

**For Immediate Release**

**17 September 2009**

**Plethora Solutions Holdings PLC  
(‘Plethora’ or ‘The Group’)**

**Interim Results for the six months ended 30 June 2009**

**OVERVIEW:**

During the year to date Plethora has:

- Executed key corporate transactions
- Undertaken a financial restructuring of the business
- Reduced the cost base of the business significantly
- Delivered major clinical development milestones
- Implemented a new, capital efficient business model

**Financial Highlights:**

- In the first half of 2009 the Group reported revenues of £15.8m and a profit after tax of £10.8m from continuing operations
- Operating costs have been reduced substantially and the benefit of this will be seen in the second half of the year
- Debt was reduced from £30.8m to £2.75m and, post the reporting period, reduced further to £1.75m

**Operational Highlights:**

- In April, the Group announced an amendment to the existing US license agreement with Sciele Pharma, Inc. under which Sciele acquired US rights to PSD502 for the treatment of premature ejaculation. This provided important financial resources to the Group.
- In May, the Group announced a major financial restructuring and an extension to the Sciele agreement through which Sciele acquired global rights to PSD502 with Plethora retaining a commercial interest in the product through a royalty agreement with Sciele. This restructuring reduced the debt burden on the Group substantially from £30.8m to £2.75m.
- In July and post the financial reporting period, Plethora announced a collaboration with a global pharmaceutical company for the development of PSD503 for the treatment of stress urinary incontinence, development is now progressing in their hands.
- Also in July, the Group announced the results of the final part of the Phase III work on PSD502. The US Phase III clinical trial results were highly clinically and statistically significant. This now completes the majority of the clinical development work and preparation is underway for regulatory filing of PSD502 in Europe and the United States.

With the exception of Invicorp (PSD510), development work on the Plethora clinical development pipeline has been completed. The focus for the Group is now to build sustainable value for shareholders.

**For further information contact:**

**Plethora Solutions**

**Tel : +44(0) 20 3077 5400**

Steven Powell

**FinnCap**

**Tel : +44(0) 20 7600 1658**

Geoff Nash/Marc Young

**Hansard Group**

**Tel: +44(0) 20 7245 1100**

Adam Reynolds/John Bick

**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 (PSD506), stress urinary incontinence (PSD503), interstitial cystitis (PSD597), gynaecological pain (PSD508), erectile dysfunction (PSD510) and premature ejaculation (PSD502). The Company is headquartered in the UK and is listed on the London Stock Exchange (AIM:PLE)

Additional information is available at [www.plethorasolutions.co.uk](http://www.plethorasolutions.co.uk)

## INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS TO 30 JUNE 2009

As a result of a series of significant corporate transactions, in the first six months of 2009 the Group recorded revenues of £15.8 million (H1 2008: £0.3 million, FY 2008: £0.6 million) and a profit before tax on continuing operations of £10.8 million (H1 2008: loss £6.3 million, FY 2008: loss £14.1 million). At 30 June 2009 the Group had cash resources of £3.0 million and borrowings of £2.8 million.

The profit for the first half is due largely to licensing income of £15.4 million recorded in relation to the US license and subsequent acquisition of global rights to PSD502 by Sciele Pharma, Inc. ('Sciele'). In addition, the Group recorded revenues of £0.4 million as reimbursement of R&D expenditure from Sciele in relation to the ongoing clinical work being conducted by Plethora and recovered from Sciele.

Revenues for the second half of the year will be significantly lower than the first six months of the year due to the one-off nature of the Sciele licensing transactions. Second half revenues will be derived from reimbursement of PSD502 development costs from Sciele. The Group anticipates receiving additional future income from PSD502 from royalties on milestones and sales received by Sciele from marketing partners outside of the USA. The royalty revenue stream arising from PSD502 is expected to commence in late 2010.

The results for the period also benefited from a substantial and continued reduction in operating costs. During 2008, the Company predicted that its operating cost base would start to decrease as the clinical development programmes ceased. This can be seen in a 27% decrease in Research and Development costs to £3.3 million compared to the same period last year (H1 2008: £4.5 million, FY 2008: £9.2 million). Taking into account the reimbursement from Sciele R&D costs decreased 36% compared to the same period to £2.9 million. These costs are expected to decline further throughout the remainder of 2009 as development work on PSD502 is completed.

