



23 June 2015

**BENCHMARK HOLDINGS PLC**  
("Benchmark" or the "Company" or the "Group")

**INTERIM RESULTS 2015**

Benchmark Holdings plc, the international aquaculture genetics, animal health, technical publishing and sustainability science business, announces its Interim Results for the six months ended 31 March 2015 (the "period").

Highlights from the first half of the financial year include:

**Financial Highlights**

- Revenue increased by 30% to £19.8m (H1 2014: £15.2m)
- EBITDA from Trading Activities<sup>1</sup> fell by £1.4m to £1.2m (H1 2014: £2.6m)
- Successful secondary capital raise in December 2014 raising £70m (gross) of new equity
- Expensed R&D increased by 144% to £2.6m (H1 2014: £1.1m)
- £1.3m invested in building vaccine manufacturing capacity at Braintree and marine R&D facilities at Ardtoe

**Operational highlights:**

- Progress made on key strategic investment objectives:
  - Acquisition of Salmobreed and Stofnfiskur in December 2014, subsequent integration has been successful
  - Acquisition of Improve International in January 2015
  - Addition of sector specialists in aquaculture genetics and professional training increased headcount to 330
  - Continued investment in scientific research & development resources including the acquisition of two new products / technologies and expansion of the R&D team
- Steps taken to mitigate increased challenge from generic competitors to Salmosan / Byelice
  - New sales strategy to reward loyalty and new long term volume supply contracts secured
- Vaccine manufacturing expansion progressing:
  - rapid development of phase two, new antigen suite, now underway at Braintree to bring forward HypoCat production capability



# Benchmark Holdings

- Biocampus development team establishment and detailed design planning continues to advance
- Development of HypoCat product continues on track with positive results from formulation trials
- 61 products in development pipeline with total addressable market of £603m (including HypoCat). Launch of two products delayed but good overall progress achieved
- Diagnostic labs in Thailand and Norway fully operational

**Alex Hambro, Chairman of Benchmark, said:** “Despite the adverse financial impact from aggressive generic competition to our Salmosan product line, mitigation measures have been successfully established, and the Group has become strategically more robust through the creation of the new Breeding & Genetics division which is performing well. The Technical Publishing division is now moving into profitability. Continued and significant investment in R&D and our pipeline of new animal health products bodes well for the future growth and stability of the business.”

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**Notes to Editors:**

Founded in 2000, Benchmark represents a new model in sustainable business development. Over the last decade it has built a profitable group of companies on the economics of a sustainable food chain. The Group is growing in response to a rapidly increasing demand for sustainable food, and in particular for seafood, from both mature and emerging markets.

The Group has four divisions; Animal Health which researches, manufactures and markets medicines and vaccines particularly for aquaculture; Sustainability Science which researches and informs sustainable development in the food industry; Technical Publishing which effects technology transfer through online publishing and education and Breeding and Genetics which is the second largest supplier of salmon eggs and genetic expertise in the world. Benchmark operates internationally with offices in the UK, Ireland, Norway, USA, Brazil, China, Russia, Iceland, Thailand, Belgium, Chile, Spain, Germany, Portugal and Australia and, as at 23 June 2015, employs 363 people.



# Benchmark Holdings

Benchmark is an ethical company with an explicit policy based on the "3E's" definition of a sustainable business - ethics, environment and economics - which guides its strategy and operations.

For further information on Benchmark please visit [www.bmkholdings.com](http://www.bmkholdings.com).

## CHAIRMAN'S STATEMENT

I am pleased to report the Group's Interim Results for the period to 31 March 2015.

Our vision is to be a major global player in innovation and sustainability in aquaculture, agriculture and animal health & breeding. We continue to build a platform for growth focussed around fundamental biology and biotechnology with the acquisition of unique assets, industry leading technical skills and the construction of specialist facilities. We believe that our team has the insight and experience to take advantage of what will be one of the most important and revolutionary markets over the next ten years.

In spite of having endured a period of difficult trading following the launch of a generic competitor to Salmosan (sold as Byelice in Chile) in the Chilean market and its consequential impact on profit in the first half of the 2015 financial year, the Company has continued to deliver on its strategy for growth and for the pursuit of more diversified revenue streams. Overall substantial progress continues to be made in our core markets where the need for our technologies continues to grow apace. In particular the acquisitions made during the current year are performing strongly, with a strong market uptake in the Breeding & Genetics business and the acquisition of Improve International ("Improve") acting as the catalyst and building on the move to profit by the Technical Publishing division. Furthermore the product development pipeline of 61 products is advancing well, save for the delays to two late stage products, with the development of Hypocat on track and showing positive results from formulation trials.

### Results

Revenue for the period increased by 30% to £19.8m (H1 2014: £15.2m; FY 2014: £35.4m). This growth has arisen largely from the creation of the new Breeding and Genetics division following the acquisition in December 2014 of Stofnfiskur in Iceland and Salmobreed in Norway.

Excluding businesses acquired in the period, sales fell 38% partly as a result of a strong comparative period, which benefited from significant launch year sales of Byelice (Salmosan) in Chile, and as a result of the impact of a generic competitor to Byelice in the period. Salmosan is a mature product which is off-patent, and the Company has taken immediate action in response to the increased competition by altering the sales strategy to reward customer loyalty. To this end, new volume supply contracts have been secured with a number of major customers, which are stabilising sales volumes into next year.

Improve International was acquired in the period and its results have been consolidated into the Group's half year statement accordingly. Improve, a leading European provider of veterinary training and continuing professional development (CPD), contributed £0.5m of revenue since acquisition on 31 January 2015.

The Group continues to separate the statutory IFRS results into Trading Activities and Investing Activities, in line with its peers in the sector, to present better the performance of the business. Trading Activities are those related to products and services that have been developed and are producing revenue streams, while Investing Activities relate to products and services being developed for future revenue streams and include a pipeline of vaccines at various stages of the development cycle.

The Group made an operating loss of £4.0m in the period (H1 2014: £1.6m loss; FY 2014: £1.2m loss) with the main factors being lower gross profit resulting from the reduced sales in Chile as noted above, increased operating costs as a result of growing the management team for the enlarged group that we are building, and a higher level of spend on research and development to grow and advance the Group's pipeline of innovative new products and technologies.

Operating costs relating to Trading Activities (excluding amortisation and depreciation) increased by £1.8m to £5.7m (H1 2014: £3.9m; FY 2014: £8.3m), in line with the Group's organic and acquisitive growth. Four acquisitions have been completed in the period, and group headcount has increased from 222 at the start of the period to 330, primarily from the additional heads in the acquired businesses.

The Group's statutory IFRS earnings (including both Trading and Investing Activities) are set out in the Consolidated Income Statement showing EBITDA for the first half was a loss of £2.2m (H1 2014: loss of £0.9m; FY 2014: profit £0.2m). Basic and diluted earnings per share are both losses of 2.49p per share (H1 2014: basic and diluted loss per share of 1.25p; FY 2014: basic and diluted loss per share of 1.04p).

EBITDA from Trading Activities in the first six months at £1.2m has fallen from £2.6m in the comparative period to March 2014, mainly due to the impact of the reduction in Salmosan sales, but mitigated by the post-acquisition profits of the Breeding and Genetics division, which, with strong performance in the period, produced Trading EBITDA of £3.1m. Loss per share from Trading Activities was 0.53p (H1 2014: earnings per share of 1.13p).

EBITDA from Trading Activities excludes costs relating to Investing Activities from reported IFRS numbers. Costs relating to Investing Activities have increased 3% to £3.6m in the period (H1 2014: £3.5m; FY 2014: £6.4m). These costs comprise exceptional costs of raising equity of £0.02m (H1 2014: £1.3m; FY 2014: £1.7m), acquisition and integration costs a net credit of £0.1m (H1 2014: £0.2m expense; FY 2014: £0.4m expense), exceptional lease termination costs of £nil (H1 2014: £0.1m; FY 2014: £0.1m), pre-operational expenses for new ventures of £1.1m (H1 2014: £0.8m; FY 2014: £1.6m) and research and development expenditure of £2.6m (H1 2014: £1.1m; FY 2014: £2.7m). The increased spend represents the acquisition activity on the significant additions to the group in the period, and the increased R&D focus on progressing the product pipeline following the acquisitions made in 2014. Acquisition and integration costs are a net credit due to foreign currency differences on the acquisitions of Salmobreed and Stofnfiskur producing a gain of £1.9m.

