ARCONTECH GROUP PLC

("Arcontech" or the "Group")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

Arcontech Group PLC (AIM: ARC), providers of products and services for real-time financial market data processing and trading, reports its unaudited results for the six months ended 31 December 2011.

Financial and business highlights:

- Turnover increased by 17% to £696,797 (six months to 31 December 2010: £593,358).
- Operating loss reduced by 29% to £342,789 (six months to 31 December 2010 £481,598).
- Contracted future annual recurring revenues amount to £1.3 million (2010: £1.1 million) and cover 67% of the cost base.
- Net cash of £1.3 million at 31 December 2011 (at 30 June 2011: £0.8 million)

Richard Last, Chairman of Arcontech Group, said:

The Group, now refocused on its CityVision product suite, has improved the depth of its product offering, its level of efficiency and its ability to deliver and support the needs of customers and prospective clients. More technical resource is becoming available to provide additional pre-sales support, an essential factor in winning larger value sales. These improvements, together with the promising prospect list, provide optimism that we will be successful in winning new sales over the next twelve months.

Enquiries:

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To access more information on the Group please visit: www.arcontech.com
The interim report will only be available to view online enabling the Group to communicate in a more environmentally friendly and cost effective manner.

Chairman's Statement

The six month period to 31st December 2011 has been one of notable progress for Arcontech Group PLC ("Arcontech"). The Group, now focused entirely on the CityVision suite of software products, has seen significant progress in product development, such that enhanced and upgraded versions of CityVision are now being deployed and are attracting an increased level of interest from investment banks internationally.

Arcontech announced in January 2012 that CityVision had been deployed by a major international investment bank and by the end of the first quarter of 2012 we expect the system to be fully operational in Europe, Asia Pacific and North America. The level of new sales in the period under review remained disappointing, partly due to protracted decision making cycles caused by customers being even more focused on ensuring that real economic benefits can be delivered. Notwithstanding, the level of qualified sales prospects has increased significantly and we anticipate that before our year-end (30 June 2012) a number of these will have progressed to contract.

Turnover for the six month period to 31st December 2011 increased by 17% to £696,797 (six month period to 31st December 2010: £593,358). Of this, £672,834 (97%) relates to recurring annual licence fees (six month period to 31 December 2010 £533,517 (90%)) and £23,963 (3%) relates to support revenues (six month period to 31 December 2010 £59,841 (10%)). The operating loss for the period was £342,789, 29% lower than the corresponding period for the six month period to 31 December 2010 (£481,598).

During the period we have continued to keep our operating costs under tight control. We have reduced costs relating to the Axe product suite which is now no longer actively marketed and have where possible redeployed technical personnel to the City product group . This re-focus on CityVision has been successful and we are continuing to add depth to this product range. Additionally, we are now more able to respond to both customer and prospects' customisation requests on a more active and timely basis.

Financing

As at 31 December 2011 the Group had net cash balances of £1,252,693 (31 December 2010: £972,455). The increase in cash and creditors is due to higher deferred revenue as customers have shown their faith in the business by paying annual fees in advance. Although we expect this cash balance to decrease by the year-end, the extent of which will depend upon the level and timing of new sales wins and consequently the date of deployment, we believe, based upon our present level of sales prospects and opportunities, that the Group has sufficient financial resources to see it through to profitability.

Employees

Once again I should like to thank all of our employees for their continued hard work, dedication and support over this last six months. The flexibility of our staff has been tremendously valuable in helping the Group to deploy successfully our CityVision product to a major investment bank in the period.

Outlook

The Group, now refocused on its CityVision product suite, has improved the depth of its product offering, its level of efficiency, and its ability to deliver and support the needs of customers and prospective clients. More technical resource is becoming available to provide additional pre-sales support, an essential factor in winning larger value sales. These improvements, together with the promising prospect list, provide optimism that we will be successful in winning new sales over the next twelve months.

Richard Last
Chairman

CONSOLIDATED INCOME STATEMENT

	Six months ended 31 December 2011 (unaudited) £	Six months ended 31 December 2010 (unaudited) £	Year ended 30 June 2011 (audited) £
Revenue	**696,797**	593,358	1,287,409
Distribution costs	**-**	-	(16,428)
Administrative costs	**(1,039,586)**	(1,074,956)	(2,088,836)
Operating loss	**(342,789)**	(481,598)	(817,855)
Finance income	**3,385**	6,779	13,134
Loss before taxation	**(339,404)**	(474,819)	(804,721)
Taxation	**85,319**	132,683	132,683
Loss for the period after tax	**(254,085)**	(342,136)	(672,038)
Total comprehensive income	**(254,085)**	(342,136)	(672,038)
Loss per share (basic and diluted)	**(0.017)p**	(0.022)p	(0.04)p

All of the results relate to continuing operations.

