10 August 2009

Forbidden Technologies plc

Interim Results for the six months to 30 June 2009

Forbidden Technologies, the AIM quoted developer and marketer of a leading web-based video platform, is pleased to announce its Interim Results for the six months to 30 June 2009.

- **Sales up 344% to £138,774 (2008: £31,221)**
- **Loss on ordinary activities down 37% to £127,579 (2008: £201,799)**
- **High level of repeat business continues to grow**
- **Drawdown from £1 million loan facility of £150,000 in the six month period (2008: £197,500)**
- **Progress into US market continues**

Vic Steel, Chairman of Forbidden Technologies, commented:

"We maintain our enthusiastic outlook for the Company's future prospects.

"Sales have increased by 344% over the six month period – a 14% increase on sales recorded for the full year to 31 December 2008 – this is in spite of the tough economic conditions.

"Interest in our technology continues to grow as we establish recognition of the quality and reliability of our products and services in our current markets and expand into new ones."

Chairman's statement

I am pleased to announce that in the six months to 30 June 2009 the Company recorded sales of £138,774, compared to £31,221 in the corresponding period to 30 June 2008 - representing an increase of 344%. Administration expenses in the period were £267,587, slightly higher than the £234,193 in the equivalent period to 30 June 2008, reflecting the increasing investment in product development.

It is pleasing to note not only the increase in sales during the six months to 30 June 2009 versus the corresponding period last year but, in addition, that the recent six month period recorded sales were 14% higher than the full year to 31 December 2008.

The modest increase in administrative expenses is mainly due to increases in product development expenditure to accommodate the collective needs of new and potential customers.

The company currently prepares its results in accordance with UK Generally Accepted Accounting Practice ('UK GAAP'). We have, to date, continued our prudent practice, permitted by UK GAAP, of writing off all R&D costs as incurred. Should the company move to reporting under International Financial Reporting Standards ('IFRS') there would be a number of presentational changes to the accounts the most significant of which is that a considerable portion of the R&D costs previously written off to the profit and loss account would be reinstated and capitalised on the balance sheet. Subject to the requirements of IFRS future R&D costs would also be capitalised.

The balance sheet shows net liabilities of £629,256 compared to £514,124 at the year end to 31 December 2008. The Directors' loan facility was drawn down to a cumulative £785,000 on the 30 June 2009 compared to £635,000 on the 31 December 2008, representing a draw down of £150,000 in the six month period.

The loss on ordinary activities before tax for the six months to 30 June 2009 was £127,579 compared to £201,799 in the six months to 30 June 2008, a reduction of £74,220 or 37%.

The recent placing of 2,500,000 new shares to the SF t1ps Smaller Companies Growth Fund at a premium to raise £250,000 reflects growing interest in both the company and its markets across professionally made web video. The resources are well timed to service increasing levels of business in a range of markets, and the appointment of Bishopsgate as a financial PR advisor represents an important step for the company towards increasing its profile as its products exhibit increasing acceptance from end markets, and the Company grows in stature.

As interest in our technology grows and recognition of the quality and reliability of our platform increases, we remain confident of our ability to develop the scale of the business over the coming years.

The share ownership of the Company is still concentrated with the Board owning 80.4 % of the share capital. The Board has a strategy to increase the liquidity of the shares and to widen the share ownership, particularly with institutional investors. The addition of SF t1ps to the share register is a welcomed first step in this process.

Note

This announcement, with P&L, Balance Sheet and supporting statements (including comparatives), will be posted on the company website http://www.forbidden.co.uk/. The Company does not intend to issue paper copies, in line with the practice established last year.

-Ends-

For further information please visit www.forbidden.co.uk or contact:

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Note to Editors

Forbidden Technologies plc (AIM: FBT, www.forbidden.co.uk) listed in February 2000.

The Company develops and markets a powerful internet video platform, FORscene, which is used by broadcasters, in professional web video, in education and by consumers. FORscene is one of the world's most advanced browser-based applications, operating in The Cloud.

