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21st Century Technology plc
("21st Century", "the Company" or "the Group")

Half Year Results for the six months ended 30 June 2013

21st Century, a leading supplier of public transport CCTV and other monitoring systems, including their award winning EcoManager, today announces its half year unaudited figures for the six months to 30 June 2013, earlier than previously advised and in order to provide a prompt update on current trading.

Financial Highlights

- H1 performance satisfactory however H2 revenue now forecast to be significantly lower than previously expected
- Total revenue for the six months of £5.8m (2012: £7.0m)
- Sales to Keolis doubled to £0.8m (2012: £0.4m)
- Profit before tax of £0.5m equivalent to 8.2% of revenue (2012: £0.7m and 9.7%)
- Net cash generated from operations of £1.3m (2012: net cash *used in* operations £1m)
- Cash at bank at 30 June 2013 up 29% to £2.2m from £1.7m at the last year end
- Dividend of 0.7p per Ordinary Share paid in June 2013

Operational Highlights

- Prudent reassessment of order book and pipeline opportunities post period end indicates lower than expected volumes in H2
- Significant Eco trials continue in UK and mainland Europe
- Development of outsourcing services for major customer
- Rail CCTV becoming a significant future revenue opportunity
- Investment in expanding UK operations and establishing sales and delivery support teams in key overseas markets

Commenting on the results, Jan Holmstrom, Chairman of 21st Century, said:

"Although our performance in the first half was satisfactory and in line with our revised expectations, difficult market conditions have persisted. We are now experiencing a significantly lower than expected order pipeline for H2 2013. We have received indications that revenue receivable from one of our largest customers is likely to be 70% lower in H2 2013 than H1 and below our previous expectations, whilst a four-year contract with the GoAhead Group is due to expire very shortly.

"In view of the above, the Board has sought to reassess the Group's order book and pipeline opportunities and anticipate that its financial performance for the year ending 31 December 2013 is likely to be significantly below its previous expectations and of the previous financial year, should the pipeline remain at its current levels."

"The Company remains committed to its strategy of investment in sales resource to identify and build upon opportunities, particularly overseas, which the Board believes remain key to the future growth of the business."

A copy of this half year results announcement is available on the Company's website: www.21stplc.com

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Notes to editors:

21st Century Technology plc (AIM: C21), a leading supplier of public transport CCTV and other monitoring systems in the UK and Scandinavia, was admitted to trading on AIM, a market operated by the London Stock Exchange, in 2005.

21st Century is the preferred supplier of on-board CCTV systems for Arriva UK Bus, FirstGroup UK Bus and Keolis in Stockholm.

The company has pioneered the use of Wi-Fi with on-board CCTV systems. Transport for London commissioned the company to undertake a trial of 'LiveView' - a system which transmits live CCTV pictures from on board the bus to a public transport and police control centre. 21st Century was also the first company to successfully launch Automatic Video Downloads and a bus CCTV monitoring system (Heartbeat™) which allow the CCTV manager to remotely download CCTV footage from the bus to his computer and check that all the CCTV systems fitted to his buses are fully operational, without leaving his desk.

The company's passenger counting systems utilise active infrared sensors at every exit/entry point or overhead cameras linked to the ticket machine to enable bus operators to analyse specific bus route ticket sales and passenger numbers.

21st Century's EcoManager™ product has made a significant contribution to sales since its launch in July 2008. The EcoManager black-box system is aimed at reducing fuel and maintenance costs, reducing emissions and improving safety for bus operators by monitoring individual driving styles. Following a successful trial, in April 2009, Arriva UK committed to install the device on all their new buses and to retrofit a large proportion of their existing fleet. In November 2009 Arriva North West and Merseytravel won the industry recognised Alexander Dennis Award for Innovation following their installation of the EcoManager system which yielded fuel savings of up to 12%, associated CO_2 emission reductions and a 62% reduction in accidents. This was followed in 2010 with a driver safety award for EcoManager presented by the road safety charity, Brake and in 2011, Arriva Wirral was presented with the Environmental Award by Wirral Investment Network in recognition of the environmental benefits achieved by the company as a result of the installation of EcoManager to its fleet of buses.

For further information go to www.getecomanager.com.

21st Century Technology plc

Chairman's statement

Interim results overview

In the UK, sales for the first six months of the year were broadly in line with the same period last year, but we expect that the second half of the year will be challenging in both UK and overseas markets.

Our initial investment in establishing a specialist local aftersales support team in Scandinavia has resulted in sales to Keolis of £0.8m, which is more than double the level achieved in the first half of last year. Our aim is to replicate this success in Scandinavia, with similar 'on the ground' investment in the two largest bus markets in mainland Europe: France and Germany. We have also invested in further resources to strengthen our international marketing support based in the UK.

We continue to explore opportunities with potential new customers in bus and rail CCTV in the UK and overseas, in addition to leveraging the potential recurring revenue streams from maintenance contracts.