On 18 December 2014 the Company raised gross proceeds of £70m through the placing of 82,353,000 new ordinary shares. Non-recurring costs of £2.1m were incurred in relation to the share placing and these were offset against share premium. The net proceeds of the raise were principally applied to the acquisitions of Salmobreed and Stofnfiskur.

### **Strategy and markets**

Benchmark operates in four growing global markets: aquaculture, a \$144bn market (source: FAO 2014) and the fastest growing food producing sector; animal health, a \$22bn market with animal vaccines and medicines projected to grow at a CAGR of 5.7% per year (source: Vetnosis); sustainability consulting, a \$13.8bn market growing at over 4% per annum; and science technical and medical publishing market, a \$33bn market estimated to be growing at a rate of over 5% per annum (source: Outsell).

Overall the Group has made good progress in delivering its strategy to become a world leading aquaculture health specialist and a leading global player in each of our markets. We are successfully integrating the businesses we acquired to form the new Breeding & Genetics division and to enlarge the Technical Publishing division. These acquisitions have helped diversify the Group's income streams and further focus is being placed on progressing the product development pipeline. To further these strategic objectives the Group continues to invest in four key areas: high quality scientific research; growing a strong business development team; attracting the highest calibre talent; and expansion into existing and new business sectors through targeted M&A.

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## Operations

### ***Animal Health Division***

As previously reported, this has been a very challenging half year for the division as the competitive pressure on its Salmosan / Byelice product has intensified. EBITDA from Trading Activities for the division was a loss of £0.5m (H1 2014: profit of £5.0m; FY 2014: £10.5m) with much of the reduction attributable to the fall in these sales. As a result of the increased generic competition, the Group has revised its sales strategy for Salmosan to reward loyalty and it has successfully agreed new volume supply contracts with a number of major customers. As a result, we expect sales volumes to stabilise into next year. Management is confident that Benchmark's market leadership position in both Norway and Chile has been recovered, but continues to monitor closely the position going forward.

The Group's product development pipeline, comprising some 61 products (including HypoCat) covering an estimated addressable market of approximately £603m per annum, is one of the strongest in the aquaculture arena. Work on the pipeline products and technologies is progressing, and the necessary expertise and resource is being integrated into the business and directed to accelerate this further. R&D costs of £2.6m (including amortisation of acquired R&D assets) have been invested in the product pipeline in the period (H1 2014: £1.1m), all of which has been expensed. Benchmark launched two new products last year, Mydiavac and PondDtox, as well as commencing production of a new toll manufactured vaccine. There have been minor delays to two late stage pipeline products, due to delays in the delivery of application technology and changes to disease management processes. However, we expect these delays to be temporary and to launch the products in 2016.

The HypoCat development project is on track with recent positive results coming from the formulation trials.

In February 2015 the investment in R&D included the acquisition of TomAlgae, a Belgium based business engaged in the development of algal based specialist aquaculture feed and animal health products.

The Group's vaccine manufacturing business has performed in line with expectations. Work has continued on the expansion of the Group's manufacturing capabilities with the construction of the new antigen suite at Braintree which is progressing well. It is expected that the build will be completed for validation trials to commence in early 2016. Priority has been given to the expansion of the Braintree facility over the development of the Edinburgh Biocampus at this stage in order to accelerate the growth in manufacturing capability. In addition, the scale and capability of the Braintree expansion has been increased in order to provide a more flexible standalone facility and accelerate the provision of early production for HypoCat.

Following the commissioning of the world class diagnostic laboratories in Norway and Thailand, and both labs becoming fully operational at the end of the period, Fish Vet Group has continued its global expansion of specialist aquaculture services with a new diagnostic lab being set up in Chile.

### ***Breeding and Genetics***

Benchmark's Breeding and Genetics division was set up following the acquisition of Stofnfiskur and Salmobreed in December 2014. The combination of the two companies has created the world's second largest supplier of salmon eggs and genetic material, producing and selling eggs year-round due to Iceland's unique geology and production capability.

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Breeding and Genetics has performed strongly, with results in line with expectations despite sharply adverse currency conditions affecting the Norwegian Krone. The combined management teams of Stofnfiskur and Salmobreed are working well together to integrate the two businesses, with the first phase of operational synergies already being realised through the integration of sales activities, the joint development of genomic selection tools and the sharing of production technology. Increased demand for both companies' products has demonstrated the support of the customer base for the acquisition.

The division brings some additional advantages as it provides a point of first interaction with customers that can lead to longer term relationships and synergistic benefits to the Group. The division also provides a strong platform for diversification into other aquaculture species. Overall there are clear indications that the scale of the opportunity for growth in the Breeding and Genetics division is very considerable.

Since acquisition the division has produced Trading EBITDA of £3.1m from revenues of £9.8m.

### ***Sustainability Science Division***

Through Benchmark's expertise across all parts of the food chain and its working research farms and sites, the Sustainability Science Division provides consultancy and R&D services which help our partners grow and source food more efficiently and ethically.

The division has commenced a programme of further integration of the businesses within it in order to enhance cooperation and maximise synergies. This period of change has meant that division made a much reduced loss at Trading EBITDA level of £0.3m (H1 2014: loss £0.8m; FY 2014: loss £1.0m).

Revenue at FAI Aquaculture has reduced as a result of the significant investment in expanding capacity and this has resulted in the business being categorised as pre-trading and hence its net costs are included in Investing Activity. The expansion of these R&D facilities is progressing and phase one is now awaiting regulatory approval. This will allow FAI Aquaculture to provide aquaculture R&D services to Benchmark's Animal Health and Breeding & Genetics divisions and to external customers and result in it once again becoming operational as a Trading Activity.

### ***Technical Publishing Division***

The Technical Publishing Division provides access to expertise, education and knowledge transfer for people and businesses in the agriculture, aquaculture, veterinary and global food supply chain industries. This is increasingly relevant as continued professional development (CPD) courses have become more important for animal health and food chain professionals.

The main factor influencing the positive performance of the division in the first six months of FY 2015 was the acquisition of Improve International. This business, engaged in veterinary training and CPD delivery, has contributed to the performance of the division, delivering Trading EBITDA of £0.2m in the period. Combined Trading EBITDA for the division is £0.1m (H1 2014: loss £0.2m; FY 2014: loss £0.3m).

Training and education programmes are a key component in the division's growth, and we are well placed to exploit the operational synergies offered by the acquisition of the Improve International group with our current publishing and distance learning infrastructure. Furthermore, the publishing arm of the division undertook an operational restructuring exercise in the period to realign the cost base of its editorial and sales functions to establish a solid platform for the future.

## **Cashflow and Net Cash**

Cashflow from operations was an outflow of £5.2m (H1 2014: inflow £1.0m; FY 2014 outflow £0.5m) due to the loss in the period and increased working capital demands of the enlarged group. Cashflows were dominated by the proceeds of the share placing December 2014, in which gross proceeds of £70m (£68m net) were raised. £42.7m of the proceeds raised were used to fund the four acquisitions completed in the period, with a further £2.7m spent on capex in the six months (H1 2014: £1.5m; FY 2014 £3.9m).

## **Taxation**

The tax charge for the period was £0.5m (H1 2014: credit £0.4m; FY 2014: credit £0.1m). Despite the loss before tax in the period, there were overseas tax charges in the new Breeding and Genetics Division of £0.7m, offset by deferred tax credits on reversal of temporary differences. No deferred tax assets have been provided on the losses made in the period and the position will be reassessed at the year end.

Deferred tax liabilities of £7.7m have arisen on the acquisitions completed in the period on the fair values initially recognised of the intangible assets acquired. Further details are provided in note 14 to the interim statement.

