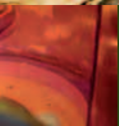

STANELCO PLC

Consolidated Interim Financial Statements for the six months ended 30 June 2009

Officers

Executive Directors:	
Paul R Mines	Chief Executive
Susan J Bygrave	Group Finance Director
Non-Executive Directors:	
Elizabeth J Filkin	Senior Independent Director
John F Standen	Chairman
Company Secretary:	
Donna R Simpson	
Registered office:	Starpol Technology Centre North Road Marchwood Southampton Hampshire SO40 4BL
Company registration no:	1873702 (England and Wales)

Contents

Chairman's statement

In the first half of this year we have continued to grow and improve the profitability of the Company despite turbulent macro conditions. It is pleasing to see that the sustainable agenda is still being supported through current economic times, and that we are achieving good levels of growth.

We are already seeing the benefits of employing experienced executives to run our BioPlastics and RF Applications divisions following recent appointments. In BioPlastics, the R&D team has made significant progress in improving the functionality of our bioplastics products and we are working closely with a number of blue chip customers to bring these new products to market. In the RF Applications division, the new management and sales staff have reinvigorated the business, introducing new products, driving support services and filling the new sales pipeline.

Group Results

Group revenues increased from £7.4m to £8.1m in the six months ended 30 June 2009, an increase of 9% compared with the six months ended 30 June 2008. This reflected a 29% increase in bioplastics sales made directly by the Company, a 29% increase in sales in RF Applications and a 5% increase in third party sales from our joint venture, Biotec.

The Group's loss from operations for the six months ended 30 June 2009 reduced to £1.5m from £1.6m in the same period last year. This year's loss from operations, however, was after a charge of £58,000 in respect of the Group's share option scheme whereas the period last year benefitted from a share option credit of £237,000. Before share option charges, the loss from operations reduced to £1.4m compared with £1.9m in the same period last year.

Finance related costs, including foreign exchange losses, totalled £1.2m for the six months ended 30 June 2009 compared with income of £0.5m in the six months ended 30 June 2009. These costs included a £0.9m loss relating to the retranslation of an intercompany loan between Stanelco and Biotec which partly reversed the £1.9m gain on the loan recorded in the year ended 31 December 2008. The gain on the loan in the six months ended 30 June 2008 was £0.4m.

After the impact of the foreign exchange loss, the loss before taxation was £2.7m (2008: £1.1m), delivering a loss per share of 0.087 pence (2008: 0.032 pence).

Our cash position at 30 June 2009 was £3.4m reflecting the loss for the period and the absorption of £1.3m of cash into working capital owing to increased sales and the usual build up of stocks ahead of the summer production holiday. With close working capital management and a return of stock balances to more usual levels after the holiday period, some of this movement should reverse in the second half of the year, as happened in the second half of last year.

Stanelco BioPlastics

The BioPlastics business has continued to make progress with the Company's direct sales of bioplastics up 29% to £1.0m for the six months ended 30 June 2009 and total sales up 8% to £7.6m.

The Biotec subsidiary in Germany continues to perform as required. The leadership of the business has been changed in the period and the unit has continued its transformation to low-cost manufacturing hub.

The new product flow from our pilot/development at our HQ in Southampton has been particularly encouraging. As a result of the development work over the last 18 months a number of new products with novel properties are in the later stages of trials with customers. The process of industrialising these products is now underway with larger scale manufacturing trials being undertaken at Biotec in Germany.

Work continues in the product development area to both improve the functional capability of our bioplastics and to reduce raw material costs.

Stanelco RF Applications

The RF Applications division has made good progress in the period with revenues increasing to £0.5m in the six months ended 30 June 2009 compared with £0.4m in the six months ended 30 June 2008 and with a strong order book going into the second half of the year.

The work put into broadening the product offering into areas such as induction heating has yielded rapid success. Enquiries and orders in this area have been building and our professional approach is yielding a number of repeat customers.

The business has recently launched a new range of high frequency induction generators covering the range 35-400kHz. These new modular generators extend Stanelco's range into new areas of the industrial market.

In the period, the business won the largest order for RF furnaces since 2001. At over £0.3m this contract will be delivered over the next 6 months and is indicative of the continued strength of the fibre optic cable market and Stanelco's product capability in this area.

We are particularly pleased to note the division's improving performance during a period that has seen considerable turbulence and general reductions in the wider market for capital goods.

