**For immediate release** 26 September 2007

**Plethora Solutions Holdings PLC (AIM:PLE)**

**Interim Results for the six months ended 30 June 2007**

Plethora Solutions Holdings PLC ("Plethora") the specialist developer of products for the treatment and management of urological disorders, today announced interim results for the six months ended 30 June 2007.

## Highlights

- Revenues up 16% to £2.8m (H1 2006 £2.4m)
- Cash outflow from operating activities £4.1m (H1 2006: £2.0m)
- Cash and cash equivalents at 30 June 2007 £7.5m (30 June 2006: £6.6m)

## Licensing:

- $7m equity investment received from Sciele Pharma, Inc. ("Sciele") for US rights to PSD502 for Premature Ejaculation (PE) at £2 per share
- Plethora retains co-promotion rights in the US
- Non-US rights to PSD502 for PE in negotiation

## Product Sales and Marketing:

- Sales of ErecAid® vacuum erection devices increased
- Gross margin on ErecAid® sales increased to 86% in the reporting period (H1 2006 77%) following transfer of key component manufacture to China
- Timm Medical sales force expanded
- New products added to Timm Medical portfolio – Acticuf® and Cleancatch®

## Development:

- IND opened for PSD502 for PE
- Successful completion of PSD502 clinical study in the US as a precursor to Phase III
- Successful completion (post reporting period) of a PSD597 Phase II study for Interstitial Cystitis/Painful Bladder Syndrome

## Dr Steven Powell, CEO said:

"The transformation of Plethora into a sustainable urology business continues to gather momentum. 2007 is a year of investment in clinical development and already two studies have been completed successfully in the first half of the year. We also signed a licensing agreement with Sciele Pharma, Inc., which provides Plethora with a platform to begin the transition from a development-led organisation to a more balanced group with revenues derived from both licensing and product sales. The positive results from PSD597, announced earlier this month, further demonstrate our ability to move products through clinical development and on towards commercial development and we will now initiate licensing discussions for this product.

"During the second half of the year, licensing activity will focus on PSD502 and PSD597, whilst in parallel we will continue to grow revenues from our portfolio of Timm products, and move PSD502 and PSD510 into Phase III studies. We are in constant discussions with commercial partners to take these products forward and to ensure that we maximise the value of our portfolio."

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**About Plethora:**

Plethora is focused on the development and marketing of products for the treatment of urological disorders. The Company has products in clinical development for the treatment of overactive bladder, stress urinary incontinence, interstitial cystitis, gynaecological pain, erectile dysfunction and premature ejaculation. Plethora has a Minneapolis (Mn) based subsidiary, Timm Medical Technologies Inc, which markets products for the treatment of erectile dysfunction (ED) to urology clinics through a US-based specialty sales team. The Company is headquartered in the UK and is listed on the London Stock Exchange (AIM:PLE) Further information is available at **www.plethorasolutions.co.uk**

**A meeting for equity analysts will take place at 9:30 a.m. today at Collins Stewart, 9th Floor, 88 Wood Street, London EC2V 7QR.**

## Chairman and Chief Executive's Statement

Plethora's strategy is to build a urology business based on three core activities:

- Sales and marketing of urology products;
- Product licensing; and
- Therapeutic product development.

We are pleased to report that we have made significant progress in all three activities and continue towards our goal of creating a sustainable urology business.

### Product Sales and Marketing

Plethora markets a range of Vacuum Erection Devices (VEDs) through its subsidiary, Timm Medical, for the treatment of erectile dysfunction (ED). Products are marketed in the USA via a newly expanded field sales force calling on specialist urology clinics. Their efforts are supplemented by an in-house support team interacting directly with patients and products are marketed internationally via an extensive distributor network.

In the first half of 2007, Timm Medical reported sales of £2.8m (H1 2006: £2.4m) from sales of the ErecAid® VED and the ErecAid® gross margin increased from 77% to 86% as a result of the Board's decision to transfer component manufacture to China in the latter part of 2006. We continue to see a growth in ErecAid® sales achieved by demonstrating the effectiveness of the product in treating ED patients who are either excluded from, or choose not to use, oral therapeutics for the treatment of ED. We expect that the continued demonstration of the safety and clinical efficacy of ErecAid® in patients post radical prostatectomy and failed medical management (e.g diabetes patients) will lead to continued organic growth in Timm Medical revenues in the second half of the year.

Two new products, Acticuf®, for male incontinence, and, Cleancatch®, for obtaining midstream urine samples, were added to the Timm portfolio in May. It is too early for these products to have made an impact on the sales line in this reporting period, but initial market feedback is encouraging. The Board's objective is to develop Timm Medical from a single product marketing operation into more diverse urology business.

### Licensing Activity

In May 2007 we signed an exclusive agreement with Sciele Pharma, Inc., licensing commercial rights to PSD502 for premature ejaculation in the USA together with an agreement for Sciele to purchase a $7m equity stake in Plethora. Under the terms of the license we will receive milestone payments on the achievement of regulatory and sales milestones. Plethora will also receive royalty payments on sales after product approval and launch. Negotiations are continuing with potential partners for PSD502 for territories outside of the USA and for the secondary indication of wound pain.

Within the license agreement with Sciele, Plethora has retained co-promotion rights that will leverage our existing Timm Medical sales and marketing infrastructure. By retaining co-promotion rights in the US and negotiating non-US rights separately, Plethora aims to maximise the value of this development asset. Sciele's equity investment in Plethora reflects the potential that exists in our product development pipeline particularly in women's health, an area of clinical focus for Sciele.