## **Dividend**

No dividends have been paid or proposed in the six months to 31 March 2015. The Board will review the Group's position again at the full year end.

## **Outlook**

Benchmark's overarching strategy is to drive the growth, secure the talent and build the infrastructure needed to deliver and sustain a visible leadership position in our core markets of aquaculture, agriculture and animal health. This strategy is focussed around the fundamental biology and biotechnology that will play a pivotal role in driving success for these industries.

The Group is currently trading in line with management's expectations as announced in the recent trading update. Technical Publishing has moved into profitability and the strong trading performance to date of the newly formed Breeding and Genetics division bodes well for the future. Sales of Salmosan/Byelice post period end have substantially recovered in their major markets and good progress is being made with the product pipeline including the HypoCat product. Our ambition for driving synergistic growth remains undimmed as we believe that, with our insight, we have demonstrated the ability to create enhanced value from acquired businesses and technologies, and strengthen our position in our key sectors. The Board therefore remains confident that your company's overall strategy is succeeding, and, as a result, that the current growth trajectory will continue.

I look forward to updating shareholders again at the full year results. Thank you for your continuing support.

The Hon. Alexander Hambro  
Chairman  
23 June 2015



1. *EBITDA from Trading Activities excludes costs relating to Investing Activities from reported IFRS numbers. Investing Activities comprise exceptional costs of raising equity of £0.02m (H1 2014: £1.3m), acquisition costs being a net credit of £0.1m (H1 2014: £0.2m expense), exceptional lease termination costs of £nil (H1 2014: £0.1m), pre-operational expenses for new ventures of £1.1m (H1 2014: £0.8m) and research and development expenditure of £2.6m (H1 2014: £1.1m).*

## **Introduction**

We have been engaged by the Company to review the interim financial statements in the half-yearly financial report for the six months ended 31 March 2015 which comprises the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and the related explanatory notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

## **Directors' responsibilities**

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

## **Our responsibility**

Our responsibility is to express to the Company a conclusion on the interim financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

## **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements in the half-yearly financial report for the six months ended 31 March 2015 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

*BDO LLP*

*Chartered Accountants and Registered Auditors*

*Location*

*United Kingdom*

*23 June 2015*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Benchmark Holdings plc

Consolidated Income Statement  
for the 6 months ended 31 March 2015

	Notes	6 months ended 31 March 2015			6 months ended 31 March 2014			12 months ended 30 September 2014		
		Trading Activities (unaudited) £000	Investing Activities (unaudited) £000	Total (unaudited) £000	Trading Activities (unaudited) £000	Investing Activities (unaudited) £000	Total (unaudited) £000	Trading Activities (audited) £000	Investing Activities (audited) £000	Total (audited) £000
<b>Revenue</b>		<b>19,779</b>	-	<b>19,779</b>	15,170	-	15,170	35,354	-	35,354
Cost of sales		<b>(12,870)</b>	-	<b>(12,870)</b>	(8,744)	-	(8,744)	(20,582)	-	(20,582)
<b>Gross profit</b>		<b>6,909</b>	-	<b>6,909</b>	6,426	-	6,426	14,772	-	14,772
Other income		-	-	-	38	-	38	101	-	101
Operating costs		<b>(5,722)</b>	<b>(3,388)</b>	<b>(9,110)</b>	(3,909)	(2,064)	(5,973)	(8,250)	(4,715)	(12,965)
Operating costs - exceptional		-	<b>(20)</b>	<b>(20)</b>	-	(1,422)	(1,422)	-	(1,691)	(1,691)
<b>EBITDA</b>		<b>1,187</b>	<b>(3,408)</b>	<b>(2,221)</b>	2,555	(3,486)	(931)	6,623	(6,406)	217
Depreciation	11	<b>(640)</b>	-	<b>(640)</b>	(249)	-	(249)	(533)	-	(533)
Amortisation*	12	<b>(917)</b>	<b>(184)</b>	<b>(1,101)</b>	(443)	-	(443)	(871)	-	(871)
<b>Operating (loss) / profit</b>		<b>(370)</b>	<b>(3,592)</b>	<b>(3,962)</b>	1,863	(3,486)	(1,623)	5,219	(6,406)	(1,187)
Finance cost		-	-	-	(287)	-	(287)	(248)	-	(248)
Finance income		<b>125</b>	-	<b>125</b>	73	-	73	60	-	60
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(245)</b>	<b>(3,592)</b>	<b>(3,837)</b>	1,649	(3,486)	(1,837)	5,031	(6,406)	(1,375)
Tax on (loss)/profit on ordinary activities	9	<b>(518)</b>	-	<b>(518)</b>	(330)	702	372	(860)	914	54
<b>(Loss)/profit for the period</b>		<b>(763)</b>	<b>(3,592)</b>	<b>(4,355)</b>	1,319	(2,784)	(1,465)	4,171	(5,492)	(1,321)
<b>(Loss)/profit for the period attributable to:</b>										
- Owners of the parent		<b>(964)</b>	<b>(3,592)</b>	<b>(4,556)</b>	1,319	(2,784)	(1,465)	4,177	(5,492)	(1,315)
- Non-controlling interest		<b>201</b>	-	<b>201</b>	-	-	-	(6)	-	(6)
		<b>(763)</b>	<b>(3,592)</b>	<b>(4,355)</b>	1,319	(2,784)	(1,465)	4,171	(5,492)	(1,321)
<b>Basic (loss) / earnings per share (pence)</b>	10	<b>(0.53)</b>		(2.49)	1.13		(1.25)	3.29		(1.04)
<b>Diluted (loss) / earnings per share (pence)</b>	10	<b>(0.53)</b>		(2.49)	1.13		(1.25)	3.23		(1.04)

\*Amortisation in the period to 31 March 2014 was included within investing activities, but was reclassified in the year ended 30 September 2014 into trading activities. The amortisation of certain intangible assets directly related to research and development activity is being charged to investing activities.

Benchmark Holdings plc

Consolidated Statement of Comprehensive Income  
for the 6 months ended 31 March 2015

	6 months ended 31 March 2015			6 months ended 31 March 2014			12 months ended 30 September 2014		
	Trading Activities (unaudited) £000	Investing Activities (unaudited) £000	Total (unaudited) £000	Trading Activities (unaudited) £000	Investing Activities (unaudited) £000	Total (unaudited) £000	Trading Activities (audited) £000	Investing Activities (audited) £000	Total (audited) £000
<b>(Loss)/profit for the period</b>	<b>(763)</b>	<b>(3,592)</b>	<b>(4,355)</b>	1,319	(2,784)	(1,465)	4,171	(5,492)	(1,321)
<b>Other comprehensive (expense)/income</b>									
Movement on foreign exchange reserve	(1,089)	-	(1,089)	108	-	108	89	-	89
<b>Total comprehensive (expense)/income for the period</b>	<b>(1,852)</b>	<b>(3,592)</b>	<b>(5,444)</b>	1,427	(2,784)	(1,357)	4,260	(5,492)	(1,232)
<b>Total comprehensive (expense)/income for the period attributable to:</b>									
- Owners of the parent	(2,077)	(3,592)	(5,669)	1,427	(2,784)	(1,357)	4,266	(5,492)	(1,226)
- Non-controlling interest	225	-	225	-	-	-	(6)	-	(6)
	<b>(1,852)</b>	<b>(3,592)</b>	<b>(5,444)</b>	1,427	(2,784)	(1,357)	4,260	(5,492)	(1,232)