Biotec Litigation

Novamont S.p.A's proceedings against Biotec Biologische Naturverpackungen GmbH & Co KG, Germany ("Biotec") remain ongoing. Biotec continues to defend these claims robustly and Stanelco and Biotec continue to take professional and technical advice with regard to this litigation, and are confident of a successful outcome.

Outlook

We believe we are focussed on the right priorities to build value for shareholders and we remain confident of a satisfactory outcome for the full year.

We continue to work closely with a number of customers with the potential to deliver further substantial increases in revenue, while considering acquisition opportunities and other paths that would allow us to significantly increase the scale of the business and improve shareholder value.

John Standen
Chairman

27 August 2009

Consolidated statement of comprehensive income

FOR THE PERIOD ENDED 30 JUNE 2009

	Note	**6 Months ended 30 June 2009 Unaudited**	6 Months ended 30 June 2008 Unaudited	Year ended 31 December 2008 Audited
		£'000	£'000	£'000
REVENUE	4a – 4c	8,058	7,411	14,803
Cost of sales		(6,135)	(5,832)	(11,976)
GROSS PROFIT		1,923	1,579	2,827
Recurring administrative expenses		(3,397)	(3,218)	(5,628)
LOSS FROM OPERATIONS	4a – 4c	(1,474)	(1,639)	(2,801)
Investment revenue		25	265	371
Finance charges		(87)	(135)	(242)
Foreign exchange (loss) / gain		(1,142)	360	2,205
LOSS BEFORE TAXATION		(2,678)	(1,149)	(467)
Taxation	5	(3)	165	169
LOSS FOR THE PERIOD		(2,681)	(984)	(298)
Other comprehensive income:				
Exchange differences on translating foreign operations		(828)	578	1,742
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(3,509)	(406)	1,444
Loss for the period attributable to:				
Equity holders of the parent		(2,504)	(850)	139
Minority interest		(177)	(134)	(437)
LOSS FOR THE PERIOD		(2,681)	(984)	(298)
Total comprehensive income for the period attributable to:				
Equity holders of the parent		(2,847)	(547)	1,482
Minority interest		(662)	141	(38)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(3,509)	(406)	1,444
Basic and diluted loss per share – pence	6	**(0.087)**	(0.032)	(0.010)

Consolidated statement of financial position

AS AT 30 JUNE 2009

	Note	**At 30 June 2009 Unaudited**	At 30 June 2008 Unaudited	At 31 December 2008 Audited
		£'000	£'000	£'000
NON-CURRENT ASSETS				
Goodwill	7	14,809	13,682	16,746
Other intangible assets	8	652	202	501
Property, plant and equipment	9	4,238	4,445	5,120
		19,699	18,329	22,367
CURRENT ASSETS				
Inventories		4,245	4,665	2,502
Trade and other receivables		2,951	3,293	2,157
Cash and cash equivalents		3,439	6,204	6,381
		10,635	14,162	11,040
TOTAL ASSETS		30,334	32,491	33,407
CURRENT LIABILITIES				
Trade and other payables		3,296	3,744	1,816
Promissory notes	10	6,710	6,205	7,543
Obligations under finance lease		271	212	294
Short term provisions		—	387	—
		10,277	10,548	9,653
NON-CURRENT LIABILITIES				
Obligations under finance lease		653	794	899
TOTAL LIABILITIES		10,930	11,342	10,552
NET ASSETS		19,404	21,149	22,855

Consolidated statement of financial position continued

AS AT 30 JUNE 2009

	At 30 June 2009 Unaudited	At 30 June 2008 Unaudited	At 31 December 2008 Audited
	£'000	£'000	£'000
EQUITY			
Share capital	3,078	3,078	3,078
Share premium account	38,623	38,615	38,623
Share options reserve	552	646	494
Translation reserves	1,102	405	1,445
Retained losses	(27,421)	(25,906)	(24,917)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	15,934	16,838	18,723
Minority interest	3,470	4,311	4,132
TOTAL EQUITY	19,404	21,149	22,855

The interim statements were approved by the Board on 27 August 2009.