Other Administrative Expenses have also declined to £1.2 million (H1 2008: £1.7 million, FY 2008: £2.5 million). These costs include legal and professional fees of £0.3 million incurred in relation to the restructuring, excluding these Other Administrative Expenses reduced 48% to £0.9m in the first half. The Group has actively sought to reduce expenditure and remove non-essential costs.

At the end of June 2008 the Group's total head count was 76 which was reduced to 69 by 31 December 2008. Following the sale of Timm Medical Industries, Inc. ("Timm") in May 2009 to Paul Capital, the Group headcount was reduced to 15 by 30 June 2009. This number has reduced further post the reporting period.

At 31 December 2008 the Group had total effective borrowings of £30.8 million comprising £27.2 million to Paul Capital Healthcare, a term loan of £2.8 million to ETV Capital SA and a £750,000 convertible loan note due to Merlin Biosciences. In January 2009 the Group announced the issuance a further £1.0 million convertible loan notes to a group of investors. The Paul Capital facility originally comprised an advance of \$15.8 million however, due to a put option of x2.5 the original advance, the effective liability was \$39.4 million (£27.2 million). Against a backdrop of a difficult financial climate and with an inability to raise equity finance, the Group came under significant pressure to reduce gearing.

On 26 May 2009 the Group announced that it had reached agreements with Paul Capital and ETV Capital for a major financial restructuring. Under this restructuring these lenders received a substantial repayment of their facilities arising out of the US and Global licence agreements with Sciele.

Following the expansion of Sciele's US interest in PSD502, the strategic rationale to own Timm declined and the Company took the decision to monetise its investment in Timm and divest it to Paul Capital to reduce gearing. Paul Capital acquired Timm on 22 May 2009 and agreed a compromise in relation to the remainder of the facility.

As a result of these transactions, Group borrowings on 30 June 2009 totalled £2.8 million. This has been reduced further post the reporting period when in August 2009 the remaining ETV Capital venture debt facility was repaid in accordance with its conditions.

Today the Group no longer has any debt obligations to Paul Capital or ETV Capital. The residual borrowings of the Group are now only £1.75 million in the form of the two convertible loan notes due in 2010 and 2011.

#### **OUTLOOK AND FUTURE STRATEGY:**

During the first half of 2009 Plethora has concluded much of the planned clinical development programmes and has put commercial structures in place around two assets, PSD502 and PSD503, which should yield significant value in the near to medium term. The removal of the debt, which had been necessary to finance value adding clinical trials, ensures that this future value will flow to shareholders.

The Company was founded to execute a low risk drug development strategy using known compounds with a well understood pharmaceutical profile in indications where there is a poorly met medical need. Since the completion of the recent restructuring the board has defined and is implementing a new, and it believes, sustainable, strategy to increase shareholder value.

Plethora now has a portfolio of late stage assets principally including:

- A royalty interest in PSD502 for the treatment of premature ejaculation based on sales in Europe and RoW (ex Japan and USA). This is partnered with Sciele, which is now a subsidiary of Shionogi, a major Japanese pharmaceutical company with interests globally.
- A collaboration with a global pharmaceutical company, for the development and commercialisation of PSD503 for the treatment of stress urinary incontinence.
- A series of late stage development projects, particularly PSD510, for the treatment of erectile dysfunction, and PSD597, for the treatment of bladder pain and interstitial cystitis with potential for further out-licensing activity and associated revenues.

While the Group places significant value on each of these assets, long term substantial and sustained revenues from each of these will take time to mature, with royalties flowing potentially from PSD502 in the latter half of 2010. Plethora is therefore creating a business which it believes should provide sustainable and growing near term product sales to balance future royalty income from the current portfolio of assets. The products for this urology business are being sourced from third parties and from within the existing Plethora portfolio. The Board believes that this new dimension to Plethora's operations will create significant future value for shareholders and balance and de-risk the Company's future revenue streams.

In conclusion, the activities of the first half of 2009 have enabled the Company to weather the hostile financial climate and introduce some stability into the business. The implementation of a new and innovative business model means that Plethora is now well positioned to enter a new phase in the development of the Group.