In addition to PSD502 we have now initiated discussions with potential licensing partners for PSD597 following the successful completion of a Phase II clinical study for the treatment of interstitial cystitis and painful bladder syndrome. We look forward to updating shareholders on the progress of these discussions in due course.

## Development Pipeline

Significant advances have been made across the Plethora development portfolio during the first half of fiscal year 2007. While PSD502 and PSD510 are now progressing towards Phase III studies, four Phase II projects for treatment of female urinary incontinence and gynaecological pain are expected to have completed their current stage of clinical development by mid 2008 giving rise potentially to further new out-licensing opportunities for Plethora.

## Male Sexual Dysfunction

Plethora is both marketing and developing products for the treatment of male sexual dysfunction in the form of erectile dysfunction and the unmet medical need of premature ejaculation.

**Table 1:** Plethora Male Sexual Health Portfolio

| Product | Indication | Category | Status |
|---|---|---|---|
| ErecAid ® | ED | Device | Marketed |
| PSD502 | PE | Therapeutic | Phase III |
| PSD510 Invicorp® | ED | Therapeutic | Phase II/III |

## PSD502: A Topical treatment for premature ejaculation

Epidemiological surveys indicate that Premature Ejaculation (PE) is the most commonly reported form of sexual dysfunction in men, with prevalence of 25 to 30%. Unlike ED, the prevalence of PE does not appear to correlate with increasing age and there are no approved pharmaceutical treatments.

PSD502, Plethora's product in development for the treatment of PE, has successfully completed a Phase II clinical study with patients with primary PE. In February 2007 the Group filed an Investigational New Drug submission (IND) with US regulatory authorities, completing its filing with the FDA ahead of moving the product into Phase III. A manufacturing and supply agreement has been concluded with a US manufacturer to supply active drug for both the Phase III study and subsequent commercial product and the licensing agreement with Sciele for rights to PSD502 in the US means that the project is on track to move to its final stage of clinical development before the end of 2007.

The programme for PSD502 in pain management continues to advance and could deliver significant additional value.

## PSD510 (Invicorp®)

Erectile dysfunction (ED), the inability to attain and maintain an erection sufficient to permit satisfactory sexual intercourse, afflicts almost one-fifth of men. It can be treated by either pharmacological or non-pharmacological means or a combination of treatments. A number of oral phosphodiesterase type 5 ($PDE_5$) inhibitors are approved as first-line treatments for ED. Overall, while ED market expansion has been driven by oral drugs, the current generation of $PDE_5$ inhibitors is not effective in around 30% of ED sufferers.

Invicorp® is a non-oral treatment for erectile dysfunction. Completed Phase II and III studies have shown that, in contrast to current, marketed non-oral therapeutics where pain is a common adverse event experienced by more than 30% of users, the reported incidence of pain associated with Invicorp® in clinical studies to date is substantially less with fewer other side effects. The product is already approved in the UK, Denmark and New Zealand. Following discussions with the US Food & Drug Administration (FDA), Plethora will initiate the final component of the North American clinical development programme for Invicorp®, a Phase III programme, at up to 30 sites in the USA later in 2007. The programme is expected to last 15 months with the product launch anticipated by the end of 2009.

Invicorp® is a strong complement to the Timm Medical ED franchise and will leverage Timm's current access to a key prescriber group, namely urologists active in ED management in those men failing oral ED drugs. We believe that the superior adverse event profile and clinical efficacy of Invicorp® will enable this product to not only compete for market share but also to attract and retain new users.

### Female Health

Plethora's development activities in female health are focussed on treatment of urinary incontinence and gynaecological pain. Both clinical fields encompass substantial patient populations and poorly met clinical needs.

**Table 2:** Plethora Female Health Portfolio

| Product | Indication | Description | Status |
|---|---|---|---|
| PSD503 | SUI | Therapeutic | Phase II |
| PSD506 | OAB (LUTS) | Therapeutic | Phase II |
| PSD597 | Interstitial cystitis | Therapeutic | Phase II/III |
| PSD508 | Dysmenorrhea | Therapeutic | Phase II |
| PSD509 | Uterine pain | Therapeutic | Pre Phase II |

### Urogynaecological Pain

### PSD597

PSD597 is a proprietary formulation of a marketed analgesic drug for the treatment of interstitial cystitis and painful bladder syndrome (IC/PBS). A 2006 Datamonitor report, "*Interstitial Cystitis – Few Treatments, Poor Outcomes" (04.2006)*, stated that IC prevalence translated to a global patient population of 16 million with 6.4 million patients in the US alone.

Post the reporting period we announced the successful conclusion of a PSD597 Phase II clinical study in North America in patients suffering from interstitial cystitis and painful bladder syndrome. Preliminary analysis of the data showed a clinically and statistically significant improvement in patient symptoms as measured by the primary endpoint of Global Response Assessment (GRA). This is the first study conducted in a double blind placebo controlled setting using well recognized endpoints to report a positive outcome. These results were further supported by positive outcomes for the secondary endpoints, including symptom and problem indices. Importantly, the treatment effect appeared to be maintained for several weeks and the drug was safe, well tolerated and devoid of systemic side effects. Discussions will now be initiated with regulatory authorities to confirm the requirements for the remaining component of the registration programme for this product. Full data from the blinded and open label studies will be available later in the year and we look forward to updating shareholders as this development programme and associated partnering discussions advance.

### PSD508/509

In 2006, Plethora acquired exclusive licenses to two clinical-stage product candidates and access to an underlying platform drug delivery technology from Metris Therapeutics Limited. This technology effects local delivery of drug actives which have established or potential benefit in women's health indications to the reproductive system via the vaginal wall. This may enable delivery of higher doses of drug than might be achieved through oral delivery while minimising systemic exposure.