Signed on behalf of the Board of Directors

Paul R Mines (Chief Executive)

Susan J Bygrave (Group Finance Director)

27 August 2009

Consolidated statement of changes in equity

AS AT 30 JUNE 2009

	Share capital £'000	Share premium account £'000	Share options reserve £'000	Translation reserves £'000	Retained losses £'000	Attributable to equity holders of the parent £'000	Minority interest £'000	TOTAL EQUITY £'000
Unaudited								
Balance at 1 January 2009	3,078	38,623	494	1,445	(24,917)	18,723	4,132	22,855
Share options issued in share based payments	—	—	58	—	—	58	—	58
Transactions with owners	—	—	58	—	—	58	—	58
Loss for the period	—	—	—	—	(2,504)	(2,504)	(177)	(2,681)
Other comprehensive income: Exchange differences on translation of foreign operations	—	—	—	(343)	—	(343)	(485)	(828)
Total comprehensive income for the period	—	—	—	(343)	(2,504)	(2,847)	(662)	(3,509)
Balance at 30 June 2009	3,078	38,623	552	1,102	(27,421)	15,934	3,470	19,404
Unaudited								
Balance at 1 January 2008	3,012	38,199	883	102	(25,056)	17,140	4,170	21,310
Share options issued in share based payments	—	—	(237)	—	—	(237)	—	(237)
Issue of share capital	66	416	—	—	—	482	—	482
Transactions with owners	66	416	(237)	—	—	245	—	245
Loss for the period	—	—	—	—	(850)	(850)	(134)	(984)
Other comprehensive income: Exchange differences on translation of foreign operations	—	—	—	303	—	303	275	578
Total comprehensive income for the period	—	—	—	303	(850)	(547)	141	(406)
Balance at 30 June 2008	3,078	38,615	646	405	(25,906)	16,838	4,311	21,149

Consolidated statement of changes in equity continued

AS AT 30 JUNE 2009

	Share capital £'000	Shares premium account £'000	Share options reserve £'000	Translation reserves £'000	Retained losses £'000	Attributable to equity holders of the parent £'000	Minority interest £'000	TOTAL EQUITY £'000
Audited								
Balance at 1 January 2008	3,012	38,199	883	102	(25,056)	17,140	4,170	21,310
Share options issued in share based payments	—	—	(389)	—	—	(389)	—	(389)
Issue of share capital	66	424	—	—	—	490	—	490
Transactions with owners	66	424	(389)	—	—	101	—	101
Loss for the year	—	—	—	—	139	139	(437)	(298)
Other comprehensive income: Exchange differences on translation of foreign operations	—	—	—	1,343	—	1,343	399	1,742
Total comprehensive income for the year	—	—	—	1,343	139	1,482	(38)	1,444
Balance at 31 December 2008	3,078	38,623	494	1,445	(24,917)	18,723	4,132	22,855

Consolidated statement of cash flows

FOR THE PERIOD ENDED 30 JUNE 2009

	6 Months ended 30 June 2009 Unaudited	6 Months ended 30 June 2008 Unaudited	Year ended 31 December 2008 Audited
	£'000	£'000	£'000
Loss from operations	(1,474)	(1,639)	(2,801)
Adjustment for:			
Amortisation and impairment of intangible assets	36	21	148
Depreciation of property, plant and equipment	350	188	681
Share based payments	58	(236)	(389)
(Profit)/loss on disposal of property, plant and equipment	(2)	(2)	2
Increase / (decrease) in provisions	—	361	(441)
Foreign exchange	(93)	359	81
Operating cash flows before movement in working capital	(1,125)	(948)	(2,719)
(Increase) / decrease in inventories	(1,939)	1,432	4,956
(Increase) / decrease in receivables	(928)	(1,675)	12
Increase / (decrease) in payables	1,575	(922)	(3,612)
Cash utilised by operations	(2,417)	(2,113)	(1,363)
Corporation tax received	—	165	169
Interest paid	(55)	(54)	(160)
Net cash outflow from operating activities	(2,472)	(2,002)	(1,354)
Cash flows from investing activities			
Interest received	25	265	371
Proceeds on disposal of property, plant and equipment	2	—	2
Investment in intangible assets	(196)	(4)	(416)
Purchase of property, plant and equipment	(17)	(117)	(307)
Settlement of deferred consideration	—	(487)	(487)
Net cash used in investing activities	(186)	(343)	(837)
Cashflows from financing activities			
Repayment of obligations under finance lease	(126)	(134)	(219)
Proceeds of issue of ordinary share capital	—	483	482
Net cash from financing activities	(126)	349	263
Net decrease in cash and cash equivalents	(2,784)	(1,996)	(1,928)
Cash and cash equivalents at beginning of period	6,381	8,059	8,059
Effect of foreign exchange rate changes	(158)	141	250
Cash and cash equivalents at end of period	3,439	6,204	6,381

Notes to the interim consolidated financial statements

FOR THE PERIOD ENDED 30 JUNE 2009

1. **CORPORATE INFORMATION**

The financial information for the year ended 31 December 2008 set out in this interim report does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The Group's statutory financial statements for the year ended 31 December 2008 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Section 237 (2) or Section 237 (3) of the Companies Act 1985. The interim results are unaudited. Stanelco plc is a public limited company incorporated and domiciled in England & Wales. The company's shares are publicly traded on the London Stock Exchange.