*William Robinson*  
*Chairman*

*Steven Powell*  
*Chief Executive Officer*

## Condensed Consolidated Income Statement - Unaudited

Six months ended 30 June 2009

	Note	6 months ended 30 June 2009 £'000	6 months ended 30 June 2008 £'000	Year ended 31 December 2008 £'000
<b>Revenue</b>	4	<b>15,787</b>	277	640
Cost of sales		-	-	-
<b>Gross profit</b>		<b>15,787</b>	277	640
Administrative expenses				
- research and development expenses		<b>(3,294)</b>	(4,527)	(9,203)
- exchange losses		<b>(290)</b>	-	(2,480)
- other administrative expenses		<b>(1,231)</b>	(1,722)	(2,538)
		<b>(4,815)</b>	(6,249)	(14,221)
<b>Operating profit/(loss)</b>		<b>10,972</b>	(5,972)	(13,581)
Finance costs		<b>(222)</b>	(311)	(534)
Finance income		<b>4</b>	23	46
<b>Profit/(loss) from Continuing Operations for the period before taxation</b>		<b>10,754</b>	(6,260)	(14,069)
Taxation		-	772	763
<b>Profit/(loss) for the period from Continuing Operations</b>	4	<b>10,754</b>	(5,488)	(13,306)
<b>Profit/(loss) from Discontinued Operations</b>		<b>165</b>	(1,173)	(3,082)
<b>Attributable to equity shareholders</b>		<b>10,919</b>	(6,661)	(16,388)
<b>Basic Profit/(loss) per share</b>	6			
Continuing Operations		<b>34.9p</b>	(19.6)p	(47.2)p
Discontinued Operations		<b>0.5p</b>	(4.2)p	(10.9)p
Total Operations		<b>35.4p</b>	(23.8)p	(58.1)p
<b>Diluted profit per share</b>				
Continuing Operations		<b>24.3p</b>	-	-
Discontinued Operations		<b>0.4p</b>	-	-
Total Operations		<b>24.7p</b>	-	-

## Condensed Consolidated Statement of Comprehensive Income - Unaudited

As at 30 June 2009

---

	<b>At 30 June 2009 £'000</b>	At 30 June 2008 £'000	At 31 December 2008 £'000
Profit for the period	<b>10,919</b>	(6,661)	(16,388)
Exchange movement on translation of foreign entities	-	12	(128)
Total comprehensive income for the period	<b>10,919</b>	<b>(6,649)</b>	<b>(16,516)</b>
Attributable to:			
Equity Shareholders	<b>10,919</b>	<b>(6,649)</b>	<b>(16,262)</b>

## Condensed Consolidated Balance Sheet - Unaudited

As at 30 June 2009

	At 30 June 2009 £'000	At 30 June 2008 £'000	At 31 December 2008 £'000
<b>Assets</b>			
<b>Non current</b>			
Goodwill	-	1,463	-
Other intangible assets	-	3,960	-
Property, plant and equipment	45	184	46
Deferred tax	-	213	-
Long term other receivables	-	21	-
	<b>45</b>	<b>5,841</b>	<b>46</b>
<b>Current</b>			
Inventory	-	222	-
Trade and other receivables	689	1,204	418
Corporation tax	-	763	-
Cash and Cash equivalents	2,976	2,040	515
Cash in escrow	-	1,000	-
	<b>3,665</b>	<b>5,229</b>	<b>933</b>
<b>Assets for disposal held for sale</b>	-	-	7,028
<b>Total assets</b>	<b>3,710</b>	<b>11,070</b>	<b>8,007</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables	(4,102)	(3,087)	(4,280)
Borrowings	5 (869)	(1,717)	(1,412)
	<b>(4,971)</b>	<b>(4,804)</b>	<b>(5,692)</b>
<b>Non-current</b>			
Borrowings	5 (1,598)	(9,596)	(2,186)
Deferred tax provision	-	(1,188)	-
	<b>(1,598)</b>	<b>(10,784)</b>	<b>(2,186)</b>
<b>Liabilities for disposal held for sale</b>	-	-	(14,051)
<b>Total liabilities</b>	<b>(6,569)</b>	<b>(15,588)</b>	<b>(21,929)</b>
<b>Net liabilities</b>	<b>(2,859)</b>	<b>(4,518)</b>	<b>(13,922)</b>
<b>Equity</b>			
Share capital	308	280	308
Share premium	20,256	20,103	20,256
Other reserves	4,908	4,908	4,908
Translation reserve	-	(114)	-
Share based payment reserve	1,936	1,764	1,792
Retained loss	(30,267)	(31,459)	(41,186)
<b>Total equity</b>	<b>(2,859)</b>	<b>(4,518)</b>	<b>(13,922)</b>