Profit and loss account

	Unaudited half year to 30 June 2009	Unaudited half year to 30 June 2008	Year to 31 December 2008
	£	£	£
Turnover	138,774	31,221	121,199
Administrative expenses before FRS 20 employee share option cost	-255,140	-219,658	-420,473
FRS 20 employee share option cost	-12,447	-14,535	14,280
Administrative expenses	-267,587	-234,193	-406,193
Operating loss	-128,813	-202,972	-284,994
Interest payable	1,171		-5,292
Interest receivable and similar income	63	1,173	1,583
Loss on ordinary activities before taxation	-127,579	-201,799	-288,703
Tax on loss on ordinary activities	0	0	34,320
Loss for the period	-127,579	-201,799	-254,383
Basic and diluted loss per ordinary 0.8 pence share	-0.17p	-0.26p	-0.33p

The results for the year are all derived from continuing operations. There are no recognised gains or losses other than the loss for the year.

Reconciliation of movements in shareholders' funds	**Unaudited half year to 30 June 2009**	Unaudited half year to 30 June 2008	Year to 31 December 2008
	£	£	£
Loss for the period	-127,579	-201,799	-254,383
FRS 20 employee share option costs	12,447	14,535	-14,280
Net reduction in shareholders' funds	-115,132	-187,264	-268,663
Opening shareholders' funds	-514,124	-245,461	-245,461
Closing shareholders' funds	-629,256	-432,725	-514,124

Balance sheet		**Unaudited half year to 30 June 2009**		Unaudited half year to 30 June 2008		Year to 31 December 2008
		£		£		£
Fixed assets						
Tangible assets		16,800		1,088		19,746
Current assets						
Debtors	143,617		116,091		149,103	
Cash at bank and in hand	71,369		66,648		51,424	
	214,986		182,739		200,527	
Creditors (<1 year)	-76,042		-84,052		-99,397	
Net current assets		138,944		98,687		101,130
Total assets less current liabilities		155,744		99,775		120,876
Creditors (>1 year)		-785,000		-532,500		-635,000
Net assets		**-629,256**		**-432,725**		**-514,124**
Capital and reserves						
Called up share capital		609,300		609,300		609,300
Share premium account		2,996,375		2,996,375		2,996,375
Capital contribution reserve		125,000		125,000		125,000
Proft and loss account		-4,359,931		-4,163,400		-4,244,799
Equity shareholders' funds		**-629,256**		**-432,725**		**-514,124**

Reconciliation of operating loss to net cash outflow from operating activities	**Unaudited half year to 30 June 2009 £**	Unaudited half year to 30 June 2008 £	Year to 31 December 2008 £
Operating loss	-128,813	-202,972	-284,994
FRS 20 employee share option cost	12,447	14,535	-14,280
Depreciation charges	4,124	1,087	9,244
Decrease/(increase) in debtors	5,485	-11,262	-46,251
Increase/(decrease) in creditors	-22,185	6,930	16,983
Net cash outflow from operating activities	-128,942	-191,682	-319,298
Cash flow statement			
Cash outflow from operating activities	-128,942	-191,682	-319,298
Returns on investment and servicing of finance	63	1,173	1,583
Taxation	0	0	36,297
Capital expenditure	-1,178	0	-26,815
Cash outflow before management of liquid resources	-130,057	-190,509	-308,233
Financing	150,000	197,500	300,000
Increase/(decrease) in cash in the period	19,943	6,991	-8,233
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the period	19,943	6,991	-8,233
Cash inflow from increase in debt financing	-150,000	-197,500	-300,000
Movement in net funds in the period	-130,057	-190,509	-308,233
Net (debt)/funds at the start of the period	-583,576	-275,343	-275,343
Net (debt)/funds at the end of the period	-713,633	-465,852	-583,576

Basis of preparation

The Interim report for the six months ended 30 June 2009 and 2008 is unaudited and does not constitute statutory accounts with the meaning of Section 240 of The Companies Act 1985. It has been prepared under the historical cost convention and on a basis consistent with the accounting policies disclosed in the Annual Report and Accounts for the year ended 31 December 2008.

The results for the year ended 31 December 2008 and the balance sheet of that date are an extract from the statutory financial statements for that year, which have been filed with the Registrar of Companies and on which the Company's auditors gave an unqualified report and did not contain a statement under Section 237 (2) or (3) of that Act.