13 March 2009

STRONTIUM PLC
(the "Company" or "Strontium")

Half yearly report for the six months to 31 December 2008

The Board of Strontium, the AIM-listed professional services provider, announces its interim results for the six months to 31 December 2008.

Key Points

- Profit for the six month period amounted to £7,510 (2007: loss of £190,253);
- Sales for the six month period amounted to £1,097,495 (2007: £346,479);
- As at 31 December 2008 the Total Assets were £1,922,209 (31 December 2007: £1,765,949); and
- As at 31 December 2008 the net cash resources of £269,265 (31 December 2007 £947,089).

Commenting on the results, Michael Metcalfe, Chairman, said: "**These 6 months represent a significant milestone for the Company as we achieved substantial growth in sales and a profit for the period under review.**"

Enquiries:

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Chairman's Statement

During the six month period to 31 December 2008, the Company concentrated on increasing revenue in all divisions. The profit for the period represents a significant milestone for the Company, as it is the first time that the Company has made a profit for a half year since the Company was quoted on AIM.

Financial Highlights

Sales for the six month period amounted to £1,097,495 (six months to 31 December 2007: £346,479). Sales by The Learning Eye are included in this period but not in the 6 months ended 31 December 2007.

Gross Profit for the six month period increased by 167% to £767,595 (six months to 31 December 2007 £287,485).

Administration Expenses increased by 55% to £761,175 (six months to 31 December 2007: £489,962)

Net Cash Resources decreased from £586,543 to £269,265, compared to 30 June 2008, mainly due to increased debtors resulting from sales activity being skewed to the end of the period and a reduction in the level of advances from customers held.

Trading

The restructuring of the Group and the focus on sales resulted in a jump in like for like sales to £820,220 (six months to 31 December 2007: £346,479). However, most new sales were delivered in this time period, resulting in a marginal increase in the Company's sales orders over the six months to December 2008.

The sales orders for Non-clinical Medical Training and Development increased whilst the orders for Business Communications decreased primarily as a result in a reduction in automotive related projects which reflects current market conditions.

Strategy

Strontium is a professional services group founded with the objective of growing by developing existing businesses and by acquiring small, professional services businesses with the potential for development.

As reported in the 2008 Annual Report, the Board had decided to prepare for an extended period of difficult trading conditions and the adapted strategy aims to:

- Conserve cash;
- Reduce costs;
- Retrench where necessary;
- Concentrate products and services into two divisions, namely:
    - » Non-clinical Medical Training and Development
    - » Business Communications; and
- Put the Alliance on hold until 2010.

The elements of this strategy have been implemented by:

- the rigorous control of expenditure;
- a review of existing and future office space needs;
- merging EDC and Miad operational bases;
- merging The Learning eye , Aspect Research and AIM Multilingual operational bases;
- reducing headcount in Multilingual & EDC;
- reducing our reliance on Automotive sector but maintain contacts; and
- The Learning Eye opening an office in Sydney, Australia.

Outlook

The Board believes that, following its internal restructure and given the balance of its client base across the public and private sectors, it has minimised, as far as possible, the effects of the current economic climate.

The focus for the next 6 months will be on:

- increasing revenue in the existing businesses;
- introducing new products (particularly e-learning);
- controlling costs; and
- acquiring new customers.

Despite the current market conditions, the Board remains cautiously optimistic.

I would like to thank David Barker, our Managing Director, and the management and staff for their contributions during the period under review.

M W Metcalfe

Consolidated Income Statement for the six months ended 31st December 2008

	Note	6 months ended 31 December 2008 unaudited £	6 months ended 31 December 2007 unaudited £	Year ended 30 June 2008 audited £
Revenue		1,097,495	346,479	951,765
Cost of sale		(329,900)	(58,994)	(301,264)
Gross Profit		767,595	287,485	650,501
Administrative expenses		(761,175)	(489,962)	(1,083,886)
Goodwill impairment charge		-	-	(329,403)
Operating profit / (loss)		6,420	(202,477)	(762,788)
Financial income		850	5,982	16,214
Financial costs		-	-	(97)
Finance costs - net		850	5,982	16,117
Profit / (Loss) before tax		7,270	(196,495)	(746,671)
Tax expense		240	6,242	27,080
Profit/(Loss) for the period attributable to equity holders of parent company		7,510	(190,253)	(719,591)
Earnings/(loss) per share				
Equity holders	3	0.06p	(1.96)p	(6.41)p

Consolidated Statement of Changes in Equity as at 31st December 2008

	Share Capital unaudited £	Share Premium unaudited £	Retained Earnings unaudited £	Total unaudited £
Balance at 1 July 2007	182,241	1,118,346	(255,734)	1,044,853
Loss for period to 31 December 2007	-	-	(190,253)	(190,253)
Issue of shares for cash	52,500	577,500	-	630,000
Cost of issue	-	(18,750)	-	(18,750)
Balance at 31 December 2007	234,741	1,677,096	(445,987)	1,465,850
Loss for period to 30 June 2008	-	-	(529,338)	(529,338)
Cost of share based awards	-	-	26,000	26,000
Issue of shares on acquisition	32,653	318,367	-	351,020
Balance at 30 June 2008	267,394	1,995,463	(949,325)	1,313,532
Profit for period to 31 December 2008	-	-	7,510	7,510
Cost of share based awards	-	-	13,725	13,725
Balance at 31 December 2008	267,394	1,995,463	(928,090)	1,334,767