Benchmark Holdings plc

Consolidated Balance Sheet  
as at 31 March 2015

	Notes	As at 31 March 2015 (unaudited) £000	As at 31 March 2014 (unaudited) £000	As at 30 September 2014 (audited) £000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	11	14,891	5,222	7,242
Intangible assets	12	59,210	7,620	7,821
Investments		95	-	-
Trade and other receivables		450	-	523
Biological and agricultural assets		1,954	-	-
Deferred tax assets		-	613	339
<b>Total non-current assets</b>		<b>76,600</b>	<b>13,455</b>	<b>15,925</b>
<b>Current assets</b>				
Inventories		5,666	3,712	4,470
Biological and agricultural assets		6,801	388	539
Trade and other receivables		10,493	5,632	11,058
Cash and cash equivalents		38,615	21,289	16,511
<b>Total current assets</b>		<b>61,575</b>	<b>31,021</b>	<b>32,578</b>
<b>Total assets</b>		<b>138,175</b>	<b>44,476</b>	<b>48,503</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		(10,140)	(5,396)	(8,281)
Loans and borrowings		(163)	(173)	(115)
Corporation tax liability		(428)	(48)	(48)
Provisions		(1,307)	-	(1,080)
<b>Total current liabilities</b>		<b>(12,038)</b>	<b>(5,617)</b>	<b>(9,524)</b>
<b>Non-current liabilities</b>				
Loans and borrowings		(93)	(89)	(96)
Other payables		(16,265)	(1,639)	(1,631)
Deferred tax		(7,815)	-	-
Provisions		-	(193)	-
<b>Total non-current liabilities</b>		<b>(24,173)</b>	<b>(1,921)</b>	<b>(1,727)</b>
<b>Total liabilities</b>		<b>(36,211)</b>	<b>(7,538)</b>	<b>(11,251)</b>
<b>Net assets</b>		<b>101,964</b>	<b>36,938</b>	<b>37,252</b>
<b>Issued capital and reserves attributable to owners of the parent</b>				
Share capital		219	137	137
Share premium reserve		94,735	27,556	26,903
Capital redemption reserve		5	5	5
Share based payment reserve*		-	264	1,106
Foreign exchange reserve		(1,015)	93	74
Retained earnings		6,240	8,867	9,017
<b>Equity attributable to owners of the parent</b>		<b>100,184</b>	<b>36,922</b>	<b>37,242</b>
Non-controlling interest		1,780	16	10
<b>Total equity and reserves</b>		<b>101,964</b>	<b>36,938</b>	<b>37,252</b>

\* To simplify presentation, the share based payment reserve has been combined with the retained earnings reserve in the current period.

The notes on pages 16 to 27 are an integral part of this interim consolidated financial information.

Benchmark Holdings plc

Consolidated Statement of Changes in Equity  
for the 6 months ended 31 March 2015

	Share capital £000	Share premium reserve £000	Other reserves £000	Retained earnings £000	Total attributable to equity holders of parent £000	Non- controlling interest £000	Total equity £000
<b>At 1 October 2013</b>	90	693	616	10,497	11,896	16	11,912
<b>Comprehensive income for the period</b>							
Loss for the period	-	-	-	(1,465)	(1,465)	-	(1,465)
Other comprehensive income	-	-	108	-	108	-	108
<b>Total comprehensive income for the period</b>	-	-	108	(1,465)	(1,357)	-	(1,357)
<b>Contributions by and distributions to owners</b>							
Dividends	-	-	-	(165)	(165)	-	(165)
IPO costs recognised through equity	-	(1,537)	-	-	(1,537)	-	(1,537)
Acquisition part paid in shares	-	100	-	-	100	-	100
Share based payment	3	652	(277)	-	378	-	378
Deferred tax on share options	-	-	(85)	-	(85)	-	(85)
IPO share issue	43	27,457	-	-	27,500	-	27,500
Employee shares issued	1	191	-	-	192	-	192
<b>Total contributions by and distributions to owners</b>	47	26,863	(362)	(165)	26,383	-	26,383
<b>At 31 March 2014 (unaudited)</b>	<b>137</b>	<b>27,556</b>	<b>362</b>	<b>8,867</b>	<b>36,922</b>	<b>16</b>	<b>36,938</b>
<b>Comprehensive income for the period*</b>							
Loss for the period	-	-	-	150	150	(6)	144
Other comprehensive income	-	-	(19)	-	(19)	-	(19)
<b>Total comprehensive income for the period</b>	-	-	(19)	150	131	(6)	125
<b>Contributions by and distributions to owners</b>							
IPO costs recognised through equity	-	(1)	-	-	(1)	-	(1)
Share based payment	-	(652)	715	-	63	-	63
Deferred tax on share options	-	-	127	-	127	-	127
<b>Total contributions by and distributions to owners</b>	-	(653)	842	-	189	-	189
<b>At 30 September 2014 (audited)</b>	<b>137</b>	<b>26,903</b>	<b>1,185</b>	<b>9,017</b>	<b>37,242</b>	<b>10</b>	<b>37,252</b>
<b>Comprehensive income for the period</b>							
Loss for the period	-	-	-	(4,556)	(4,556)	201	(4,355)
Other comprehensive income	-	-	(1,089)	-	(1,089)	18	(1,071)
<b>Total comprehensive income for the period</b>	-	-	(1,089)	(4,556)	(5,645)	219	(5,426)
<b>Contributions by and distributions to owners</b>							
Equity acquisition	-	-	-	-	-	1,551	1,551
Share based payment	-	-	505	-	505	-	505
Deferred tax on share options	-	-	168	-	168	-	168
Combination of share based payment reserve with retained earnings*	-	-	(1,779)	1,779	-	-	-
Share issue	82	69,918	-	-	70,000	-	70,000
Share issue costs recognised through equity	-	(2,086)	-	-	(2,086)	-	(2,086)
<b>Total contributions by and distributions to owners</b>	82	67,832	(1,106)	1,779	68,587	1,551	70,138
<b>At 31 March 2015 (unaudited)</b>	<b>219</b>	<b>94,735</b>	<b>(1,010)</b>	<b>6,240</b>	<b>100,184</b>	<b>1,780</b>	<b>101,964</b>

\* To simplify presentation, the share based payment reserve has been combined with the retained earnings reserve in the current period.

Benchmark Holdings plc

Consolidated Statement of Cash Flows  
for the period ended 31 March 2015

	Notes	6 months ended 31 March 2015 (unaudited) £000	6 months ended 31 March 2014 (unaudited) £000	12 months ended 30 September 2014 (audited) £000
<b>Cash flows from operating activities</b>				
Loss before tax		(3,837)	(1,837)	(1,375)
<i>Adjustments for:</i>				
Depreciation of property, plant and equipment	11	640	249	533
Amortisation of intangible fixed assets	12	1,101	443	871
Loss on sale of property, plant and equipment		-	-	41
Finance income		(125)	(73)	(60)
Finance expense		-	287	248
Foreign exchange gains		(1,709)	-	-
Share based payment expense		215	289	438
		(3,715)	(642)	696
Decrease / (increase) in trade and other receivables		5,078	1,336	(4,272)
(Increase) / decrease in inventories and agricultural assets		(1,262)	610	3
(Decrease) / increase in trade and other payables		(5,307)	437	2,903
Increase in provisions		227	58	945
		(4,979)	1,799	275
Income taxes paid		(177)	(809)	(812)
<b>Net cash flows (used in) / from operating activities</b>		<b>(5,156)</b>	<b>990</b>	<b>(537)</b>
<b>Investing activities</b>				
Acquisition of subsidiary, net of cash acquired	14	(37,775)	(387)	(2,942)
Purchases of property, plant and equipment	11	(2,668)	(1,512)	(3,864)
Purchase of intangibles	12	(83)	(2,810)	(727)
Interest received		125	-	60
<b>Net cash used in investing activities</b>		<b>(40,401)</b>	<b>(4,709)</b>	<b>(7,473)</b>
<b>Financing activities</b>				
Proceeds of share issue		70,000	27,500	27,500
Share-raising costs recognised through equity		(2,086)	(1,537)	(1,538)
Employee share issues		-	295	195
Repayment of bank borrowings		(238)	(2,596)	(2,864)
Interest paid		-	(214)	(248)
Payments to finance lease creditors		(15)	(21)	(105)
Dividends paid to the holders of the parent		-	(165)	(165)
<b>Net cash inflow from financing activities</b>		<b>67,661</b>	<b>23,262</b>	<b>22,775</b>
<b>Net increase in cash and cash equivalents</b>		<b>22,104</b>	<b>19,543</b>	<b>14,765</b>
Cash and cash equivalents at beginning of period		16,511	1,746	1,746
<b>Cash and cash equivalents at end of period</b>		<b>38,615</b>	<b>21,289</b>	<b>16,511</b>

## **1. Financial information**

This announcement does not constitute full accounts within the meaning of the Companies Act 2006 and the interim financial information included within has not been audited.