Last year we made our first sales in the UK on train CCTV market installing high definition forward facing cameras on to trains operated by CrossCountry. This project has received very encouraging feedback from CrossCountry, Network Rail and the British Transport Police and we are currently in dialogue with several other major train operators who are interested in installing this technology.

We are working on the formulation of a number of strategic partnerships to secure intellectual property rights in the products which we install in the UK and overseas. We are also hoping to introduce an outsourced maintenance and CCTV download management model for our UK customers to leverage the significant recurring revenue potential within the large bus fleets operated by our customers and which already have CCTV on board.

We have a number of EcoManager trials running at the moment with major public transport groups which could yield significant revenue in future periods.

Dividend

The Company paid its maiden dividend in June of this year of £652,678 representing 0.7p per share. The Board are committed to maintaining a distribution to shareholders, where its anticipated cash generation and investment requirements so allow.

Cash flow

Cash at bank stood at £2.2m at 30 June 2013 compared to a balance of £4.2m at 30 June 2012 (before return of capital payment of £3.3m) and cash of £1.7m at 31 December 2012.

Current trading and outlook

Whilst trading to date has been satisfactory, the outlook for the remainder of the current year is disappointing.

Market conditions in the UK and Europe continue to remain difficult. Whilst we have a number of significant sales opportunities at the tender stage, the latest forecast for H2 firm orders from one major UK customer are down approximately 70% on H1 (H1 2013: £2.2m with a further £0.7m expected in H2, as compared to £3.7m for FY 2012). It is possible that we may receive additional orders from this customer during the course of H2, but we currently have no visibility on their timing or value and have not included any estimate in our internal forecasts. In addition, our contract with Go-

Ahead which has run for over 4 years is due to expire on 12 August 2013 and while the outcome of our re-tender for this contract is not certain, we are prudently not anticipating any significant income from this customer beyond that date. Consequently, UK sales in the second half will be materially less than we had anticipated in our trading update given on 28 May 2013 whilst specifically sales to Go-Ahead for the full year are now expected to be £1.2m (2012: £1.7m).

In addition, a number of leads in mainland Europe are yet to develop into confirmed orders as previously anticipated. We have been working on potentially significant opportunities for EcoManager with two major transport groups in France and Germany, both of which we were expecting to deliver in the second half of the year.

The French opportunity involves the development of a bespoke version of our EcoManager system which required an extended trial before the customer would be in a position to consider a roll-out of the system within its fleet. The trial has now completed successfully and the customer is presenting the results to its operating subsidiaries, who will then make a decision on roll-out in their regions. However it is now likely that this assessment by the operating subsidiaries will not be completed until the final quarter of 2013, and in some instances into 2014, and consequently we are not anticipating any significant income from this project in the current year. Trials with our German customer are at an advanced stage but because of the potential scale of this opportunity, the customer has now confirmed that they must put the contract out to tender which means it is unlikely that any decision on roll out will be made in the current year.

The impact of the above along with our continued investment in growth opportunities means that the Board now believes that the sales for the second half of the year will be between £4 million (resulting in an anticipated loss before tax for the full year of £0.25m) and £5 million (resulting in an anticipated profit before tax for the full year of £0.25m).

Notwithstanding the above, our pipeline of opportunities and cash reserves give the Board confidence that we can progress with our growth plans to expand operations both in the UK and in key overseas markets.

We are currently working on a number of large opportunities in the rail market which have arisen as a result of the successful forward facing CCTV contract with CrossCountry Trains which was delivered last year. We are also in advanced dialogue with a major UK transport group who are interested in outsourcing all or some of their on bus CCTV maintenance and management. These projects are expected to commence in the current year and represent significant earning potential for 2014 and beyond.

Jan G Holmstrom
Chairman

Consolidated statement of comprehensive income

	Unaudited six months ended 30 June 2013	Unaudited six months ended 30 June 2012	Year ended 31 December 2012
	£'000	£'000	£'000
Revenue	**5,842**	6,977	14,026
Cost of sales	**(2,473)**	(3,370)	(6,497)
Gross profit	**3,369**	3,607	7,529
Administrative expenses	**(2,888)**	(2,939)	(5,709)
Operating profit	**481**	668	1,820
Finance income	**-**	10	14
Profit before taxation	**481**	678	1,834
Taxation	**(112)**	(175)	(486)
Profit and total comprehensive income for the period	**369**	503	1,348
Earnings per share (note 3)			
Basic and diluted	**0.40p**	0.54p	1.45p

All results derive from continuing operations.

