'000	Restated Twelve months ended 31 January 2007 £'000
Revenue	1,970	1,615	3,443
Cost of sales	(469)	(381)	(813)
Gross profit	1,501	1,234	2,630
Other income	25	28	69
Distribution costs	(29)	(33)	(69)
Administrative expenses	(2,544)	(2,678)	(5,184)
Net finance costs	(2)	(33)	(35)
LOSS BEFORE TAX	(1,049)	(1,482)	(2,589)
Income tax	75	55	204
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Loss per share (basic and diluted) (p)	0.82	1.33	2.10

CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 July 2007

	Six month ended 31 July 2007 (unaudited) £'000	Six months ended 31 July 2006 (unaudited) £'000	Twelve months ended 31 January 2007 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	880	917	854
Intangible assets	699	562	656
	1,579	1,479	1,510
Current assets			
Inventory	1,043	1,146	1,080
Trade and other receivables	1,424	1,757	1,433
Cash and cash equivalents	481	1,973	1,474
	2,948	4,876	3,986
Current Liabilities			
Trade and other payables	772	713	790
Deferred Income	46	106	68
	818	819	858
Net Current Assets	2,130	4,057	3,129
Total assets less current liabilities	3,709	5,536	4,638
EQUITY AND NON-CURRENT LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	592	590	592
Share premium	20,723	20,683	20,723
Other reserves	8,513	8,513	8,513
Retained earnings	(26,168)	(24,304)	(25,240)
Total Equity	3,660	5,482	4,588
Non-current liabilities			
Long-term borrowings	49	54	51
Total non-current liabilities	49	54	51
Total equity and non-current liabilities	3,709	5,536	4,638

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 31 July 2007

	Six months ended 31 July 2007 (unaudited) £'000	Six months ended 31 July 2006 (unaudited) £'000	Twelve months ended 31 January 2007 £'000
Cash flows from operating activities			
Cash receipts from customers	2,062	1,858	3,997
Cash paid to suppliers and employees	(3,029)	(3,286)	(6,146)
Cash absorbed by operations	(967)	(1,428)	(2,149)
Interest paid	(2)	(39)	(41)
Income tax credit received	-	55	298
Net cash outflow from operating activities	(969)	(1,412)	(1,892)
Cash flows from investing activities			
Purchase of property, plant & equipment	(49)	(84)	(146)
Interest Received	25	28	66
Net cash used in investing activities	(24)	(56)	(80)
Cash flows from financing activities			
Proceeds from issue of share capital	-	3,500	3,505
Proceeds from long-term borrowings	-	(1,010)	(1,010)
Net cash used in financing activities	-	2,490	2,495
Net increase in cash and cash equivalents	(993)	1,022	523
Cash and cash equivalents at beginning of period	1,474	951	951
Cash and cash equivalents at end of period	481	1,973	1,474

CONDENSED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 July 2007

	Share capital	Share premium	Other reserves	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000
At 31 January 2007	20,723	592	8,513	(25,240)	4,588
Recognition of value of options issued to employees	-	-	-	46	46
Loss for the period	-	-	-	(974)	(974)
At 31 July 2007	20,723	592	8,513	(26,168)	3,660

NOTES TO THE INTERIM STATEMENT

1. STATUS OF THE FINANCIAL STATEMENTS

These financial statements are not the Company's statutory accounts for the purposes of Section 240 of the Companies Act 1985. They are unaudited. The Company's statutory accounts for the year ended 31 January 2007 received an unqualified audit report, which did not contain a statement under S237 (2) of the Companies Act 1985, and have been filed with the registrar of companies at Companies House.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These interim condensed consolidated financial statements are for the six months ended 31 July 2007. They have been prepared based on the recognition and measurement principles of IFRS's in issue as adopted by the European Union (EU). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 January 2007. Previously, the consolidated financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP) up to and including the year ended 31 January 2007. The half-year financial information has been prepared on a consistent basis with the principal accounting policies set out in the Group's Annual Report & Accounts for the year ended 31 January 2007 with the exception of adopting IFRS for the first time and in accordance with those IFRS that will be effective for the year ended 31 January 2008. Comparative figures for the six months ended 31 July 2006 and for the year ended 31 January 2007 have been restated in accordance with IFRS and detailed in note 3 below.