## Condensed Consolidated Interim Cash Flow Statement - Unaudited

Six months ended 30 June 2009

	<b>6 months ended 30 June 2009 £'000</b>	6 months ended 30 June 2008 £'000	Year ended 31 December 2008 £'000
<b>Cash flows from operating activities</b>			
Profit/(loss) after taxation	10,919	(6,661)	(16,388)
Finance income	(3)	(48)	534
Finance costs	222	1,425	(46)
Adjustment for foreign exchange	290	(10)	380
Share based charge	144	464	492
Depreciation of plant and equipment – continuing operations	18	55	44
Depreciation of plant and equipment – discontinued operations	-	-	10
Amortisation	-	232	464
Change in inventories	-	86	31
Change in trade and other receivables	(271)	99	170
Change in trade and other payables	(178)	(290)	4,121
Taxation income per income statement	-	(802)	(763)
<b>Cash generated/(utilised) from operations</b>	<b>11,141</b>	<b>(5,450)</b>	<b>(10,951)</b>
Interest paid	(163)	(679)	(508)
Income taxes received	-	601	1,084
<b>Net cash inflow/(outflows) from operating activities</b>	<b>10,978</b>	<b>(5,528)</b>	<b>(10,375)</b>
<b>Cash flows from investing activities</b>			
Disposal of discontinued operations and repayment of associated indebtedness	(7,676)	-	-
Purchases of property, plant and equipment	(17)	(8)	(3)
Net debt classified as held for resale	-	-	9,051
Interest received	3	48	46
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(7,690)</b>	<b>40</b>	<b>9,094</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	-	-	420
Repayment of borrowings	(1,979)	(806)	(1,980)
Proceeds from receipt of borrowings	1,000	7,500	1,000
Transferred to escrow	-	(1,000)	-
Loan receipt costs	152	(756)	-
Share issue costs	-	-	(239)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(827)</b>	<b>4,938</b>	<b>(799)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,461</b>	<b>(550)</b>	<b>(2,080)</b>
Effect of exchange rate changes	-	(5)	-
<b>Cash and cash equivalents at beginning of period</b>	<b>515</b>	<b>2,595</b>	<b>2,595</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,976</b>	<b>2,040</b>	<b>515</b>

## Condensed Consolidated Statement of Changes in Equity - Unaudited

Six months ended 30 June 2009

	Share capital	Share premium	Other reserves	Translation reserve	Share based payment reserve	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance 1 January 2009	308	20,256	4,908	-	1,792	(41,186)	(13,922)
Exchange movement	-	-	-	-	-	-	-
Net profits recognised directly in equity	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	10,919	10,919
Total recognised income/(expense) for the year	-	-	-	-	-	10,919	10,919
Employee share based compensation	-	-	-	-	144	-	144
<b>Balance at 30 June 2009</b>	<b>308</b>	<b>20,256</b>	<b>4,908</b>	<b>-</b>	<b>1,936</b>	<b>(30,267)</b>	<b>2,859</b>

	Share capital	Share premium	Other reserves	Translation reserve	Share based payment reserve	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance 1 January 2008	280	20,103	4,908	(126)	1,300	(24,798)	1,667
Exchange movement on translation of foreign entities	-	-	-	(128)	-	-	(128)
Net losses recognised directly in equity	-	-	-	(128)	-	-	(128)
Discontinued Operations	-	-	-	254	-	-	254
Loss for the period	-	-	-	-	-	(16,388)	(16,388)
Total recognised expense for the year	-	-	-	126	-	(16,388)	(16,262)
Issue of new shares	28	392	-	-	-	-	420
Cost of issue of new shares	-	(239)	-	-	-	-	(239)
Employee share based compensation	-	-	-	-	492	-	492
<b>Balance at 31 December 2008</b>	<b>308</b>	<b>20,256</b>	<b>4,908</b>	<b>-</b>	<b>1,792</b>	<b>(41,186)</b>	<b>(13,922)</b>

	Share capital	Share premium	Other reserves	Translation reserve	Share based payment reserve	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance 1 January 2008	280	20,103	4,908	(126)	1,300	(24,798)	1,667
Exchange movement	-	-	-	12	-	-	12
Net profits recognised directly in equity	-	-	-	12	-	-	12
Loss for the period	-	-	-	-	-	(6,661)	(6,661)
Total recognised income/(expense) for the year	-	-	-	12	-	(6,661)	(6,649)
Employee share based compensation	-	-	-	-	464	-	464
<b>Balance at 30 June 2008</b>	<b>280</b>	<b>20,103</b>	<b>4,908</b>	<b>(114)</b>	<b>1,764</b>	<b>(31,459)</b>	<b>(4,518)</b>

## **Notes to the Financial Information**

### **1. Basis of Preparation**

The interim financial information is unaudited. This consolidated financial information for the six months ended 30 June 2009 has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. The half yearly consolidated financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with IFRSs as adopted by the European Union.