PSD508 is a locally-delivered formulation of a well-characterised non-steroidal anti-inflammatory drug (NSAID) for the treatment of dysmenorrhoea; a painful, often incapacitating, menstrual cramp which afflicts more than 50% of women of reproductive age. PSD508 is scheduled to enter Phase II development towards the end of 2007.

PSD509 is a locally-delivered formulation of a well-characterised sodium channel blocker thought to have potential in the treatment of chronic gynaecological pain.

**Urinary Incontinence**

Urinary incontinence (UI) is a condition where involuntary loss of urine is a social or hygienic problem. UI may be broadly divided into two types: stress UI (SUI) and urge UI (or overactive bladder, OAB), although "mixed" incontinence is not uncommon.

**PSD503: Topical therapy for SUI**

Plethora has developed PSD503 to provide a viable 'on demand' treatment initially for the treatment of women suffering from mild to moderate SUI. The product has a potential patient population of around 22 million in North America and Western Europe.

A Phase II clinical study has been initiated which is enrolling women with confirmed SUI. Study endpoints include safety and objective assessments of urodynamic improvement. Study results are expected before the end of the year.

**PSD506: An oral treatment for OAB in both men and women**

Plethora is undertaking clinical development of a novel, selective, muscarinic receptor antagonist ("antimuscarinic") PSD506 as an oral treatment for OAB and related symptoms in men and women. Based on preclinical and Phase I clinical studies undertaken by Hoffman La Roche, PSD506 may have a superior side effect profile; specifically a reduced propensity to cause dry mouth than currently available antimuscarinics. Plethora has initiated two Phase II clinical studies in spinal injury patients experiencing spontaneous contraction of the bladder muscles causing incontinence and in women with OAB. Preliminary results of these studies are expected before the end of the year.

**Financial Review**

The unaudited financial information for the six months ended 30 June 2007 is prepared in accordance with the Group's accounting policies and is in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

In the first six months of 2007 the Group recorded revenues of £2.8m (six months ended 30 June 2006: £2.4m) a 16% increase. In the same period the Group absorbed the negative impact of a 10% deterioration in the US dollar exchange rate. The gross margin on ErecAid® sales in the period improved significantly from 77% to 86% as a result of transfer of the manufacture of key components to China.

The first half of 2007 saw an increase in clinical activity across the portfolio and this has resulted in an increase in development expenditure in the first six months to £3.6m (six months ended June 2006: £1.7m), reflecting progress made in product development, particularly with PSD502, Invicorp® (PSD510) and PSD597.

Administrative expenses for the period were £3.4m (six months ended 30 June 2006: £2.2m) and include sales and marketing expenses for the period of £2.0m (six months ended 30 June 2006: £1.4m). The increase of £0.6m related to expansion of the field force and increased marketing spend to drive revenue growth. Administrative expenses also include a charge for share-based compensation in the period of £0.3m (six months ended 30 June 2006: £0.1m). The remaining charge for share-based compensation of £0.2m (six months ended 30 June 2006: £0.1m) is included within development expenditure.

Cash and cash equivalents were £7.5m at 30 June 2007 (£6.6m at 30 June 2006). In the six months ended 30 June 2007, we received a $7m equity investment from Sciele for the US rights to PSD502 and

£4m in a secured loan from ETV Capital S.A. to fund the completion of the clinical development and filing for US market approval of Invicorp® (PSD510).

Net cash outflow from operating activities for the period was £4.1m (six months ended 30 June 2006: £2.0m) reflecting the increase in product development activity in the first half of 2007.

**SUMMARY AND OUTLOOK**

2007 is a year of investment in clinical development and already two studies have been completed successfully in the first half of the year. The licensing agreement with Sciele provides Plethora with a platform to begin the transition from a development-led organisation to a more balanced group with licences and sales from products providing revenue. The positive results from PSD597, announced earlier this month, further demonstrate our ability to move products through clinical development, into commercial development to realise values for these development assets.

During the second half of 2007 we will focus licensing activities on PSD502 and PSD597, continue to develop revenue growth through our portfolio of Timm products, and move PSD502 and PSD510 into Phase III studies. We are in constant discussions with commercial partners to take these products forward and to ensure that we maximise the value of our product portfolio.

*Stuart Wallis*
*Chairman*

*Steven Powell*
*Chief Executive Officer*

## PLETHORA SOLUTIONS HOLDINGS PLC

### Condensed Consolidated Interim Income Statement

Six months ended 30 June 2007

| | Note | **6 months ended 30 June 2007 Unaudited £'000** | 6 months ended 30 June 2006 Unaudited £'000 | Year ended 31 December 2006 Unaudited £'000 |
|---|---|---|---|---|
| **Sales** | 3 | **2,783** | 2,406 | 5,158 |
| Cost of sales | | **(390)** | (562) | (1,071) |
| **Gross profit** | | **2,393** | 1,844 | 4,087 |
| Administrative expenses | | | | |
| - research and development expenses | | **(3,586)** | (1,669) | (5,402) |
| - other administrative expenses | | **(3,421)** | (2,205) | (4,759) |
| - amortisation of intangibles | | **(232)** | (186) | (418) |
| | | **(7,239)** | (4,060) | (10,579) |
| **Operating loss** | | **(4,846)** | (2,216) | (6,492) |
| Finance costs | | **(54)** | - | - |
| Finance income | | **78** | 137 | 253 |
| **Loss for the period before taxation** | | **(4,822)** | (2,079) | (6,239) |
| Tax credit | | **46** | 56 | 344 |
| **Loss for the period** | 3 | **(4,776)** | (2,023) | (5,895) |
| **Attributable to equity shareholders** | | **(4,776)** | (2,023) | (5,895) |
| **Loss per ordinary share** | | | | |
| Basic loss per share | 6 | **(18.3)** | (8.2) | (23.3) |
| Diluted loss per share | 6 | **(18.3)** | (8.2) | (23.3) |

