

Strontium Plc ('Strontium' or 'the Company')

Interim Results for the 6 months to 31 December 2005

Strontium Plc, the AIM-listed professional services company, announces its interim results for the six months ended 31 December 2005.

CHAIRMAN'S STATEMENT:

INTRODUCTION

Strontium is a professional service group with the objective to grow by acquiring equity holdings in small, high growth professional services businesses. The directors have formed the Strontium Alliance ("Alliance") which enables smaller companies to leverage their service offering particularly when seeking to do business with larger organisations.

Strontium currently has two trading subsidiaries and a trading division

Executive Development Consultants Limited ("EDC") - which provides personal coaching and development services to company executives. Strontium has a 76% interest in EDC and has agreed to purchase the remaining 26%.

Aspect Information Management Limited ("Aspect") - which provides specialised research services in the area of customer, employee and general market information. Aspect is a wholly owned subsidiary of Strontium.

Collectpoint is a trading division which provides a managed network of alternative drop off and pick up locations for parcel traffic in the UK.

EDC, Aspect and Collectpoint are all members of the Alliance.

TRADING

During this period the management focus was on the launch of the Alliance, and the Company's admission to AIM which occurred 2 February 2006.

Aspect performed in line with the directors expectations in the first 6 months with sales of £143,000. Interest in Aspect's services remains strong.

EDC continued to grow its relationships with clients and in the first six months provided services to businesses such as, NHS, National Grid and the BBC.

Collectpoint continued to work in close partnership with Lynx to expand its business.

Overall these 3 Principal members of the Strontium Alliance performed as expected during the period leading up to our AIM registration.

STRONTIUM ALLIANCE

Four further organisations have agreed to become Associate Members of the Alliance

- \* Micropoint Limited an IT services business
- \* Masquerade Limited an events management business
- \* Ginger Monkey Limited an IT support services business.
- \* Link Up Mitaka Ltd a translation and interpreting business

Strontium will work with these companies to develop mutually beneficial business opportunities.

The Company will continue to seek to recruit new members to the Alliance in line with the strategy laid out in the AIM admission document. In addition the Company is seeking to continue to implement its strategy of investing in organisations which in the opinion of the directors can demonstrate growth in revenues and profits.

The Company today announced that the deferred cash consideration of £31,200 payable for the remaining 24% of EDC and the deferred payment of £20,000 on the purchase of 66% of EDC would be satisfied by way of an issue of 144,225 new ordinary shares in the Company.

#### EXECUTIVE MANAGEMENT INCENTIVE OPTION SCHEME ("EMI SCHEME")

The Company has implemented an EMI Scheme which will help incentivise employees to grow the business.

#### FINACIAL REVIEW

I am pleased to report the results for the six months to 31 December 2005. In line with the directors expectations the Company made a loss before tax and exceptional items of £79,450 on a turnover of £220,577, after charging approximately £60,000 in respect of the general marketing costs of the initial launch of the Strontium concept in November 2005.

As at 31 December 2005, the Group had net assets of £367,322 and cash of £383,478.

#### Balance Sheet

As at 31 December 2005

	As at 31 December 2005 (unaudited) £	At 30 June 2005 (audited) £
Intangible fixed assets	141,838	-
Tangible fixed assets	24,365	7,414
Investments		14,000
	166,203	21,414
Debtors	94,786	54,214
Cash at bank and in hand	383,478	200,472
	478,264	254,686
Creditors- amounts falling due within one year	(246,345)	(132,916)
Net current assets	231,919	122,490
Total assets less current liabilities	398,122	143,904

Creditors-amounts falling due in more than one year	(30,800)	-
Net assets	367,322	143,904
Capital and reserves		
Called up share capital	126,389	100,000
Share premium account	353,611	-
Profit and loss account	(112,678)	43,904
Equity shareholders' funds	367,322	143,904

Consolidated Profit and Loss Account  
For the six months ended 31 December 2005

	Six months ended 31 December 2005 (unaudited) £	9August 2004 to 30 June 2005 (audited) £
Turnover- continuing activities	178,547	531,434
- acquisitions	42,030	
- discontinued activities	-	7,219
	220,577	538,653
Cost of sales	(46,373)	(151,936)
Gross profit	174,204	386,717
Operating expenses-normal	(253,852)	(153,330)
- exceptional (AIM admission costs)	(88,000)	-
Operating (loss) / profit - continuing activities	(138,083)	262,877
- acquisitions	(29,565)	-
- discontinued activities	-	(29,490)
	(167,648)	233,387
Loss on sale of subsidiary undertaking	-	(34,484)
Interest receivable	198	-
(Loss) profit on ordinary activities before taxation	(167,450)	198,903
Taxation	10,868	(56,475)
Retained (loss)/profit for the period	(156,582)	142,428
Basic (loss)/profit per share (in pence)	(3.0) p	2.8p

Consolidated Cash Flow Statement  
For the six months ended 31 December 2005

	Six months ended December 2005 (unaudited) £	9 August 2004 to 30 June 2005 (audited) £
Net Cash (Outflow)/Inflow from	(136,404)	274,736
Operating Activities		
Returns on Investments and		
Servicing of Finance		
Net interest received	198	-
Capital Expenditure		
Payments to acquire tangible fixed assets	(15,434)	(8,474)
Acquisitions		
Purchase of subsidiary undertakings	(106,000)	(62,399)
Purchase of investments	-	(14,000)
Purchase of goodwill	-	(5,000)
Cash acquired with subsidiary	60,646	-
Sale of subsidiary	-	15,608
	(45,354)	(65,791)
Cash (Outflow) Inflow before Financing	(196,994)	200,471
Financing		
Proceeds from issue of shares	380,000	1
Increase in Cash	183,006	200,472

Notes to the Interim Results

\* The Group results have been prepared in accordance with the accounting policies stated in the audited accounts for the period 9 August 2004 to 30 June 2005. Goodwill arising on the acquisition of Executive Development Consultants Limited has been capitalised and is being written off over its estimated useful life of ten years.

\* The Company's shares were admitted to trading on AIM on 2 February 2006. The professional costs relating to the Company's Admission to AIM accrued over a period between October 2005 and 24 January 2006 when the AIM

Admission Document was issued. The directors' estimate that approximately 80% of the total costs admission costs of £110,000 had accrued before 31 December 2005 and have been reflected as an exceptional cost in the six months ended 31 December 2005. A further exceptional cost of £22,000 will be charged against profit and loss account in the second half.

- \* The calculation of loss per share is based upon the weighted average number of shares in issue during the period of 5,221,806 (June 2005 - 5,000,000).
- \* The results for the period to 31 December 2005 are unaudited and do not constitute statutory accounts in accordance with section 240 of the Companies Act 1985. The comparative figures for the period 9 August 2004 to 30 June 2005 are an abbreviated version of the full accounts which have been reported on without qualification by the Company's auditors. The financial statements for the period ended 30 June 2005 have been filed with the Registrar of Companies.
- \* No dividend is proposed for the period ended 31 December 2005.
- \* Copies of the interim results will be available to members of the public from the Company's registered office, at 6 Porter Street, London, W1M 1HZ.