The financial information set out in the interim report does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. Statutory accounts for the year ended 31 December 2008, prepared under IFRS, have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 237(2) or Section 237(3) of the Companies Act 1985. The interim report was approved by the Board on 16th September 2008.

This interim financial information has been prepared using the accounting policies set out in the Group's 2007 statutory accounts.

A copy of the interim results for the six months ended 30 June 2008 will be available on the Company's website at [www.plethorasolutions.co.uk](http://www.plethorasolutions.co.uk).

### **2. Post Balance Sheet Events**

On 6 August 2009, after the balance sheet date, in accordance with the terms of the loan agreement the Group repaid the remaining balance outstanding on the loan to ETV Capital SA. Following this point the Group's only borrowings comprise £1.75 million in two convertible loan notes.

### **3. Going Concern**

In considering the appropriate basis of the interim financial information the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

At 30 June 2009 the Group had £3.0 million of cash and cash equivalents. Following conclusion of the global agreement with Sciele relating to PSD502 a substantial proportion of the Group's ongoing costs relating to that programme are reimbursed. This has significantly reduced operational cash outflow.

The Directors have prepared cash flow forecasts for the period to 30 September 2010, which show that the Group has adequate working capital for that period. These forecasts are, however, dependent on the timely reimbursement of costs from its partners, the receipt of certain funds from the commercialisation of PSD502 and the receipt of funds from planned capital raising initiatives. To the extent that the cash flow from these items is delayed and/or significantly lower than anticipated, then the Group would not have sufficient capital and would then have to seek finance in order to remain as a going concern.

### **4. Segmental Reporting**

The Group's revenue and profit from continuing operations were all derived from the principal activity of development and sale of products for the diagnosis, treatment and management of urological disorders. This activity was undertaken solely within the United Kingdom. All of the Group's revenue has been derived from external customers.

## 5. Borrowings

	6 months ended 30 June 2009	6 months ended 30 June 2008	Year ended 31 December 2008
	£'000	£'000	£'000
<b>Current borrowings</b>			
ETV Capital SA	869	-	1,412
Paul Capital Healthcare	-	574	-
Convertible loan notes due 2011	-	1,143	-
	<b>869</b>	<b>1,717</b>	<b>1,412</b>
<b>Non current borrowings</b>			
ETV Capital SA	-	2,652	1,436
Merlin Biosciences Fund III	750	-	750
Paul Capital Healthcare	-	6,944	-
Convertible loan notes due 2011	848	-	-
	<b>1,598</b>	<b>9,596</b>	<b>2,186</b>
<b>Total Borrowings</b>	<b>2,467</b>	<b>11,313</b>	<b>3,598</b>

### (i) ETV Capital S.A.

In May 2007 the Group entered into a loan with ETV Capital S.A. for £4.0 million, with an original maturity of September 2010. The loan contained a provision to be convertible into ordinary shares. Interest was charged at 13.51% per annum. The loan was secured by a fixed and floating charge over the assets of the Group and an amount of £1.0 million was held as cash collateral.

On 26 September 2008 the Group entered into a variation of the loan agreement to provide an additional £250,000 of usable funds from the cash collateral held, in addition an amount of £750,000 was repaid under the facility. On 30 January 2009 the Group entered into a further variation to the loan agreement, and was granted with deferred payments for the period from December 2008 to February 2009. The arrangement provided that an additional payment be made equivalent to the total payments deferred upon completion of the amendment to the Sciele License. These payments were made on schedule in March 2009 and the final maturity was amended to June 2010.

On 26 May 2009 the Group entered into a final variation of the loan agreement and ETV Capital S.A. agreed to release its first and fixed floating charge over the Group's assets, and waived its rights to convert the loan into equity, in exchange for a fixed charge over certain bank accounts and maintaining minimum balances in excess of the loan principle. On 6 August 2009, after the balance sheet date, in accordance with the terms of the loan agreement the Group repaid the remaining balance outstanding on the loan.

### (ii) Merlin Biosciences Fund III

On 29 September 2008, Merlin Biosciences Fund III entered into a two year convertible loan note with the Group providing issue proceeds of £750,000. This convertible loan note matures on 29 September 2010 and bears a coupon of 13.5% per annum, with the interest being repaid at maturity. The loan note is convertible at the holders option into ordinary shares at a price of 25p per share.