Consolidated statement of changes in equity shareholders' funds

	Share Capital	Share premium	Retained earnings	Total equity shareholders' funds
	£'000	£'000	£'000	£'000
Balance at 1 January 2012	9,223	-	581	9,804
Issue of shares to satisfy share options	101	8	-	109
Cancellation of share capital	(3,263)	-	-	(3,263)
Profit and total comprehensive Income for the period	-	-	503	503
Balance at 30 June 2012	6,061	8	1,084	7,153
Balance at 1 January 2012	9,223	-	581	9,804
Issue of shares to satisfy share options	101	8	-	109
Cancellation of share capital	(3,263)	-	-	(3,263)
Profit and total comprehensive Income for the period	-	-	1,348	1,348
Balance at 31 December 2012	6,061	8	1,929	7,998
Dividend paid	-	-	(653)	(653)
Profit and total comprehensive Income for the period	-	-	369	369
Balance at 30 June 2013	**6,061**	**8**	**1,645**	**7,714**

Consolidated statement of financial position

	Unaudited 30 June 2013	Unaudited 30 June 2012	31 December 2012
	£'000	£'000	£'000
Non-current assets			
Goodwill	**4,318**	4,318	4,318
Other intangible assets	**183**	141	121
Property, plant and equipment	**213**	106	187
Deferred tax asset	**43**	74	74
	4,757	4,639	4,700
Current assets			
Inventories	**1,667**	2,532	2,006
Trade and other receivables	**2,700**	2,682	2,886
Cash and cash equivalents	**2,198**	4,186	1,714
	6,565	9,400	6,606
Total assets	**11,322**	14,039	11,306
Liabilities			
Current liabilities			
Trade and other payables	**(2,500)**	(1,994)	(1,935)
Capital reduction payable	**-**	(3,263)	-
Tax liabilities	**(87)**	(498)	(281)
Deferred income	**(378)**	(561)	(435)
Provisions	**(256)**	(395)	(237)
	(3,221)	(6,711)	(2,888)
Net current assets	**3,344**	2,689	3,718
Non-current liabilities			
Provisions	**(387)**	(175)	(420)
Total liabilities	**(3,608)**	(6,886)	(3,308)
Net assets	**7,714**	7,153	7,998
Shareholders' equity			
Share capital	**6,061**	6,061	6,061
Share premium account	**8**	8	8
Retained earnings	**1,645**	1,084	1,929
Total equity shareholders' funds	**7,714**	7,153	7,998

Consolidated statement of cash flows

	Unaudited six months ended 30 June 2013 £'000	Unaudited six months ended 30 June 2012 £'000	Year ended 31 December 2012 £'000
Net cash from operating activities (note 4)	**1,315**	(974)	(2)
Investing activities			
Proceeds from property disposal	**-**	2,292	2,292
Purchases of property, plant and equipment	**(70)**	(21)	(154)
Purchases of intangible fixed assets	**(108)**	(42)	(90)
Net cash from investing activities	**(178)**	2,229	2,048
Financing activities			
Issue of new Ordinary Shares	**-**	109	109
Return of capital	**-**	-	(3,263)
Dividend paid	**(653)**	-	-
Net cash from financing activities	**(653)**	109	(3,154)
Net increase/(decrease) in cash and cash equivalents	**484**	1,364	(1,108)
Cash and cash equivalents at beginning of period	**1,714**	2,822	2,822
Cash and cash equivalents at end of period	**2,198**	4,186	1,714

Notes

1. Basis of preparation and approval of interim statement

The financial information for the six months ended 30 June 2013 and for the six months ended 30 June 2012 is unaudited.

The interim financial statement for the six months to 30 June 2013 does not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2012.

The financial information has been prepared on the basis of IFRSs that the directors expect to be applicable as at 31 December 2013.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those set out in the Group's Annual Report and Financial Statements 2012, which were prepared in accordance with IFRSs.

This interim financial statement does not comprise statutory accounts within the meaning of section 435 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2012 were approved by the Board on 28 March 2013 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498(2) or section 498(3) of the Companies Act 2006.

The interim financial statement was approved by the Board of Directors on 7 August 2013.

2. International Financial Reporting Standards

The Group follows the Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee of the IASB and endorsed by the EU that are relevant to its operations.

3. Earnings per ordinary share

Details of the weighted average number of ordinary shares used as the denominator in calculating the basic and diluted earnings per ordinary share are given below:

	Unaudited six months ended 30 June 2013 '000	Unaudited six months ended 30 June 2012 '000	Year ended 31 December 2012 '000
Basic weighted average number of shares	**93,240**	92,499	92,870
Dilutive potential ordinary shares	**71**	777	412
	93,311	93,276	93,282

4. Cash generated from operations

	Unaudited six months ended 30 June 2013 £'000	Unaudited six months ended 30 June 2012 £'000	Year ended 31 December 2012 £'000
Profit for the period	**369**	503	1,348
Finance income	**-**	(10)	(14)
Income tax expense	**81**	129	440
Deferred tax charge	**31**	46	46
Depreciation/amortisation	**90**	63	184
(Decrease)/increase in provisions	**(13)**	(7)	80
Decrease/(increase) in working capital balances	**1,032**	(1,708)	(1,571)
Cash generated from/(used in) operations	**1,590**	(984)	513
Income taxes paid	**(275)**	-	(529)
Interest received	**-**	10	14
Net cash generated from/(used in) operating activities	**1,315**	(974)	(2)