## PLETHORA SOLUTIONS HOLDINGS PLC

### Condensed Consolidated Interim Statement of Recognised Income and Expenditure

Six months ended 30 June 2007

| | **6 months ended 30 June 2007 Unaudited £'000** | 6 months ended 30 June 2006 Unaudited £'000 | Year ended 31 December 2006 Unaudited £'000 |
|---|---|---|---|
| **Loss for the period** | (4,776) | (2,023) | (5,895) |
| **Exchange difference on translation of foreign operations** | (24) | 14 | (113) |
| **Total recognised income and expenditure for the period** | (4,800) | (2,009) | (6,008) |
| **Attributable to equity shareholders** | (4,800) | (2,009) | (6,008) |

## PLETHORA SOLUTIONS HOLDINGS PLC

### Condensed Consolidated Interim Balance Sheet

Six months ended 30 June 2007

| | | At 30 June 2007 Unaudited £'000 | At 30 June 2006 Unaudited £'000 | At 31 December 2006 Unaudited £'000 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non current** | | | | |
| Goodwill | | **1,463** | 2,270 | 1,463 |
| Other intangible assets | | **4,424** | 4,888 | 4,656 |
| Property, plant and equipment | | **193** | 162 | 199 |
| Deferred tax asset | | **353** | - | 353 |
| Long term other debtor | | **21** | 35 | 35 |
| | | **6,454** | 7,355 | 6,706 |
| **Current** | | | | |
| Inventory | | **290** | 246 | 186 |
| Trade and other receivables | | **693** | 915 | 1,133 |
| Cash and cash equivalents | | **7,507** | 6,573 | 3,439 |
| | | **8,490** | 7,734 | 4,758 |
| **Total assets** | | **14,944** | 15,089 | 11,464 |
| **Liabilities** | | | | |
| **Current** | | | | |
| Trade and other payables | | **1,959** | 1,606 | 2,027 |
| Borrowings | 4 | **1,254** | - | - |
| | | **3,213** | 1,606 | 2,027 |
| **Non-current** | | | | |
| Borrowings | 4 | **3,275** | 815 | 671 |
| Deferred tax provision | | **1,327** | 1,466 | 1,397 |
| | | **4,602** | 2,281 | 2,068 |
| **Total liabilities** | | **7,815** | 3,887 | 4,095 |
| **Net assets** | | **7,129** | 11,202 | 7,369 |
| **Equity** | | | | |
| Share capital | 7 | **280** | 258 | 258 |
| Share premium | 7 | **20,153** | 16,068 | 16,072 |
| Other reserves | 7 | **4,908** | 4,908 | 4,908 |
| Share based payment reserve | 7 | **1,021** | 170 | 564 |
| Profit and loss account | 7 | **(19,233)** | (10,202) | (14,433) |
| **Total equity** | 7 | **7,129** | 11,202 | 7,369 |

## PLETHORA SOLUTIONS HOLDINGS PLC

### Condensed Consolidated Interim Cash Flow Statement

Six months ended 30 June 2007

| | **6 months ended 30 June 2007 Unaudited £'000** | 6 months ended 30 June 2006 Unaudited £'000 | Year ended 31 December 2006 Unaudited £'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Loss after taxation | **(4,776)** | (2,023) | (5,895) |
| Adjustment for foreign exchange | **3** | 14 | (9) |
| Employee equity settled share options | **457** | 170 | 332 |
| Depreciation of plant and equipment | **46** | 16 | 69 |
| Amortisation | **232** | 186 | 418 |
| Change in inventories | **(104)** | (25) | 84 |
| Change in trade and other receivables | **(108)** | (341) | (160) |
| Change in trade and other payables | **(176)** | 50 | 418 |
| Taxation income per profit and loss account | **(46)** | (56) | (344) |
| **Cash utilised from operations** | **(4,472)** | (2,009) | (5,087) |
| Interest paid | **-** | - | (2) |
| Income taxes received/(paid) | **403** | - | (117) |
| **Net cash outflows from operating activities** | **(4,069)** | (2,009) | (5,206) |
| **Cash flows from investing activities** | | | |
| Purchases of property, plant and equipment | **(44)** | (67) | (142) |
| Acquisition of subsidiary undertaking | **-** | (5,007) | (5,009) |
| Cash received acquired on acquisition | **-** | - | 23 |
| Interest received | **78** | 152 | 265 |
| **Net cash from / (used in) investing activities** | **34** | (4,922) | (4,863) |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | **4,145** | 7,790 | 7,790 |
| Proceeds from issue of loans | **4,000** | - | - |
| Share issue costs | **(42)** | (499) | (495) |
| **Net cash from financing activities** | **8,103** | 7,291 | 7,295 |
| **Net increase/(decrease) in cash and cash equivalents** | **4,068** | 360 | (2,774) |
| **Cash and cash equivalents at beginning of period** | **3,439** | 6,213 | 6,213 |
| **Cash and cash equivalents at end of period** | **7,507** | 6,573 | 3,439 |

## 1 GENERAL INFORMATION

Plethora Solutions Holdings plc and its subsidiaries principal activities are the development and sale of drugs and medical devices for the diagnosis, treatment and management of urological disorders.

