27 September 2010

Forbidden Technologies plc
(AIM: FBT)
(“Forbidden” or the “Company”)

Interim results for the six months to 30 June 2010

Forbidden Technologies, the AIM quoted developer and marketer of a leading cloud based video platform, is pleased to announce its Interim Results for the six months to 30 June 2010.

Highlights

- Sales up 21% to £167,858 (2009: £138,774)
- Gross profit up 22% to £158,375 (2009: £129,764)
- Gross profit margin was maintained at a healthy 94%
- Operating costs up 37% to £214,730 (2009: £156,695)
- Operating loss £53,853 (2009: £26,931)
- No drawdown from £1m loan facility (2009: £150,000 drawn down)
- Positive balance of cash and cash equivalents of £137,553 at 30 June 2010

Post Period Highlights

- Vic Steel, Chairman, and Phil Madden, Financial Director, increased their stake in the Company showing confidence in its future
- Signed systems integrator agreement with Siemens IT Solutions & Services in South Africa
- Envy Post production chose to provide FORscene as its logging and rough cut editing platform
- Successfully demonstrated FORscene on the Nokia N900 smartphone
- The addition of HTML5 video publishing, to FORscene, allowing Video published in FORscene to be viewed through any device with a compliant web browser

Vic Steel, Chairman, commented:

“We maintain a positive outlook for the second half of the year and for the year as a whole. Our discussions with major international partners are progressing well, and interest in our cloud based technology continues to grow across a wide number of geographic markets in a variety of market segments.

“The Directors anticipate increased growth and the achievement of profitable scale in the “not too distant” future.”

Enquiries

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Chairman's Statement

I am pleased to announce that in the six months to 30 June 2010 the Company recorded sales of £167,858, compared to £138,774 in the corresponding period to 30 June 2009, an increase of 21%.

Gross profit margin was maintained at a healthy 94%.

The increase in operating expenses was in line with our plan to raise our profile and thus generate an increase in numbers of customers and in geographic diversity - both being a product of our strategy to develop significant partnerships. The increase of 37% to £214,730 (2009: £156,695) was primarily due to higher investment in advertising and marketing, the retaining of financial PR consultants, plus the cost of establishing a modest presence in the United States. The extra investment in operating expenses has resulted in an increase in the operating loss to £53,853 (2009: £26,931).

As shown in the Statement of Cash Flows the Company had a positive balance of cash and cash equivalents of £137,553 at 30 June 2010. Since that date, the Company has issued shares in response to monies received of £150,000 and has issued an option over 500,000 shares for £5,000, the option being exercisable at 24p per share (a 55% premium to the prevailing market price at time of issue). The Company has not drawn down any funds from the £1m loan facility and, on 26 July 2010, repaid £78,500 of loan to the Chairman. On 27 July 2010 the Chairman bought 450,000 shares and the Finance Director bought 75,000 shares in the market.

Looking at progress over the last six months there are a number of points I feel are worthy of drawing to the attention of our shareholders:

Technology Development

We continue to improve users' experiences of our technology through systems upgrades particularly to our cloud server, through added features which customers indicated would be useful and through new applications such as our recently demonstrated Smartphone prototype. All of these refinements, we believe, will continue to keep us ahead of the market and reinforce our technical reputation.

UK Post Production

This has continued to grow by a combination of repeat business and new customers. With partnerships announced with such organisations as Editshare and Envy, we expect our penetration of the UK post production market to increase over the coming years.

Marketing Presence

The Company has succeeded in increasing its profile and visibility both through attendance at key industry shows and through wider press coverage in the trade and financial columns. We had good visibility at the National Association of Broadcasters Show (NAB) in Las Vegas, including our own stand for the first time, and had an impressive presence at IBC in Amsterdam this month with 5 points of representation including demonstrations of FORscene by Ericsson. We were present at this year's Master Investor Show and will be at the Growth Company Investor Show on 29 September 2010.