2. **BASIS OF PREPARATION**

These interim consolidated financial statements are for the six months ended 30 June 2009. They have been prepared in accordance with IAS 34 Interim Financial Reporting. 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 December 2008.

These interim consolidated financial statements have been prepared under the historical cost convention.

These interim consolidated financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2008 except for the adoption of IAS 1 Presentation of Financial Statements (Revised 2007) and IFRS 8 Operating Segments.

The adoption of IAS 1 (Revised 2007) does not affect the financial position or profits of the Group, but gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged, however, some items that were recognised directly in equity are now recognised in other comprehensive income, for example exchange differences on translating foreign operations. IAS 1 (Revised 2007) affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'. Further, a 'Statement of changes in equity' is now presented.

The adoption of IFRS 8 has not changed the segments that are disclosed in the interim financial statements. In the previous annual and interim financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns. Under IFRS 8 the accounting policy for identifying segments is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker. These are the same for the Group.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim consolidated financial statements.

Notes to the interim consolidated financial statements continued

FOR THE PERIOD ENDED 30 JUNE 2009

3. **BASIS OF CONSOLIDATION**

The Group interim financial statements consolidate the results of the Company and all of its subsidiary undertakings drawn up to 30 June 2009. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights. At 30 June 2009 the subsidiary undertakings were Stanelco RF Technologies Limited, InGel Technologies Limited, Adept Polymers Limited, Aquasol Limited, Stanelco Inc, Biotec Holding GmbH Group, Biotec Biologische Naturverpackungen GmbH & Co KG and Biotec Biologische Naturverpackungen Forschungs-und Entwicklungs GmbH.

The Group's shareholding in Biotec is 50 per cent. However the Group is party to an agreement giving it a casting vote over all material decisions and so Biotec is accounted for as a subsidiary on the basis of control. The casting vote expires on 31 December 2009. After this date Biotec will cease to be fully consolidated.

The assets and liabilities of the Stanelco plc Employee Benefit Trust ("EBT") are included within the consolidated statement of financial position on the basis that the Group has the ability to exercise control over the EBT.

4a. **SEGMENTAL INFORMATION FOR 6 MONTHS ENDED 30 JUNE 2009**

	BioPlastics 6 Months ended 30 June 2009 £'000	RF Applications 6 Months ended 30 June 2009 £'000	Central Costs 6 Months ended 30 June 2009 £'000	Total 6 Months ended 30 June 2009 £'000
Unaudited				
Revenue from external customers	7,554	504	—	8,058
PROFIT/(LOSS) FROM OPERATIONS	(530)	1	(945)	(1,474)
Investment revenue				25
Finance charges				(87)
Foreign exchange loss				(1,142)
LOSS BEFORE TAXATION				(2,678)
TOTAL ASSETS	25,672	1,515	3,147	30,334

Notes to the interim consolidated financial statements continued

FOR THE PERIOD ENDED 30 JUNE 2009

4b. **SEGMENTAL INFORMATION FOR 6 MONTHS ENDED 30 JUNE 2008**

	BioPlastics 6 Months ended 30 June 2008	RF Applications 6 Months ended 30 June 2008	Central Costs 6 Months ended 30 June 2008	Total 6 Months ended 30 June 2008
	£'000	£'000	£'000	£'000
Unaudited				
Revenue from external customers	**7,021**	**390**	**—**	**7,411**
LOSS FROM OPERATIONS	**(71)**	**(119)**	**(1,449)**	**(1,639)**
Investment revenue				265
Finance charges				(135)
Foreign exchange gain				360
LOSS BEFORE TAXATION				**(1,149)**
TOTAL ASSETS	22,814	973	8,704	**32,491**

4c. **SEGMENTAL INFORMATION FOR YEAR ENDED 31 DECEMBER 2008**

	BioPlastics Year ended 31 December 2008 £'000	RF Applications Year ended 31 December 2008 £'000	Central Costs Year ended 31 December 2008 £'000	Total Year ended 31 December 2008 £'000
Audited				
Revenue from external customers	**13,728**	**1,075**	**—**	**14,803**
LOSS FROM OPERATIONS	**(844)**	**(15)**	**(1,942)**	**(2,801)**
Investment revenue				371
Finance charges				(242)
Foreign exchange gain				2,205
LOSS BEFORE TAXATION				**(467)**
TOTAL ASSETS	27,087	1,075	5,245	**33,407**

5. **TAXATION**

The Group's policy is to recognise tax credits resulting from tax R&D claims on a cash received basis. A claim has been submitted in respect of the year ended 31 December 2008 but has not yet been settled. A tax credit has not, therefore, been recognised in these accounts in respect of that claim.