Plethora Solutions Holdings plc, a Public Limited Company, is incorporated and domiciled in the United Kingdom.

The financial statements for the period ended 30 June 2007 (including the comparatives for the periods ended 30 June 2006 and 31 December 2006) were approved by the board of directors on 25 September 2007. Under the security regulations act of the EU, amendments to the financial statements are not permitted after they have been approved.

The financial information 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 2006, prepared under UK GAAP, have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain any statements under Section 237(2) of the Companies Act 1985.

## 2 ACCOUNTING POLICIES

### Basis of preparation

These interim condensed consolidated financial statements are for the six months ended 30 June 2007. They have been prepared in accordance with IAS 34 "Interim Financial Reporting" and the requirements of IFRS 1 "First-time Adoption of International Financial Reporting Standards" relevant to interim reports, because they are part of the period covered by the Group's first IFRS financial statements for the year ended 31 December 2007. 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 2006.

These consolidated interim financial statements (the interim financial statements) have been prepared in accordance with the accounting policies set out below which are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU) and are effective at 31 December 2007 or are expected to be adopted and effective at 31 December 2007, our first annual reporting date at which we are required to use IFRS accounting standards adopted by the EU.

Plethora Solutions Holdings plc's consolidated financial statements were prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) until 31 December 2006. The date of transition to IFRS was 1 January 2006. The comparative figures in respect of 2006 have been restated to reflect changes in accounting policies as a result of adoption of IFRS. The disclosures required by IFRS 1 concerning the transition from UK GAAP to IFRS are given in the reconciliation schedules, presented and explained in note 7.

The acquisition of Timm Medical Technologies Inc occurred during the transition period to IFRS. The acquisition has been considered in line with IFRS3 on transition to IFRS. All assets and liabilities acquired as part of the transaction, including intangible assets (patents, trademarks and anti compete contracts), have been valued at fair value. All purchase consideration has been recorded at fair value. The main change caused from the movement to IFRS from UK GAAP is the recognition of intangible assets of £5,074,000 on acquisition with a corresponding reduction in the value of goodwill recognised under UK GAAP. A deferred tax provision of £1,522,000 was recognised on acquisition based on the fair value of intangible assets acquired, with a corresponding entry to goodwill on consolidation. Further details on this change can be found in note 8.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these consolidated interim financial statements. The principal accounting policies of the Group are set out below:

**Consolidation and investments in subsidiaries**

Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through voting rights. The consolidated financial statements of the Group incorporate the financial statements of the parent company as well as those entities controlled by the Group by full consolidation.

In addition, acquired subsidiaries are subject to application of the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their revalued amounts, which are also used as the basis for subsequent measurement in accordance with the Group accounting policies. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Material intra-group balances and transactions, and any unrealised gains or losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

**Income recognition**

Revenue is measured by reference to the fair value of consideration received or receivable by the group for goods supplied and services provided, excluding VAT and trade discounts. Revenue is recognised upon the performance of services or transfer of risk to the customer.

The recognition of income received, such as license fees, contract research fees, up front payments and milestone payments is dependent on the terms of the related arrangement, having regard to the ongoing risks and rewards of the arrangement, and the existence of any performance or repayment obligations with any third party.

The Group recognises turnover when persuasive evidence of an arrangement exists; delivery has occurred or services have been rendered; the fee fixed and determinable; and collectability is reasonably assured. Amounts received are recognised immediately as turnover where there are no substantial risks, there are no ongoing performance obligations and amounts received are not refundable. Amounts are deferred over an appropriate period where these conditions are not met.

**Inventory**

Inventories are stated at the lower of cost and net realisable value.

**Goodwill**

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

### Impairment

The Group's goodwill, plant and equipment are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management controls the related cash flows.

Individual intangible assets or cash-generating units that include goodwill with an indefinite useful life are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

### Intangible assets acquired as part of a business combination

In accordance with IFRS 3 Business Combinations, an intangible asset acquired in a business combination is deemed to have a cost to the group of its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the group. Where an intangible asset might be separable, but only together with a related tangible or intangible asset, the group of assets is recognised as a single asset separately from goodwill where the individual fair values of the assets in the group are not reliably measurable. Where the individual fair value of the complimentary assets are reliably measurable, the group recognises them as a single asset provided the individual assets have similar useful lives.

### Intangible amortisation

Intangible assets are amortised over the following periods:

| | |
|---|---|
| - Patents and licences | 10 years |
| - Trademarks | 15 years |
| - Non compete contract value | 3 years |

### Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with through the profit and loss account.

The results of overseas subsidiary undertakings are translated at the average exchange rates and the balance sheets of such undertakings are translated at the year end exchange rates. Exchange differences arising on the retranslation of opening net assets of overseas subsidiary undertakings are taken to reserves.

**Property, plant and equipment**

Leasehold property improvements, computer equipment and fixtures and fittings are carried at acquisition cost less subsequent depreciation and impairment losses. Depreciation is charged on these assets on a straight line basis over the estimated useful economic life of each asset.

The useful lives of leasehold property improvements and equipment can be summarised as follows:

| | |
|---|---|
| Leasehold property improvements | period of the lease |
| Computer equipment | 3 years |
| Fixtures and fittings | 3 years |

**Leases**

In accordance with IAS 17 (revised 2003), the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance leasing liability, irrespective of whether some of these lease payments are payable up-front at the date of inception of the lease.