Partnerships

Over the past year we have outlined our strategy of developing partnerships with significant companies who possess distribution strengths in our chosen market segments. This should result in acceleration of our growth and also enable us to continue to focus on our core competitive competence, that of being an outstanding and innovative technology company. Several partnership opportunities are under discussion and are making good progress. The recent announcement of an agreement with Siemens in Africa is the first systems integrator deal to be published. The partnerships with Envy and Editshare in the UK are noteworthy for strengthening our post production business both domestically and overseas.

Outlook

The large scale market presence provided by systems integrators rapidly adds delivery capacity by making FORscene available through a third party with global reach. Although exact timings of new sales through these partnerships are difficult to predict, the acceptance of Cloud video and Forbidden's place in this exciting market give us great confidence for the future.

The Directors anticipate increased growth and the achievement of profitable scale in the "not too distant" future.

FORBIDDEN TECHNOLOGIES PLC (REGISTERED NUMBER: 03507286)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Unaudited half year to 30 June 2010 £	Unaudited half year to 30 June 2009 (restated) £	Year to 31 December 2009 £
CONTINUING OPERATIONS			
Revenue	167,858	138,774	280,826
Cost of sales	(9,483)	(9,010)	(30,170)
GROSS PROFIT	158,375	129,764	250,656
Other operating income	2,502	-	-
Operating expenses	(214,730)	(156,695)	(341,192)
OPERATING LOSS	(53,853)	(26,931)	(90,536)
Finance costs	(3,925)	1,171	(2,519)
Finance income	20	63	115
LOSS BEFORE INCOME TAX	(57,758)	(25,697)	(92,940)
Income tax	-	-	36,261
LOSS FOR THE PERIOD	(57,758)	(25,697)	(56,679)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(57,758)	(25,697)	(56,679)

Earnings per share expressed in pence per share:			
Basic	(0.07p)	(0.03p)	(0.07p)
Diluted	(0.07p)	(0.03p)	(0.07p)

FORBIDDEN TECHNOLOGIES PLC (REGISTERED NUMBER: 03507286)

STATEMENT OF FINANCIAL POSITION
30 JUNE 2010

	Unaudited half year to 30 June 2010 £	Unaudited half year to 30 June 2009 (restated) £	Year to 31 December 2009 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	483,114	279,865	381,748
Property, plant and equipment	14,427	16,800	17,882
	497,541	296,665	399,630
CURRENT ASSETS			
Trade and other receivables	173,166	143,617	133,885
Tax receivable	36,261	-	36,261
Cash and cash equivalents	137,553	71,369	211,225
	346,980	214,986	381,371
TOTAL ASSETS	844,521	511,651	781,001
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	639,260	609,300	632,820
Share premium	3,365,815	2,996,375	3,275,655
Capital redemption reserve	125,000	125,000	125,000
Retained earnings	(4,163,677)	(4,080,066)	(4,112,205)
TOTAL EQUITY	(33,602)	(349,391)	(78,730)
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	785,000	785,000	785,000
CURRENT LIABILITIES			
Trade and other payables	93,123	76,042	74,731
TOTAL LIABILITIES	878,123	861,042	859,731
TOTAL EQUITY AND LIABILITIES	844,521	511,651	781,001

The financial statements were approved by the Board of Directors on 24 September 2010 and were signed on its behalf by:

....
S B Streater - Director

....
P J Madden - Director

FORBIDDEN TECHNOLOGIES PLC (REGISTERED NUMBER: 03507286)

STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Called up share capital £	Profit and loss account £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2009	609,300	(4,066,816)	2,996,375	125,000	(336,141)
Changes in equity					
Issue of share capital	23,520	-	279,280	-	302,800
Share based payment	-	11,290	-	-	11,290
Total comprehensive income	-	(56,679)	-	-	(56,679)
Balance at 31 December 2009	632,820	(4,112,205)	3,275,655	125,000	(78,730)
Changes in equity					
Issue of share capital	6,440	-	90,160	-	96,600
Share based payment	-	6,286	-	-	6,286
Total comprehensive income	-	(80,584)	-	-	(80,584)
Balance at 30 June 2010	639,260	(4,186,503)	3,365,815	125,000	(56,428)