6. **EARNINGS PER SHARE**

The calculation of earnings per share is based on the loss after tax for the six months of £2,680,711 (2008: £984,154) and a weighted average of 3,078,340,917 (2008: 3,021,403,333) ordinary shares in issue.

7. **GOODWILL**

The decrease in goodwill since 31 December 2008 is due to the depreciation of the Euro during the reporting period. This increase will reverse should the Euro appreciate in future periods.

8. **OTHER INTANGIBLE ASSETS**

Other intangible assets increased in the period as a result of the capitalisation of £196,000 of product development costs. The amortisation charge for the period was £36,000.

9. **PROPERTY, PLANT AND EQUIPMENT**

There were no significant additions to property, plant and equipment during the reporting period. The decrease in property, plant and equipment in the reporting period reflected the depreciation of the Euro and the depreciation charge for the period.

10. **PROMISSORY NOTES**

Promissory notes are amounts due from members of Biotec Holding GmbH Group to the 50 per cent shareholder, SPhere. Amounts due represent the principal loans plus unpaid interest. Interest is calculated at one per cent per annum on the outstanding loans. The promissory notes are repayable on demand. On this basis the notes are included on the balance sheet at the face value which is equivalent to fair value. The promissory notes are not subject to interest rate risk as interest is fixed at 1% and are repayable on demand. During the period between 31 December 2008 and 30 June 2009 the depreciation of the Euro resulted in a loss of £897,000 in the value of the promissory notes.

Notes to the interim consolidated financial statements continued

FOR THE PERIOD ENDED 30 JUNE 2009

11. **CONTINGENT LIABILITIES**

Novamont S.p.A's ("Novamont's") proceedings against Biotec Biologische Naturverpackungen GmbH & Co KG, Germany ("Biotec") claiming infringement of the French and Italian designations of Novamont's European Patent Numbers EP 0 327 505, EP 0 947 559 and EP 0 937 120 remain ongoing.

Biotec is defending these claims robustly. The proceedings are continuing and a judgment is not expected for up to 18 months in either the French or Italian proceedings. Stanelco and Biotec continue to take professional and technical advice with regard to this litigation and are confident of a successful outcome.

12. **RISKS AND UNCERTAINTIES**

The principal risks and uncertainties affecting the business activities of the Group are detailed in the Directors' Report which can be found on pages 9-14 of the Annual Report and Financial Statements for the year ended 31 December 2008 ("the Annual Report"). A copy of the Annual Report and Financial Statements is available on the Company's website at www.stanelcoplc.com

The risks affecting the business remain the same as in the Annual Report. In summary, these risks include:

- changes in the regulatory environments in which the Group operates
- fluctuations in exchange rates, particularly Euro
- volatility in raw material prices
- breach of intellectual property rights
- competitors developing more attractive products
- failure to commercialise products
- financial risks including exchange rate risk, liquidity risk, interest rate risk and credit risk.

Further details of how these risks impact the business and how the directors attempt to mitigate the risks can be found in the Annual Report.

Statement of directors' responsibilities

The directors confirm that to the best of their knowledge:

- this condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union;
- the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:
  - An indication of important events that have occurred during the six months ended 30 June 2009 and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
  - Material related party transactions in the six months ended 30 June 2009 and any material changes in the related party transactions described in the last annual report.

By order of the Board:

Paul R Mines (Chief Executive)

Susan J Bygrave (Group Finance Director)

27 August 2009

Independent review report for Stanelco plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flow, consolidated statement of changes in equity and the related notes 1 to 12. We have read the other information contained in the half yearly financial report which comprises only the Chairman's Statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in Note 2, the annual financial statements of the group are prepared in accordance with IFRS, as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting,' as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Independent review report for Stanelco Plc continued

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 30 June 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

GRANT THORNTON UK LLP
Southampton
27 August 2009

Stanelco Plc • Starpol Technology Centre • North Road • Marchwood • Southampton • SO40 4BL
Tel: +44 (0) 2380 867100 • Fax: +44 (0) 2380 867070 • Skype: Stanelco • Email: info@stanelco.co.uk • Web: www.stanelcoplc.com