Subsequent accounting for assets held under finance lease agreements, i.e. depreciation methods and useful lives, correspond to those applied to comparable acquired assets. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed to finance costs. Finance charges represent a constant periodic rate of interest on the outstanding balance of the finance lease liability.

All other leases are treated as operating leases. Payments on operating lease agreements are recognised as an expense on a straight-line basis. Associated costs, such as maintenance and insurance, are expensed as incurred. The Group does not act as a lessor.

**Taxation**

Current income tax assets and/or liabilities comprise those obligations to, or claim from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. However, in accordance with the rules set out in IAS 12, no deferred taxes are recognised in conjunction with goodwill. This applies also to temporary differences associated with shares in subsidiaries if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

**Employee benefits**

***Defined contribution pension scheme***

Pensions to employees are provided through contributions to individual personal pension plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into an independent entity. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

The contributions recognised in respect of personal pension plans are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short term nature.

***Other employee benefits***

Short-term employee benefits, including holiday entitlement are included in current pension and other employee obligations at the undiscounted amount that the group expects to pay as a result of the unused entitlement.

**Financial assets**

The Group's financial assets include cash and trade receivables.

All financial assets are recognised on their settlement date. All financial assets are initially recognised at fair value, plus transaction costs.

Interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

Trade receivables are provided against when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows. No general provisions are made against trade receivables.

**Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand as well as short term highly liquid investments such as money market instruments and bank deposits.

### Equity

Share capital is determined using the nominal value of shares that have been issued.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings include all current and prior period results as disclosed in the income statement.

### Share based employee remuneration

All share-based payment arrangements are recognised in the consolidated financial statements. The Group operates equity-settled share-based remuneration plans for remuneration of its employees.

All employee services received in exchange for the grant of any share-based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to the share based payment reserve, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment is made to the expense recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

### Financial liabilities

The Group's financial liabilities include a convertible loan, bank loan and trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in "finance cost" in the income statement.

The convertible loan note was issued as part of the consideration for an acquisition and was recorded at its fair value. The bank loan was recorded at its fair value. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables are recognised initially at their nominal value and subsequently measured at amortised cost less settlement payments.

Dividend distributions to shareholders are included in 'other short term financial liabilities' when the dividends are approved by the shareholders' meeting.

**Research costs**

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

Development costs incurred on specific projects are capitalised when all the following conditions are satisfied:

- completion of the intangible asset is technically feasible so that it will be available for use or sale
- the group intends to complete the intangible asset and use or sell it
- the group has the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation are expensed as incurred. Research costs, including license fees, constitute pure research. At the point the research is incurred there is no certain future income stream for the project therefore the expenditure is written off as it is incurred.

## 3 SEGMENTAL REPORTING

The Group's sales and loss on ordinary activities after tax were all derived from the principal activity of development and sale of products for the diagnosis, treatment and management of urological disorders. These activities can be segmented by research and development and sale of products which match the Groups' geographic segments, the UK and the USA. All of the sales of the group have been derived from external customers.

These activities may be analysed as follows:

| | UK £'000 | USA £'000 | Total £'000 |
|---|---|---|---|
| **6 months to 30 June 2007** | | | |
| Sales | 13 | 2,770 | 2,783 |
| (Loss)/profit after tax | (5,097) | 321 | (4,776) |
| **6 months to 30 June 2006** | | | |
| Sales | - | 2,406 | 2,406 |
| (Loss)/profit after tax | (2,419) | 396 | (2,023) |
| **Year to 31 December 2006** | | | |
| Sales | 12 | 5,146 | 5,158 |
| (Loss)/profit after tax | (6,349) | 454 | (5,895) |

## 4 BORROWINGS

| | **6 months ended 30 June 2007** | 6 months ended 30 June 2006 | Year ended 31 December 2006 |
|---|---|---|---|
| | **£'000** | £'000 | £'000 |
| **Current borrowings** | | | |
| Loan note | **678** | - | - |
| Bank loan | **576** | - | - |
| | **1,254** | - | - |
| **Non current borrowings** | | | |
| Loan note | **-** | 815 | 671 |
| Bank loan | **3,275** | - | - |
| | **3,275** | 815 | 671 |

The loan note was issued as part of the acquisition fee for Timm Medical Technologies Inc. The loan can be converted into shares in Plethora Solutions Holdings plc up to 10 February 2008. On conversion, shares will be issued to the value of the carrying value of the loan at the conversion date. Interest is charged at 5.00% compound on the loan and is payable on maturity on 10 February 2008. If the loan is not converted into shares it will be settled in cash on 10 February 2008. The value of the liability was recorded at fair value in acquisition balance sheet and interest is charged to the profit and loss account at an effective rate.

The £4,000,000 bank loan is repayable in 33 equal instalments commencing January 2008. Interest is charged at 7.25% above the three year swap rate on the date of the loan draw down. The loan is recorded at fair value in the balance sheet with interest charged at an effective rate over the life of the loan.

## 5 SHARES ISSUED

During the period to 30 June 2007, shares were issued as detailed below.

| | Number | Share capital £'000 | Share premium £'000 |
|---|---|---|---|
| **6 months to 30 June 2007** | | | |
| At 1 January 2007 | 25,797,416 | 258 | 16,072 |
| Issue of shares | 2,216,949 | 22 | 4,081 |
| At 30 June 2007 | 28,014,365 | 280 | 20,153 |
| **6 months to 30 June 2006** | | | |
| At 1 January 2006 | 22,222,421 | 222 | 8,813 |
| Issue of shares | 3,574,995 | 36 | 7,255 |
| At 30 June 2006 | 25,797,416 | 258 | 16,068 |
| **Year to 31 December 2006** | | | |
| At 1 January 2006 | 22,222,421 | 222 | 8,813 |
| Issue of shares | 3,574,995 | 36 | 7,259 |
| At 31 December 2006 | 25,797,416 | 258 | 16,072 |

In the six months to 30 June 2007, 1,772,505 ordinary shares were issued at 200p to Sciele Pharma Inc as consideration for an exclusive licence agreement signed between Sciele Pharma Inc and Plethora Solutions Holdings plc for the marketing of PSD502 for premature ejaculation in America.