This information has been approved for issue by the Board of Directors of Benchmark Holdings plc, a company domiciled and incorporated in the United Kingdom.

Statutory accounts for the year ended 30 September 2014 were approved by the Directors on 26 January 2015 and delivered to the registrar of companies. The audit report received on those accounts was unqualified and did not contain any emphasis of matter paragraph nor any statement under Section 498 of the Companies Act 2006.

## **2. General information and basis of preparation**

The financial information set out in these interim financial statements for the six months ended 31 March 2015 and the comparative figures for the six months ended 31 March 2014 are unaudited. They have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS) and IFRIC interpretations issued by the International Accounting Standards Board (IASB) adopted by the European Union and the AIM Rules. They do not contain all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 September 2014, which have been prepared in accordance with IFRS as adopted by the European Union.

The interim financial statements comprise the financial statements of the Group and its subsidiaries at 31 March 2015. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtained control, and continue to be consolidated until the date when such control ceases.

The interim financial statements incorporate the results of business combinations using the acquisition method. In the consolidated balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

Non-controlling interests, presented as part of equity, represent a proportion of a subsidiary's profit or loss and net assets that is not held by the Group. The total comprehensive income or loss of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their respective ownership interests.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised in the income statement in the Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

There are new or revised standards or interpretations that apply to the period beginning 1 October 2014 but they do not have a material effect on the financial statements for the period ended 31 March 2015.

A financial review of the business is included in the Chairman's Statement.



### **3. Initial Public Offering and secondary equity raise**

On 18 December 2013 Benchmark Holdings plc was admitted to trading on AIM.

In connection with the listing of the Company on AIM, on 18 November a resolution was passed conditionally upon admission to AIM, pursuant to which it was resolved that each of the ordinary shares of £1 each in the capital of the Company, being all of the shares in issue, be sub-divided into 1,000 shares of 0.1 penny each.

Immediately upon admission to AIM, 42,968,750 new ordinary shares were issued. These shares were placed at a price of 64 pence per share, raising £27.5 million before expenses for the Company. At the date of admission to AIM, a total of 136,416,750 ordinary shares were in issue.

On 18 December 2014, the Company raised gross proceeds of £70 million through the placing of 82,353,000 new ordinary shares at 85 pence per share. Non-recurring costs of £2.1 million were incurred in relation to the share placing and this has been charged to the share premium account.

### **4. Going Concern**

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement.

The Directors have considered these factors, the likely performance of the business and possible alternative outcomes and the financing activities available to the Group. Having taken all of these factors into consideration, the Directors confirm that forecasts and projections indicate that the Group and its Parent Company have adequate resources for the foreseeable future and at least for the period of 12 months from the date of signing the half year report. Accordingly the financial information has been prepared on the going concern basis.

### **5. Accounting policies**

The accounting policies adopted are consistent with those of the financial year ended 30 September 2014.

Trading Activities and Investing Activities are disclosed and described separately in the interim financial information where it is necessary to do so to provide further understanding of the financial performance of the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total earnings.

The Group has acquired businesses during the period whose accounting policies were not included in the accounts for the financial year ended 30 September 2014. The accounting policies for these new entities are consistent with those already applied for the existing group, with the addition of the following:

#### *Biological assets*

Biological assets comprise livestock, salmon broodstock, salmon fingerlings, lump fish fingerlings and salmon eggs. Biological assets are recognised at fair value less costs to sell. For livestock, fair value is based on quoted prices of livestock and adjusted for age, breed and genetic merit in the principal (or most advantageous) market for the livestock. For salmon broodstock, salmon fingerlings, lump fish fingerlings and salmon eggs, estimated fair value is based on market value or last known sales price, taking into account growth rate, quality and biological transformation of the fish until harvesting date.

### **6. Estimates**

The preparation of interim financial information requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual amounts may differ from these estimates.

In preparing these interim financial statements the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 30 September 2014, with the addition of the estimates of broodstock as a result of the of newly acquired businesses.

The judgements and estimates made in accounting for the prior year IPO costs are described in note 8, Exceptional Items.

## 7. Segment information

Operating segments are reported in a manner consistent with the reports made to the chief operating decision maker. It is considered that the role of chief operating decision maker is performed by the Board of Directors.

The Group operates globally and for management purposes is organised into four reportable segments as follows:

- *Animal Health Division* – provides veterinary services, environmental services diagnostics and animal health products to global aquaculture and manufactures licenced veterinary vaccines and vaccine components;
- *Sustainability Science Division* – provides sustainable food production consultancy, technical consultancy and assurance services;
- *Technical Publishing Division* – promotes sustainable food production and ethics through online news and technical publications for the international agriculture and food processing sectors;
- *Breeding and Genetics Division* - harnesses industry leading salmon breeding technologies combined with state-of-the-art production facilities to provide a range of year-round high genetic merit ova.

### Measurement of operating segment profit or loss

As outlined in note 5, the Group separates its operations into Trading Activities and Investing Activities to report segmental performance. These measures are used by management for planning and reporting purposes. These measures are not defined in International Financial Reporting Standards and may not be comparable with similarly described measures used by other companies. Trading and Investing Activities are described further in note 13.

Inter-segment sales are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of Group resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the current and prior period.

### Six months ended 31 March 2015 (unaudited)

	Notes	Animal Health £000	Sustainability Science £000	Breeding and Genetics £000	Technical Publishing £000	Corporate £000	Inter- segment sales £000	Total £000
Revenue		7,819	1,649	9,843	2,059	1,653	(3,244)	19,779
Cost of sales		(6,465)	(1,213)	(5,100)	(1,531)	(638)	2,077	(12,870)
<b>Gross profit/(loss)</b>		<b>1,354</b>	<b>436</b>	<b>4,743</b>	<b>528</b>	<b>1,015</b>	<b>(1,167)</b>	<b>6,909</b>
Operating costs relating to Trading Activities		(1,843)	(740)	(1,599)	(472)	(2,235)	1,167	(5,722)
<b>EBITDA from Trading Activities</b>		<b>(489)</b>	<b>(304)</b>	<b>3,144</b>	<b>56</b>	<b>(1,220)</b>	<b>-</b>	<b>1,187</b>
Operating costs relating to Investing Activities:								
R&D expenditure	13	(2,113)	-	(307)	-	-	-	(2,420)
Pre-operational expenses	13	(878)	(210)	-	-	-	-	(1,088)
Acquisition-related (expenses) / income	13	(84)	-	1,952	(16)	(1,732)	-	120
Exceptional items	8,13	-	-	-	-	(20)	-	(20)
<b>EBITDA</b>		<b>(3,564)</b>	<b>(514)</b>	<b>4,789</b>	<b>40</b>	<b>(2,972)</b>	<b>-</b>	<b>(2,221)</b>
Depreciation		(322)	(173)	(126)	(13)	(6)	-	(640)
Amortisation		(628)	-	(308)	(165)	-	-	(1,101)
<b>Operating profit/(loss)</b>		<b>(4,514)</b>	<b>(687)</b>	<b>4,355</b>	<b>(138)</b>	<b>(2,978)</b>	<b>-</b>	<b>(3,962)</b>
Finance income								125
<b>Group loss before tax</b>								<b>(3,837)</b>

Benchmark Holdings plc

Unaudited notes to the interim statement for the 6 months to 31 March 2015

7. Segment information (continued)

Six months ended 31 March 2014 (unaudited)