Consolidated Interim Balance Sheet as at 31 December 2008

	At 31 December 2008 unaudited £	At 31 December 2007 unaudited £	At 30 June 2008 audited £
Non-current assets			
Goodwill	1,174,893	615,197	1,148,893
Tangible fixed assets	40,292	23,368	44,912
Total non-current assets	1,215,185	638,565	1,193,805
Current assets			
Trade receivables	437,759	180,295	320,064
Cash at bank	269,265	947,089	586,543
Total current assets	707,024	1,127,384	906,607
Total assets	1,922,209	1,765,949	2,100,412
Equity			
Issued share capital	267,394	234,741	267,394
Share Premium	1,995,463	1,677,096	1,995,463
Retained Earnings	(928,090)	(445,987)	(949,325)
Total equity	1,334,767	1,465,850	1,313,532
Liabilities			
Non-current liabilities			
Deferred tax	2,192	-	2,432
Other payables	128,000	72,000	102,000
	130,192	72,000	104,432
Current liabilities			
Current tax liabilities	9,270	-	9,270
Trade and other payables	447,980	228,099	673,178
	457,250	228,099	682,448
Total liabilities	587,442	300,099	786,880
Total equity and liabilities	1,922,209	1,765,949	2,100,412

Consolidated Cash Flow Statement for the six months ended 31 December 2008

	Note	6 months ended 31 December 2008 unaudited £	6 months ended 31 December 2007 unaudited £	Year ended 30 June 2008 audited £
Cash flows from operating activities				
Cash absorbed by operations	**4**	(291,022)	(319,561)	(17,644)
Net interest received		850	5,982	16,117
Taxation received		-	(701)	(73,173)
Net cash used in operating activities		(290,172)	(314,280)	(74,700)
Cash flows from investing activities				
Payments to acquire subsidiary		(25,000)	-	(605,079)
Cash acquired with subsidiary		-	-	10,836
		(25,000)	-	(594,243)
Payments to acquire tangible fixed assets		(2,106)	(1,183)	(7,066)
Net cash used in investing activities		(27,106)	(1,183)	(601,309)
Cash flows from financing activities				
Proceeds from issue of shares		-	611,250	611,250
Net cash from financing activities		-	611,250	611,250
Net (decrease) / increase in cash and bank balances		(317,278)	295,787	(64,759)
Cash and bank and bank overdrafts at beginning of period		586,543	651,302	651,302
Cash and bank and bank overdrafts at end of period		269,265	947,089	586,543

1 GENERAL INFORMATION

Strontium is a company domiciled in England whose registered office address is 6 Porter Street, London, W1M 1HZ. The condensed consolidated interim financial statements of the Company for the six months ended 31 December 2008 comprise the Company and its subsidiaries (together referred to as the "Group").

The condensed consolidated interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

The financial information for the year ended 30 June 2008 has been extracted from the statutory accounts. The auditors' report on the statutory accounts was unqualified and did not contain a statement under Section 237 of the Companies Act 1985. A copy of those financial statements has been filed with the Registrar of Companies.

The condensed consolidated interim financial statements were authorised for issue on 13 March 2009.

2 BASIS OF ACCOUNTING

The condensed consolidated interim financial statements are unaudited and have been prepared on the historical cost basis in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") using the same accounting policies and methods of computation as were used in the annual financial statements for the year ended 30 June 2008. As permitted, the interim report has been prepared in accordance with the AIM rules for Companies and is not compliant in all respects with IAS 34 Interim Financial Statements. The condensed consolidated interim financial statements do not include all the information required for full annual financial statements and hence cannot be construed as in full compliance with IFRS.

3 EARNINGS/(LOSS) PER SHARE

The earnings per share figure is based on a profit for the period of £7,510 (loss for the six months ended 31 December 2007: £190,253, loss for the year ended 30 June 2008: £719,591) and the weighted average of ordinary shares in issue for the period of 13,369,688 (2007: 9,685,805, year ended 30 June 2008: 11,227,481).

There are potentially 1,700,000 shares that could be issued under the terms of options that will potentially reduce future earnings per share. These options do not however cause a dilution of earnings per share in the period because the average exercise price in the period exceeded the average market price of the shares. In the comparative periods presented in the financial information there was no dilution given the losses arising in those periods.

4 CASH ABSORBED BY OPERATIONS

	6 months to 31 December 2008 unaudited £	6 months to 31 December 2007 unaudited £	Year to 30 June 2008 audited £
Operating profit/(loss)	6,420	(202,477)	(762,788)
Impairment charges	-	-	329,403
Depreciation of tangible fixed assets	6,726	3,650	9,620
Share Based Awards	13,725	-	26,000
(Increase)/decrease in debtors	(117,695)	(24,640)	169,392
(Decrease)/increase in creditors	(200,198)	(96,094)	210,729
Cash absorbed by operations	(291,022)	(319,561)	(17,644)