444,444 ordinary shares were issued under an option agreement in the six months to 30 June 2007 at 135p per share.

## 6 EARNINGS PER SHARE

The weighted average number of outstanding shares used for basic earnings per share have been adjusted as follows:

| | **6 months ended 30 June 2007** | 6 months ended 30 June 2006 | Year ended 31 December 2006 |
|---|---|---|---|
| | **£'000** | £'000 | £'000 |
| Basic | | | |
| Loss (£'000) | **(4,776)** | (2,023) | (5,895) |
| Weighted average number of shares (no.) | **26,114,690** | 24,756,811 | 25,279,300 |
| Loss per share (pence) | **(18.3)** | (8.2) | (23.3) |

No diluted loss per share is shown as the share options and convertible debt are anti dilutive.

## 7 CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

| | Share capital £'000 | Share premium £'000 | Other reserves £'000 | Share based payment reserve £'000 | Profit and loss account £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| Balance at 1 January 2006 | 222 | 8,813 | 4,908 | 232 | (8,425) | 5,750 |
| Issue of new shares | 36 | 7,754 | - | - | - | 7,790 |
| Cost of issue of new shares | - | (495) | - | - | - | (495) |
| Loss for the year | - | - | - | - | (5,895) | (5,895) |
| Exchange movement | - | - | - | - | (113) | (113) |
| Employee share based compensation | - | - | - | 332 | - | 332 |
| Balance at 31 December 2006 | 258 | 16,072 | 4,908 | 564 | (14,433) | 7,369 |
| Issue of new shares | 22 | 4,123 | - | - | - | 4,145 |
| Cost of issue of new shares | - | (42) | - | - | - | (42) |
| Loss for the period | - | - | - | - | (4,776) | (4,776) |
| Exchange movement | - | - | - | - | (24) | (24) |
| Employee share based compensation | - | - | - | 457 | - | 457 |
| **Balance at 30 June 2007** | **280** | **20,153** | **4,908** | **1,021** | **(19,233)** | **7,129** |

## 8 TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The transition from previous UK GAAP to IFRS has been made in accordance with IFRS 1, First-time Adoption of International Financial Reporting Standards. The Group's financial statements for the six months ended 30 June 2007 and the comparatives presented for the periods ended 30 June 2006 and 31 December 2006 comply with all presentation recognition and measurement requirements of IFRS applicable for accounting periods commencing on or after 1 January 2006.

The comparative figures for 31 December 2006 within the consolidated interim financial statements for the period ended 30 June 2007 are described as unaudited as the figures have been adjusted for the effect of the transition to International Financial Reporting Standards (IFRS). The adjustments for IFRS have been reviewed by the company's auditors as part of the independent review of the consolidated interim financial statements but will be subject to a full statutory audit in the 31 December 2007 statutory accounts.

The following reconciliations and explanatory notes thereto describe the effects of the transition for the transitional date to IFRS, 1 January 2006, for the financial periods ended 30 June 2006 and 31 December 2006. All explanations should be read in conjunction with the IFRS accounting policies of Plethora Solutions Holdings plc.

The reconciliation of the Group's equity reported under previous GAAP to its equity under IFRS as at 1 January 2006, 30 June 2006 and at 31 December 2006 may be summarised as follows:

| | 1 January 2006 £'000 | 30 June 2006 £'000 | 31 December 2006 £'000 |
|---|---|---|---|
| **UK GAAP equity shareholders' funds** | 5,755 | 11,232 | 7,132 |
| Holiday pay provision | (5) | (12) | (11) |
| Reversal of goodwill amortisation | - | 72 | 127 |
| Reversal of intangible amortisation | - | 40 | 189 |
| Charge of amortisation on intangible asset | - | (186) | (418) |
| Reversal of foreign exchange on intangibles | - | - | 225 |
| Deferred tax credit | - | 56 | 125 |
| **IFRS equity shareholders' funds** | **5,750** | **11,202** | **7,369** |
| **Total adjustment to equity** | **(5)** | **(30)** | **237** |

## 8 TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

The re-measurement of balance sheet items as at 1 January 2006, 30 June 2006 and at 31 December 2006 may be summarised as follows:

| Reconciliation as at 1 January 2006 | UK GAAP £'000 | Effect of transition £'000 | IFRS £'000 |
|---|---|---|---|
| Trade and other payables | (797) | (5) | **(802)** |
| Profit and loss account | (8,420) | (5) | **(8,425)** |

| Reconciliation as at 30 June 2006 | UK GAAP £'000 | Effect of transition £'000 | IFRS £'000 |
|---|---|---|---|
| Goodwill | 3,607 | (1,337) | **2,270** |
| Other intangible assets | 2,103 | 2,785 | **4,888** |
| Trade and other payables | (1,594) | (12) | **(1,606)** |
| Deferred tax provision | - | (1,466) | **(1,466)** |
| Share based payment reserve | 170 | - | **170** |
| Profit and loss account | (10,172) | (30) | **(10,202)** |

| Reconciliation as at 31 December 2006 | UK GAAP £'000 | Effect of transition £'000 | IFRS £'000 |
|---|---|---|---|
| Goodwill | 2,786 | (1,323) | **1,463** |
| Other intangible assets | 1,689 | 2,967 | **4,656** |
| Trade and other payable | (2,017) | (10) | **(2,027)** |
| Deferred tax | - | (1,397) | **(1,397)** |
| Profit and loss account | (14,670) | 237 | **(14,433)** |