As set out in (ii) above, Merlin Biosciences Fund III provided a guarantee to ETV Capital S.A. This guarantee is secured by a guarantee by the Group to Merlin Biosciences Fund III.

### **(iii) Convertible loan notes due 2011**

On 16 February 2009, following shareholder approval, the Group issued 1,000,000 £1 loan notes to certain institutional investors. The loan notes bear interest at the rate of 4% per annum, the payment of the interest accrued is at final maturity of the loan. These loan notes are repayable in full on the second anniversary of issue, being 15 February 2011. The loan note holders may convert the notes at any point prior to maturity at a conversion price of 25p per share. In consideration for the note holders subscribing for the loan notes they were granted with warrants to acquire up to 1,333,332 new ordinary shares in the Group at an exercise price of 33p per share. While the liability under the Convertible Loan notes is £1 million, under IFRS the balance is shown net of the expenses incurred in raising the finance which are amortised to the Income Statement over its life.

### **(iv) Paul Capital Healthcare (included within discontinued operations)**

The Group entered into a Revenue Finance Agreement (the "RFA") on 27 March 2008 with Paul Capital Healthcare ("Paul Capital"). The Group received \$15 million on signature. In return, Paul Capital received an interest in the revenues generated from Plethora's male-health portfolio, primarily on revenues derived from sales of ErecAid®, PSD502 and PSD510. The revenue interest is calculated on a decreasing percentage of revenues over time. The agreement expires in 2018. Plethora has the right to terminate the agreement at any time before then by making a final payment to Paul Capital which will be the greater of either (a) 250% of the payments funded by Paul Capital, or (b) an amount that would generate an IRR of 25% on the amounts funded by Paul Capital. This final payment shall be reduced by amounts already paid to Paul Capital. The loan is secured against the assets of the male-health portfolio.

The proceeds received from Paul Capital met the definition of financial liabilities under IAS39 and accordingly were treated as financial liabilities. Revenue interest paid to Paul Capital is treated as a repayment of the liability and notional interest was charged on the liability using the effective interest rate at inception of 26.9%. Any change in the estimated future payments to Paul Capital is recognized as income or expense in the income statement.

On 26 September 2008 the Group entered into an amendment to the RFA and Paul Capital advanced a further \$750,000 on the same terms as the previous amounts.

Under an agreement dated 26 May 2009, the Group entered a compromise agreement with Paul Capital for the termination of the RFA. Under this compromise the Group has agreed to sell its subsidiary Timm Medical Technologies, Inc. ("Timm") to Paul Capital. Under the RFA Timm is the borrower and due to the classification of Timm as an asset held for resale, the RFA does not appear as a borrowing of the Group at 31 December 2008. Instead the liability to Paul Capital which was recorded as \$15.75 million, together with accrued interest, at 31 December 2008 is included in the Liabilities Held For Resale.

## 6. loss per Share

	<b>6 months ended 30 June 2009</b>	6 months ended 30 June 2008	Year ended 31 December 2008
<b>Profit/(loss) for the period (£'000)</b>			
Continuing operations	10,754	(5,488)	(13,306)
Discontinued operations	165	(1,173)	(3,082)
Total operations	<u>10,919</u>	<u>(6,661)</u>	<u>(16,388)</u>
<b>Basic weighted average number of shares (number)</b>	<u>30,815,801</u>	<u>28,014,365</u>	<u>28,198,569</u>
<b>Profit/(loss) per share (pence)</b>			
Continuing operations	34.9p	(19.6)p	(47.2)p
Discontinued operations	0.5p	(4.2)p	(10.9)p
Total operations	<u>35.4p</u>	<u>(23.8)p</u>	<u>(58.1)p</u>
<b>Basic weighted average number of shares (number)</b>	44,195,445		
<b>Profit per share (pence)</b>			
Continuing operations	24.3p		
Discontinued operations	<u>0.4p</u>		
Total operations	<u>24.7p</u>		

No diluted loss per share is shown for the periods ended 30 June 2008 and 31 December 2008 as the share options and convertible debt are anti dilutive.

## 7. Disposal of Timm Medical

On 22 May 2009 the Group entered into a compromise agreement with Paul Capital Healthcare, one feature of this agreement was that Plethora sold the entire issued share capital of its US subsidiary Timm Medical Industries, Inc to Paul Capital.

	<b>£'000</b>
Net liabilities	336
Professional fees	<u>(170)</u>
Profit on disposal	<u>166</u>