	Notes	Animal Health £000	Sustainability Science £000	Breeding and Genetics £000	Technical Publishing £000	Corporate £000	Inter-segment sales £000	Total £000
<b>Revenue</b>		14,271	1,177	-	1,240	408	(1,926)	15,170
Cost of sales		(7,579)	(1,255)	-	(1,166)	(522)	1,778	(8,744)
<b>Gross profit/(loss)</b>		6,692	(78)	-	74	(114)	(148)	6,426
Other income		4	34	-	-	-	-	38
Operating costs relating to Trading Activities		(1,718)	(749)	-	(286)	(1,304)	148	(3,909)
<b>EBITDA from Trading Activities</b>		4,978	(793)	-	(212)	(1,418)	-	2,555
Operating costs relating to Investing Activities:								
Acquisition-related expenses		(229)	-	-	-	-	-	(229)
R&D expenditure	13	(1,066)	-	-	-	-	-	(1,066)
Pre-operational expenses	13	(769)	-	-	-	-	-	(769)
Exceptional items	8,13	(31)	(37)	-	(42)	(1,312)	-	(1,422)
<b>EBITDA</b>		2,883	(830)	-	(254)	(2,730)	-	(931)
Depreciation		(132)	(78)	-	(27)	(12)	-	(249)
Amortisation		(409)	-	-	(34)	-	-	(443)
<b>Operating profit/(loss)</b>		2,342	(908)	-	(315)	(2,742)	-	(1,623)
Finance expense								(287)
Finance income								73
<b>Group loss before tax</b>								<b>(1,837)</b>

12 months ended 30 September 2014 (audited)

	Notes	Animal Health £000	Sustainability Science £000	Breeding and Genetics £000	Technical Publishing £000	Corporate £000	Inter-segment sales £000	Total £000
<b>Revenue</b>		32,981	3,073	-	2,873	833	(4,406)	35,354
Cost of sales		(18,548)	(2,339)	-	(2,438)	(1,210)	3,953	(20,582)
<b>Gross profit/(loss)</b>		14,433	734	-	435	(377)	(453)	14,772
Other income		-	101	-	-	-	-	101
Operating costs relating to Trading Activities		(3,971)	(1,863)	-	(707)	(2,162)	453	(8,250)
<b>EBITDA from Trading Activities</b>		10,462	(1,028)	-	(272)	(2,539)	-	6,623
Operating costs relating to Investing Activities:								
R&D expenditure	13	(2,690)	-	-	-	-	-	(2,690)
Pre-operational expenses	13	(1,585)	-	-	-	-	-	(1,585)
Acquisition related expenses	13	(222)	(108)	-	(12)	(98)	-	(440)
Exceptional items	8,13	(125)	(32)	-	(40)	(1,494)	-	(1,691)
<b>EBITDA</b>		5,840	(1,168)	-	(324)	(4,131)	-	217
Depreciation		(309)	(182)	-	(16)	(26)	-	(533)
Amortisation		(607)	(89)	-	(175)	-	-	(871)
<b>Operating profit/(loss)</b>		4,924	(1,439)	-	(515)	(4,157)	-	(1,187)
Finance expense								(248)
Finance income								60
<b>Group loss before tax</b>								<b>(1,375)</b>

**8. Exceptional items**

Items that are material because of their size or nature, non-recurring and whose significance is sufficient to warrant separate disclosure and identification within the consolidated financial statements are referred to as exceptional items. The separate reporting of exceptional items helps to provide an understanding of the Group's underlying performance.

	<b>6 months ended 31 March 2015 (unaudited) £000</b>	6 months ended 31 March 2014 (unaudited) £000	12 months ended 30 September 2014 (audited) £000
Exceptional share-raising costs	20	926	1,298
Exceptional share based payment expense arising from IPO	-	390	292
Lease termination costs	-	106	101
<b>Total exceptional costs</b>	<b>20</b>	<b>1,422</b>	<b>1,691</b>

Costs relating to the acquisition of new businesses were treated as exceptional for the six months ended 31 March 2014 but as investing activities for the 12 months ended 30 September 2014. Similar costs and income have been included within investing activities during the current period. Refer note 13.

On 18 December 2013 Benchmark Holdings plc was admitted to trading on AIM. The IPO raised gross proceeds of £27.5 million through the issue of 42,968,750 new ordinary shares. However, significant non-recurring costs were incurred in relation to the IPO and it is deemed necessary to separately identify these costs within the comparative results.

Total IPO costs amounted to £2,463,000. Of this, £926,000 was treated as exceptional IPO costs and charged to income during the prior period, with the balance of £1,537,000 being offset against share premium.

A number of one-off share based payment transactions arose as part of the IPO. The expense for the current period in relation to these schemes amounts to nil (six months ended 31 March 2014: £390,000).

Prior year lease termination costs relate to a property in Norway.

All exceptional items are included within operating costs on the face of the income statement.

## Unaudited notes to the interim statement for the 6 months to 31 March 2015

**9. Taxation**

	<b>6 months ended 31 March 2015 (unaudited) £000</b>	6 months ended 31 March 2014 (unaudited) £000	12 months ended 30 September 2014 (audited) £000
Analysis of charge in period			
<b>Current tax:</b>			
Current income tax expense on profits for the period	692	-	-
Adjustment in respect of prior periods	-	-	2
<b>Total current tax</b>	<b>692</b>	<b>-</b>	<b>2</b>
<b>Deferred tax:</b>			
Origination and reversal of temporary timing differences	(174)	(372)	(56)
<b>Total tax expense / (credit)</b>	<b>518</b>	<b>(372)</b>	<b>(54)</b>

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to the result for the period are as follows:

	<b>6 months ended 31 March 2015 (unaudited) £000</b>	6 months ended 31 March 2014 (unaudited) £000	12 months ended 30 September 2014 (audited) £000
Accounting loss before income tax	(3,837)	(1,837)	(1,375)
Expected tax credit based on the standard rate of UK corporation tax at the domestic rate of 20% (31 March 2014: 23%, 2014: 22%)	(767)	(423)	(302)
Expenses not deductible for tax purposes	94	192	55
Research and development relief	(255)	(200)	(325)
Deferred tax not recognised	1,423	59	516
Adjustments to tax charge in respect of prior periods	-	-	2
Different tax rates in overseas jurisdictions	23	-	-
<b>Total tax charge / (credit)</b>	<b>518</b>	<b>(372)</b>	<b>(54)</b>

## Unaudited notes to the interim statement for the 6 months to 31 March 2015

**10. Earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	<b>6 months ended 31 March 2015 (unaudited)</b>	6 months ended 31 March 2014 (unaudited)	12 months ended 30 September 2014 (audited)
Net loss attributable to equity holders of the parent (£000)	<b>(4,556)</b>	(1,465)	(1,315)
Weighted average number of shares in issue (thousands)	<b>183,131</b>	116,886	126,959
Basic loss per share from continuing operations (pence)	<b>(2.49)</b>	(1.25)	(1.04)

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. This is done by calculating the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares for the period) based on the monetary value of the subscription rights attached to outstanding share options and warrants. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options and warrants.

Therefore the Company is required to adjust the earnings per share calculation in relation to the share options that are in issue under the Company's share based incentive schemes, and outstanding warrants, as follows:

	<b>6 months ended 31 March 2015 (unaudited)</b>	6 months ended 31 March 2014 (unaudited)	12 months ended 30 September 2014 (audited)
Net loss attributable to equity holders of the parent (£000)	<b>(4,556)</b>	(1,465)	(1,315)
Weighted average number of shares in issue (thousands)	<b>183,131</b>	116,886	126,959
Diluted loss per share from continuing operations (pence)	<b>(2.49)</b>	(1.25)	(1.04)

A total of 1,494,000 (H1 2014: 2,612,000; FY 2014: 2,250,000) potential ordinary shares have not been included within the calculation of statutory diluted earnings per share for the six months ended 31 March 2015 as they are antidilutive. However, these potential ordinary shares could dilute earnings per share in the future.