Profit and loss reported under UK GAAP for the periods ended 30 June 2006 and 31 December 2006 is reconciled to IFRS as follows:

| Reconciliation for the period ended 30 June 2006 | UK GAAP £'000 | Effect of transition £'000 | IFRS £'000 |
|---|---|---|---|
| **Sales** | 2,406 | - | **2,406** |
| Cost of sales | (562) | - | **(562)** |
| **Gross profit** | 1,844 | - | **1,844** |
| Administrative expenses | (3,867) | (7) | **(3,874)** |
| Amortisation of goodwill and intangibles | (112) | (74) | **(186)** |
| **Operating result** | (2,135) | (81) | **(2,216)** |
| Finance costs | 137 | - | **137** |
| **Result for the period before taxation** | (1,998) | (81) | **(2,079)** |
| Tax income | - | 56 | **56** |
| **Net result for the period** | (1,998) | (25) | **(2,023)** |

| Reconciliation for the year ended 31 December 2006 | UK GAAP £'000 | Effect of transition £'000 | IFRS £'000 |
|---|---|---|---|
| **Sales** | 5,158 | - | **5,158** |
| Cost of sales | (1,071) | - | **(1,071)** |
| **Gross profit** | 4,087 | - | **4,087** |
| Administrative expenses | (10,155) | (6) | **(10,161)** |
| Amortisation of goodwill and intangibles | (316) | (102) | **(418)** |
| **Operating result** | (6,384) | (108) | **(6,492)** |
| Finance costs | 253 | - | **253** |
| **Result for the period before taxation** | (6,131) | (108) | **(6,239)** |
| Tax income | 219 | 125 | **344** |
| **Net result for the year** | (5,912) | 17 | **(5,895)** |

The Group has modified its former balance sheet and income statement structure on transition to IFRS. The main changes may be summarised as follows:

- the elimination of amortisation of goodwill charged under UK GAAP. Goodwill is now subject to an annual impairment test. The effect of this adjustment was to add back amortisation of £72,000 at 30 June 2006 and £127,000 as at 31 December 2006
- the elimination of the amortisation charged on intangible assets under UK GAAP
- the capitalisation of all separately identifiable intangible assets acquired as part of the acquisition of Timm Medical Technologies Inc. The assets were valued at £5,074,000. The recognised intangibles consist of patents, trademarks and the fair value of a key employee non compete contract
- the charging of amortisation on the acquired intangibles. A charge of £186,000 has been made as at 30 June 2006 and £418,000 as at 31 December 2007
- the recognition of holiday pay accruals at each reporting date
- the full provision for deferred tax arising on acquisitions, specifically in relation to intangible assets acquired. A deferred tax provision of £1,522,000 has been recognised based on the fair value of intangible assets acquired. This provision is released to the profit and loss account over the same period as the intangibles are amortised
- the reversal of £225,000 foreign exchange loss on consolidation recorded in the 31 December 2006 statutory accounts which related to the foreign exchange difference on intangibles assets held in Timm Medical Technologies Inc in US Dollars. This foreign exchange difference has now been reversed as the valuation of the intangibles has been completed and recorded in the consolidation in UK Sterling.

**Explanation of material adjustments to the cash flow statement**

Application of IFRS has resulted in reclassification of certain items in the cash flow statement as follows:

- under UK GAAP, payments to acquire property, plant and equipment were classified as part of 'Capital expenditure and financial investment'. Under IFRS, payments to acquire property, plant and equipment have been classified as part of 'Investing activities'
- income taxes paid during 31 December 2006 are classified as operating cash flows under IFRS, but were included in a separate category of tax cash flows under previous GAAP.

There are no other material differences between the cash flow statement presented under IFRS and the cash flow statement presented under UK GAAP.

## INDEPENDENT REVIEW REPORT TO PLETHORA SOLUTIONS HOLDINGS PLC

We have been instructed by the company to review the financial information for the six months ended 30 June 2007 which comprises the Condensed Consolidated Interim Income Statement, the Condensed Interim Statement of Recognised Income and Expenditure, the Condensed Consolidated Interim Balance Sheet, the Condensed Interim Cash Flow Statement and the related notes 1 to 8. We have read the other information contained in the interim report which comprises only the Chairman and Chief Executives Statement and considered whether it contains any apparent misstatements or material inconsistencies with the financial information. Our responsibilities do not extend to any other 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 Listing Rules of the Financial Services Authority.

As disclosed in note 1, 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 International Accounting Standard 34 "Interim Financial Reporting" and 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.

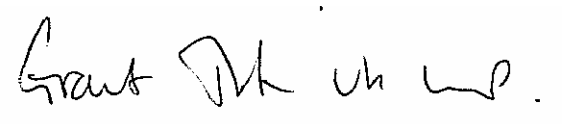
### REVIEW WORK PERFORMED

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.

## INDEPENDENT REVIEW REPORT TO PLETHORA SOLUTIONS HOLDINGS PLC (CONTINUED)

### 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 30 June 2007.



GRANT THORNTON UK LLP
CHARTERED ACCOUNTANTS
BIRMINGHAM
25 SEPTEMBER 2007

The maintenance and integrity of the Plethora Solutions Holdings 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.