The financial statements have been prepared on the going concern basis, which assumes that the Group will have sufficient funds to continue in operational existence for the foreseeable future. The Group has continued to invest in the development of its operations and as a result has continued to trade at a loss in the six months to 31 July 2007. The Directors have approved forecasts until the end of January 2009, which indicate that the Group will have sufficient funding to continue to trade during that period. The forecasts assume a level of sales about which there is uncertainty. If such new sales are not achieved, the Directors believe that there are sufficient opportunities available to them to obtain additional funding from existing sources, which would enable the Group to continue to develop its operations and to meet its liabilities as they fall due. Accordingly the financial statements have been prepared on a going-concern basis. The financial statements do not include any adjustments that would be required in the event that the Group had insufficient funding available.

3. IFRS TRANSITION CHANGES

There are no material changes to the reported figures following the adoption of IFRS. The main policies that are amended are:

Financial instruments: Recognition and measurement
IAS39 is applicable to the convertible loan. At 31 July 2007, the liability amounted to £49k and the adjustment arising from this is immaterial.

Deferred tax

The group has approximately £6m of unprovided deferred tax asset. Although there is a change in the basis of assessment for deferred tax under IAS12: Income Taxes, there is no recognition of this unprovided element.

Exemptions
IFRS1 'First-time Adoption of International Financial Reporting Standards' sets out the transition rules, which must be applied, when IFRS is adopted for the first time. The standard sets out certain mandatory exemptions to retrospective application and certain optional exemptions. The most significant optional exemptions available and taken by the Group are in business combinations. The Group has adopted the exemption under IFRS 1 relating to business combinations which occurred before the date of transition, 1 February 2006.

Key sources of estimation uncertainty
The preparation of financial statements under IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The key assets and liabilities are discussed below:

Impairment of intangibles
Determining whether intangibles are impaired requires an estimation of the value in use of the cash generating units to which development expenditure has been allocated. The value in use calculation requires an entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value.

4. IFRS TRANSITION RECONCILIATION

The restatements required by the changes in accounting policy, as set out in note 2 above, are as follows:

(a) Loss after taxation

	Six months ended 31 July 2006 (unaudited) £'000	Year ended 31 January 2007 (unaudited) £'000
Loss for the financial period/year, as previously stated under UK GAAP	(974)	(2,385)
Adjustments	-	-
As restated under IFRS	(974)	(2,385)

(b) Net assets

	At 1 February 2006 (unaudited) £'000

Opening net assets, as previously stated under UK GAAP/IFRS	3,327
Adjustments	-
As restated under IFRS	3,327

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 instructed by the company to review the financial information for the six months ended 31 July 2007 which comprises the condensed consolidated income statement, condensed consolidated balance sheet, condensed consolidated cashflow statement and the related notes 1 to 6. We have read the other information contained in the interim report which comprises only the chief executive's report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with guidance contained in APB Bulletin 1999/4 "Review of Interim Financial Information". 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 interim report including the financial information contained therein is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with The AIM Listing Rules.

As disclosed in note 2, the next annual financial statements of the group will be prepared in accordance with International Financial Reporting Standards as adopted by the European Union. This interim report has been prepared in accordance with the requirements of IFRS 1 "First-time Adoption of International Financial Reporting Standards" relevant to interim reports.

The accounting policies are consistent with those that the directors intend to use in the next annual financial statements.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 "Review of Interim Financial Information" issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower

level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 July 2007.

GRANT THORNTON UK LLP
CHARTERED ACCOUNTANTS
LONDON
30 October 2007

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.