FORBIDDEN TECHNOLOGIES PLC (REGISTERED NUMBER: 03507286)

STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Unaudited half year to 30 June 2010 £	Unaudited half year to 30 June 2009 (restated) £	Year to 31 December 2009 £
Cash flows from operating activities			
Cash generated from operations	(78,389)	(18,160)	(87,651)
Finance costs paid	(4,296)	-	(7,810)
Tax paid	36,261	-	34,320
Net cash from operating activities	(46,424)	(18,160)	(61,141)
Cash flows from investing activities			
Purchase of intangible fixed assets	(121,344)	(110,780)	(221,563)
Purchase of tangible fixed assets	(2,524)	(1,178)	(10,410)
Interest received	20	63	115
Net cash from investing activities	(123,848)	(111,896)	(231,858)
Cash flows from financing activities			
Amount introduced by directors	-	150,000	150,000
Share issue	96,600	-	302,800
Net cash from financing activities	96,600	150,000	452,800
Increase/(Decrease) in cash and cash equivalents	(73,672)	19,945	159,801
Cash and cash equivalents at beginning of period	211,225	51,424	51,424
Cash and cash equivalents at end of period	137,553	71,369	211,225

FORBIDDEN TECHNOLOGIES PLC (REGISTERED NUMBER: 03507286)

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2010

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1. **RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	Unaudited half year to 30 June 2010 £	Unaudited half year to 30 June 2009 (restated) £	Year to 31 December 2009 £
Loss before income tax	(57,758)	(25,697)	(92,940)
Depreciation charges	14,127	4,124	12,274
Amortisation charges	19,977	8,899	17,798
Employee share option costs	6,286	12,447	11,290
Finance costs	3,925	(1,171)	2,519
Finance income	(20)	(63)	(115)
	(13,463)	(1,461)	(49,175)
Increase in trade and other receivables	(75,542)	5,486	(19,102)
(Decrease)/Increase in trade and other payables	10,616	(22,185)	(19,374)
Cash generated from operations	(78,389)	(18,160)	(87,651)

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the cash flow in respect of cash and cash equivalents are in respect of these balance sheet amounts:

	Unaudited half year to 30 June 2010 £	Unaudited half year to 30 June 2009 (restated) £	Year to 31 December 2009 £
Cash and cash equivalents	137,553	71,369	211,225

1. **Basis of preparation and accounting policies**
These interim statements have been prepared on a basis consistent with International Financial Reporting Standards (IFRS). They do not contain all of the information required for full financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2009. These interim financial statements do not constitute statutory accounts within the meaning of the Companies Act.

The interim financial information has not been audited. The interim financial information was approved by the Board of Directors on 24 September 2010. The information for the year ended 31 December 2009 is extracted from the statutory financial statements for that year which have been reported on by the Group's auditors and delivered to the Registrar of Companies. The audit report was unqualified and did not contain a statement under s498(2) or 498(3) of the Companies Act 2006.

The accounting policies applied by the Company in these interim financial statements are the same as those applied by the Company in its financial statements for the year ended and as at 31 December 2009.

2. **Restatement of prior period figures**

The Interim accounts for the 6 months to 30 June 2009 have been restated to include an intangible asset in relation to development costs not previously capitalised under UK Generally Accepted Accounting Practice (GAAP). Under IFRS these have been recognised where certain criteria have been met and subsequently amortised on a straight line basis over a period of 10 years. The statement of financial position has been restated to reflect the intangible asset recognised in the period and the statement of comprehensive income restated to reflect the amortisation charge thereon.