CONSOLIDATED BALANCE SHEET

	31 December 2011 (unaudited) £	31 December 2010 (unaudited) £	30 June 2011 (audited) £
Non-current assets			
Goodwill	**1,715,153**	1,715,153	1,715,153
Property, plant and equipment	**32,364**	44,989	37,426
Total non-current assets	**1,747,517**	1,760,142	1,752,579
Current assets			
Trade and other receivables	**256,986**	731,557	366,425
Cash and cash equivalents	**1,252,693**	972,455	841,204
Total current assets	**1,509,679**	1,704,012	1,207,629
Current liabilities			
Trade and other payables	**(1,366,009)**	(1,002,476)	(827,971)
Total current liabilities	**(1,366,009)**	(1,002,476)	(827,971)
Net current assets	**143,670**	701,536	379,658
Net assets	**1,891,187**	2,461,678	2,132,237
Equity			
Share capital	**1,531,315**	1,531,315	1,531,315
Share premium account	**9,428,169**	9,428,169	9,428,169
Share option reserve	**158,573**	145,077	145,538
Retained earnings	**(9,226,870)**	(8,642,883)	(8,972,785)
	1,891,187	2,461,678	2,132,237

CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 31 December 2011 (unaudited) £	Six months ended 31 December 2010 (unaudited) £	Year ended 30 June 2011 (audited) £
Cash received/(used) in operating activities	**325,605**	(746,089)	(747,493)
Taxes repaid	**85,319**	132,683	-
Net cash inflow/(outflow) from operating activities	**410,924**	(613,406)	(747,493)
Investing activities			
Interest received	**3,385**	6,779	13,134
Purchases of plant and equipment	**(2,820)**	(7,294)	(11,214)
Proceeds on disposal of plant and equipment	-	-	401
Net cash received/(used) in investing activities	**565**	(515)	2,321
Net increase/(decrease) in cash and cash equivalents	**411,489**	(613,921)	(745,172)
Cash and cash equivalents at beginning of period	**841,204**	1,586,376	1,586,376
Cash and cash equivalents at end of period	**1,252,693**	972,455	841,204

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Share-based payments reserve	Retained earnings	Total
	£	£	£	£	£
At 1 July 2010	1,531,315	9,428,169	143,297	(8,300,747)	2,802,034
Loss and comprehensive income for the period	-	-	-	(342,136)	(342,136)
Share-based payments	-	-	1,780	-	1,780
At 31 December 2010	**1,531,315**	**9,428,169**	**145,077**	**(8,642,883)**	**2,461,678**
Loss and comprehensive income for the period	-	-	-	(329,902)	(329,902)
Share-based payments	-	-	461	-	461
At 30 June 2011	**1,531,315**	**9,428,169**	**145,538**	**(8,972,785)**	**2,132,237**
Loss and comprehensive income for the period	-	-	-	(254,085)	(254,085)
Share-based payments	-	-	13,035	-	13,035
At 31 December 2011	**1,531,315**	**9,428,169**	**158,573**	**(9,226,870)**	**1,891,187**

NOTES TO THE FINANCIAL INFORMATION

1. The figures for the six months ended 31 December 2011 and 31 December 2010 are unaudited and do not constitute statutory accounts. The interim results have been prepared using accounting policies which are consistent with International Financial Reporting Standards as adopted by the European Union and are expected to be adopted in the next annual accounts.

   The financial information for the year ended 30 June 2011 set out in this interim report does not comprise the Group's statutory accounts as defined in section 434 of the Companies Act 2006. The statutory accounts for the year ended 30 June 2011, which were prepared under International Financial Reporting Standards (IFRS) as adopted for use in the EU, applied in accordance with the provisions of the Companies Act 2006, have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis

2. Copies of this statement are available from the Company Secretary at the Company's registered office at 8th Floor Finsbury Tower, 103-105 Bunhill Row, London, EC1Y 8LZ or from the Company's website at www.arcontech.com.

3. Earnings per share have been calculated based on the loss after tax and the weighted average number of shares in issue during the half year ended 31 December 2011 of 1,531,314,870 (31 December 2010 - 1,531,314,870; 30 June 2011 - 1,531,314,870). Share options are anti-dilutive and are therefore not included.

4. Taxation is based on the unaudited results and provision has been estimated at the rate applicable to the Company at the time of this statement and expected to be applied to the total annual earnings, adjusted for cash recovery of Research & Development tax credits during the period.

5. There were no dividends paid or proposed during the period (2010: Nil).

6. The Directors have elected not to apply IAS34 Interim financial reporting.