**11. Property, plant and equipment**

	Freehold Land and Buildings	Assets in the course of construction	Long Term Leasehold Property Improvements	Plant and Machinery	E commerce Infra- structure	Office Equipment and Fixtures	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>							
Balance at 1 October 2013	700	-	1,321	2,139	375	535	5,070
Additions	-	-	619	676	-	219	1,514
On acquisition	28	-	30	329	-	-	387
Disposals	-	-	-	-	-	(2)	(2)
<b>Balance at 31 March 2014 (unaudited)</b>	<b>728</b>	<b>-</b>	<b>1,970</b>	<b>3,144</b>	<b>375</b>	<b>752</b>	<b>6,969</b>
Balance at 1 April 2014	728	-	1,970	3,144	375	752	6,969
Additions	28	142	645	1,664	8	29	2,516
On acquisition	(28)	-	-	(131)	-	-	(159)
Reclassification	-	-	-	-	(179)	179	-
Exchange differences	-	-	-	(3)	-	(13)	(16)
Disposals	-	-	-	(134)	-	(42)	(176)
<b>Balance at 30 September 2014 (audited)</b>	<b>728</b>	<b>142</b>	<b>2,615</b>	<b>4,540</b>	<b>204</b>	<b>905</b>	<b>9,134</b>
Balance at 1 October 2014	728	142	2,615	4,540	204	905	9,134
Additions	-	573	343	1,653	-	99	2,668
On acquisition	-	-	3	5,690	-	23	5,716
Exchange differences	-	-	-	(102)	-	-	(102)
<b>Balance at 31 March 2015 (unaudited)</b>	<b>728</b>	<b>715</b>	<b>2,961</b>	<b>11,781</b>	<b>204</b>	<b>1,027</b>	<b>17,416</b>
<b>Accumulated depreciation</b>							
<b>Balance at 1 October 2013</b>	-	-	100	993	150	255	1,498
Depreciation charge for the period	-	-	58	123	18	50	249
Disposals	-	-	-	-	-	-	-
<b>Balance at 31 March 2014 (unaudited)</b>	<b>-</b>	<b>-</b>	<b>158</b>	<b>1,116</b>	<b>168</b>	<b>305</b>	<b>1,747</b>
Balance at 1 April 2014	-	-	158	1,116	168	305	1,747
Depreciation charge for the period	-	-	76	130	19	59	284
Reclassification	-	-	-	-	(42)	42	-
Exchange differences	-	-	-	(2)	-	-	(2)
Disposals	-	-	-	(93)	-	(44)	(137)
<b>Balance at 30 September 2014 (audited)</b>	<b>-</b>	<b>-</b>	<b>234</b>	<b>1,151</b>	<b>145</b>	<b>362</b>	<b>1,892</b>
Balance at 1 October 2014	-	-	234	1,151	145	362	1,892
Depreciation charge for the period	-	-	103	477	27	33	640
Exchange differences	-	-	-	(7)	-	-	(7)
<b>Balance at 31 March 2015 (unaudited)</b>	<b>-</b>	<b>-</b>	<b>337</b>	<b>1,621</b>	<b>172</b>	<b>395</b>	<b>2,525</b>
<b>Net book value</b>							
<b>At 31 March 2015 (unaudited)</b>	<b>728</b>	<b>715</b>	<b>2,624</b>	<b>10,160</b>	<b>32</b>	<b>632</b>	<b>14,891</b>
At 30 September 2014 (audited)	728	142	2,381	3,389	59	543	7,242
At 31 March 2014 (unaudited)	728	-	1,812	2,028	207	447	5,222

**12. Intangible assets**

	Websites £000	Goodwill £000	Patents and Trademarks £000	Intellectual Property £000	Contracts / customer list £000	Licences £000	Genetics £000	Total £000
<b>Cost</b>								
<b>Balance at 1 October 2013</b>	515	1,689	530	-	1,565	1,194	-	5,493
Additions – externally acquired	-	704	-	1,690	-	1,995	-	4,389
<b>Balance at 31 March 2014 (unaudited)</b>	515	2,393	530	1,690	1,565	3,189	-	9,882
Balance at 1 April 2014	515	2,393	530	1,690	1,565	3,189	-	9,882
Additions – externally acquired	2	308	60	(12)	270	1	-	629
<b>Balance at 30 September 2014 (audited)</b>	517	2,701	590	1,678	1,835	3,190	-	10,511
Balance at 1 October 2014	517	2,701	590	1,678	1,835	3,190	-	10,511
Additions – on acquisition	-	21,136	-	3,024	6,273	-	21,846	52,279
Fair value adjustment	-	128	-	-	-	-	-	128
Additions – externally acquired	-	-	83	-	-	-	-	83
<b>Balance at 31 March 2015 (unaudited)</b>	<b>517</b>	<b>23,965</b>	<b>673</b>	<b>4,702</b>	<b>8,108</b>	<b>3,190</b>	<b>21,846</b>	<b>63,001</b>
<b>Accumulated amortisation and impairment</b>								
<b>Balance at 1 October 2013</b>	391	273	374	-	565	216	-	1,819
Amortisation charge for the period	34	-	16	-	261	132	-	443
<b>Balance at 31 March 2014 (unaudited)</b>	425	273	390	-	826	348	-	2,262
Balance at 1 April 2014	425	273	390	-	826	348	-	2,262
Amortisation charge for the period	34	-	(2)	-	261	135	-	428
<b>Balance at 30 September 2014 (audited)</b>	459	273	388	-	1,087	483	-	2,690
Balance at 1 October 2014	459	273	388	-	1,087	483	-	2,690
Amortisation charge for the period	47	-	16	102	577	201	158	1,101
<b>Balance at 31 March 2015 (unaudited)</b>	<b>506</b>	<b>273</b>	<b>404</b>	<b>102</b>	<b>1,664</b>	<b>684</b>	<b>158</b>	<b>3,791</b>
<b>Net book value</b>								
<b>At 31 March 2015 (unaudited)</b>	<b>11</b>	<b>23,692</b>	<b>269</b>	<b>4,600</b>	<b>6,444</b>	<b>2,506</b>	<b>21,688</b>	<b>59,210</b>
At 30 September 2014 (audited)	58	2,428	202	1,678	748	2,707	-	7,821
At 31 March 2014 (unaudited)	90	2,120	140	1,690	739	2,841	-	7,620

Additions to goodwill, intellectual property and contracts are detailed further in note 14.

Current estimates of useful economic lives of intangible assets are as follows:

Goodwill	Indefinite
Patents	5 years
Websites	5 years
Trademarks	5 years
Contracts	2-5 years
Licences	6 - 10 years
Intellectual property	Up to 15 years
Genetics	40 years



**13. Trading and Investing Activities**

The Group separates its operations into Trading Activities and Investing Activities in order to report the performance of its business. Trading Activities are those operations which generate earnings in the current period. Investing Activities are those activities which have no associated income stream in the current period, but which are intended to provide the Group with income generating operations in future periods. These measures are used by management for planning and reporting purposes and in discussions with and presentations to investment analysts and are defined below. These measures are not defined in International Financial Reporting Standards and may not be comparable with similarly described measures used by other companies.

In arriving at Trading Activities, the following Investing Activities are excluded from reported results:

- exceptional costs relating to the Company's flotation on AIM
- costs of acquiring new businesses (Salmobreed AS, Stofnfiskur HF, Improve International and TomAlgae in 2015, Viking Fish Farms and Atlantic Veterinary Services in 2014) and costs related to the purchase of Zoetis aquaculture assets and the trade and assets of Old Pond Publishing in 2014
- one-off lease termination costs
- pre-operational expenses for new ventures
- expenditure on research and development

A reconciliation of reported earnings to earnings from Trading Activities is shown below.

Reconciliation of Reported Earnings to Earnings from Trading Activities – Six months ended 31 March 2015

	6 months ended 31 March 2015 (unaudited)	Investing activities				Trading Activities
		Share- raising exceptional items	Acquisition related costs	Pre- operational expenses for new ventures	R&D expenditure	
	£000	£000	£000	£000	£000	£000
Revenue	19,779	-	-	-	-	19,779
Cost of sales	(12,870)	-	-	-	-	(12,870)
<b>Gross profit</b>	<b>6,909</b>	-	-	-	-	<b>6,909</b>
Operating costs	(9,130)	20	(120)	1,088	2,420	(5,722)
<b>EBITDA</b>	<b>(2,221)</b>	20	(120)	1,088	2,420	<b>1,187</b>
Depreciation and amortisation	(1,741)	-	-	-	184	(1,557)
<b>Operating profit / (loss)</b>	<b>(3,962)</b>	20	(120)	1,088	2,604	<b>(370)</b>
Finance income	125	-	-	-	-	125
Finance cost	-	-	-	-	-	-
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>(3,837)</b>	20	(120)	1,088	2,604	<b>(245)</b>
Tax on (loss)/profit on ordinary activities	(518)	-	-	-	-	(518)
<b>(Loss)/profit for the period</b>	<b>(4,355)</b>	20	(120)	1,088	2,604	<b>(763)</b>
<b>Earnings per share (pence)</b>	<b>(2.49)</b>	0.01	(0.07)	0.59	1.43	<b>(0.53)</b>
<b>Weighted average number of shares (thousands)</b>	<b>183,131</b>	183,131	183,131	183,131	183,131	<b>183,131</b>

**13. Trading and Investing Activities (continued)**

## Reconciliation of Reported Earnings to Earnings from Trading Activities – Six months ended 31 March 2014

	Investing Activities						
	6 months ended 31 March 2014 (unaudited)	IPO related exceptional items	Acquisition related costs	Lease termination costs	Pre-operational expenses for new ventures	R&D expenditure	Trading Activities
	£000	£000	£000	£000	£000	£000	£000
Revenue	15,170	-	-	-	-	-	15,170
Cost of sales	(8,744)	-	-	-	-	-	(8,744)
<b>Gross profit</b>	6,426	-	-	-	-	-	6,426
Other income	38	-	-	-	-	-	38
Operating costs	(7,395)	1,316	229	106	769	1,066	(3,909)
<b>EBITDA</b>	(931)	1,316	229	106	769	1,066	2,555
Depreciation and amortisation*	(692)	-	-	-	-	-	(692)
<b>Operating profit / (loss)</b>	(1,623)	1,316	229	106	769	1,066	1,863
Finance cost	(287)	-	-	-	-	-	(287)
Finance income	73	-	-	-	-	-	73
<b>(Loss)/profit on ordinary activities before taxation</b>	(1,837)	1,316	229	106	769	1,066	1,649
Tax on profit on ordinary activities	372	(458)	(31)	-	-	(213)	(330)
<b>(Loss)/profit for the period</b>	(1,465)	858	198	106	769	853	1,319
<b>Earnings per share (pence)</b>	(1.25)	0.73	0.17	0.09	0.66	0.73	1.13
<b>Weighted average number of shares (thousands)</b>	116,886	116,886	116,886	116,886	116,886	116,886	116,886

\*Amortisation was shown in investing activities in the six months to 31 March 2014, but was transferred into trading activities for the full year. The comparative above has therefore been amended. Amortisation in the period was £443,000.

## Reconciliation of Reported Earnings to Earnings from Trading Activities – 12 months ended 30 September 2014

	Investing activities					
	12 months ended 30 September 2014 (audited)	Exceptional items	Acquisition related costs	Pre-operational expenses for new ventures	R&D expenditure	Trading Activities
	£000	£000	£000	£000	£000	£000
Revenue	35,354	-	-	-	-	35,354
Cost of sales	(20,582)	-	-	-	-	(20,582)
<b>Gross profit</b>	14,772	-	-	-	-	14,772
Other income	101	-	-	-	-	101
Operating costs	(12,965)	-	440	1,585	2,690	(8,250)
Operating costs - Exceptional	(1,691)	1,691	-	-	-	-
<b>EBITDA</b>	217	1,691	440	1,585	2,690	6,623
Depreciation and amortisation	(1,404)	-	-	-	-	(1,404)
<b>Operating profit</b>	(1,187)	1,691	440	1,585	2,690	5,219
Finance cost	(248)	-	-	-	-	(248)
Finance income	60	-	-	-	-	60
<b>Profit on ordinary activities before taxation</b>	(1,375)	1,691	440	1,585	2,690	5,031
Tax on profit on ordinary activities	54	(50)	(30)	-	(834)	(860)
<b>Profit for the period</b>	(1,321)	1,641	410	1,585	1,856	4,171
<b>Earnings per share (pence)</b>	(1.04)	1.30	0.32	1.25	1.46	3.29
<b>Weighted average number of shares (millions)</b>	126,959	126,959	126,959	126,959	126,959	126,959

**14. Business combinations**

Details of the fair values initially recognised for the consideration paid and assets acquired during the period are shown below:

	Improve International Ltd	Salmobreed AS	Stofnfiskur HF	Tomalgae C.V.B.A	Total
	£000	£000	£000	£000	£000
<b>Consideration</b>					
Cost of investment	6,490	21,551	30,882	642	59,565
<i>Satisfied by:</i>					
Cash	3,200	17,108	22,071	290	42,669
Exchange gain / (loss)	-	1,848	(238)	-	1,610
Deferred consideration	3,000	2,595	9,049	352	14,996
Equity	290	-	-	-	290
<b>Total consideration</b>	<b>6,490</b>	<b>21,551</b>	<b>30,882</b>	<b>642</b>	<b>59,565</b>
<b>Fair value of assets acquired</b>					
Customer list	1,000	-	-	-	1,000
Contracts	2,000	3,273	-	-	5,273
Intellectual property	1,100	-	-	1,924	3,024
Genetics	-	13,641	8,205	-	21,846
Deferred tax on intangibles	(820)	(4,566)	(1,641)	(635)	(7,662)
Fixed assets	150	14	5,440	112	5,716
Investments	-	24	71	-	95
Biological assets and inventories	25	-	8,243	11	8,279
Trade and other receivables	1,419	2,038	915	67	4,439
Cash and cash equivalents	457	2,259	2,179	(1)	4,894
Trade and other payables	(398)	(2,271)	(1,197)	(498)	(4,364)
Tax and social security	(95)	(102)	-	(6)	(203)
Deferred income	(1,191)	-	-	-	(1,191)
Loans	-	-	-	(332)	(332)
Deferred tax	-	1	(835)	-	(834)
Minority interest	-	-	(1,551)	-	(1,551)
<b>Total identifiable net assets</b>	<b>3,647</b>	<b>14,311</b>	<b>19,829</b>	<b>642</b>	<b>38,429</b>
<b>Goodwill</b>	<b>2,843</b>	<b>7,240</b>	<b>11,053</b>	<b>-</b>	<b>21,136</b>

In December 2014, the Group acquired Salmobreed AS and Stofnfiskur HF for total consideration of £21,551,000 and £30,882,000 respectively. SalmoBreed is a leading salmon genetics company founded in 1999 based in Norway and specialises in developing genetic material for salmon breeders which improves areas such as growth, disease resistance and product quality. Stofnfiskur is a salmon breeding company which was founded in Iceland in 1991 and which is able to supply eggs outside the natural salmon breeding season through its land-based environmentally controlled facility. These companies have long-established salmon breeding programmes and represent an opportunity for the Group to enter the animal breeding and genetics industry, with potential synergies between the two acquired businesses. The intangibles arising upon acquisition represent the genetic breeding and nuclei acquired, and in the Salmobreed acquisition, the value of the customer contracts in place on acquisition. The goodwill on the acquisitions represents the synergies available from combining the two businesses.

On 31 January 2015, the Group acquired the business and assets of Improve International Ltd for cash and equity consideration of £6,490,000. The business designs and delivers technical training to veterinary practitioners. The intangible assets arising on acquisition represent the value of contracts in place on acquisition, the customer list, and the technical content of the training courses. The goodwill arising on acquisition represents the synergy available through combining the acquisition with Benchmark's existing publishing and online delivery functions.

On 17 February, the Group purchased Tomalgae C.V.B.A, a Belgian-registered business specialising in freeze-dried algae feed product, for a maximum consideration of £642,000, such consideration being dependent upon a certain volume of sales being achieved during the next five years. The acquisition sees the Group expand its product pipeline and the resulting intangible represents the 'know how' gained from existing research undertaken by the Tomalgae team to date.