

## Lo-Q plc (“Lo-Q” or the “Company”)

### Unaudited Interim Results for the six months ending 30 June 2007

#### Chairman’s Statement

Although the year started quietly for our Company on the trading front, behind the scenes we were busy installing three new parks. The R&D department were very busy finishing off the code for the new VQ2020 system and procurement were busy getting the components, including the newly designed 2020 Q-bot, so that the systems installation team could complete their work for the opening at the beginning of each park’s season.

The Q-bot rental income generated in March and April was at a slow and variable rate, at about the same level as last year, as we were affected by bad weather during this period of weekend opening. However trading picked up in May and June. As such, at the end of the half-year period to 30 June 2007, the results of Company were ahead of the same period in the prior year. The inclusion of the three new parks in our income figures makes the majority of the difference, but the income from most of the other parks was generally higher than last year. This resulted in a profit on ordinary activities of £14,328 for the six months ended 30 June 2007.

We are in the process of selling and leasing back the systems that we have installed and the income received to date appears as other operating income in the accounts.

This year we are managing the Flash pass (Q-bot) sales facility in all of our Six Flags parks which has generally helped sales, and, in the case of one park has increased revenue so that it is over double that of last year.

We have thus had a major increase in responsibility of employing and managing the large temporary/seasonal staff that is required to fulfil our sales, ride hosting and supervisory duties. This has caused a large rise in the ‘cost of sales’ figure in the accounts. I am pleased to report that Steve Drake and his team in the US have performed these tasks exceptionally well.

The new VQ2020 system with its redesigned Q-bot has been introduced into the three new parks, Dollywood (Tennessee), Six Flags Great America (near Chicago) and La Ronde (Montreal), and are now working well with good levels of both guest and customer satisfaction .

The system in Dollywood is producing sales at a level that is higher than the customer’s expectation though we believe that the level can be even higher. The new theatre reservation kiosks are proving successful with the parks guests, and the park management is very happy with the theatre reservation capacity application, which we have specially written for them. We are considering other useful areas of this system, outside theme parks.

The Company is engaged in discussions with a number of organisations that have technology in neighbouring parallel activity areas and we are working towards bringing these capabilities on stream more efficiently through joint activity in the near future.

Baring any unforeseen difficulties to trade, e.g. weather, we expect that total gross Q-bot rentals paid by the park’s guests will be materially higher than that recorded last year. As a consequence of this higher level of income, the Company is taking the opportunity of carefully increasing its human resources to largely eliminate the single level of dependency of many of the job functions. It is also in the process of increasing its professional sales staff.

With the experience gained from operating Q-bots for over five years, and having just introduced a new replacement Q-bot at the end of this period, we believe that our product has proved its commercial viability and will now be capitalising product research and development costs and writing them down over the expected revenue earning life of that system. This approach is in line with existing accounting policy and accordingly has been incorporated into these half-year accounts.

I am also pleased to report that we have paid back the whole loan that enabled us to pay the settlement to Palmtop at the end of last year.

The Company is now searching to build trading relationships with other park chains so as to capitalise on its in-depth experience of queue line management.

#### Contacts:

Jeff McManus, Chairman: 01491 577 201  
Romil Patel, Blue Oar Securities Plc: 0207 448 4400

**LO-Q PLC****Consolidated Interim Income Statement**

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	<b>Six months to 30 Jun 2007</b>	<b>Six months to 30 Jun 2006</b>
	£	£
<b>Revenue</b>		
Income derived from Q-Bot Rental	753,380	653,900
Sale & Leaseback income	395,393	
Cost of Sales	670,980	162,024
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<b>Gross profit</b>	477,793	491,875
Administrative expenses	445,361	554,375
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<b>Operating Profit / (loss)</b>	32,432	(62,500)
Interest receivable	995	1,772
Interest payable and similar charges	(19,100)	(172)
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<b>Profit / (Loss) on ordinary activities before taxation</b>	14,328	(60,900)
Taxation on loss on ordinary activities	0	(22,299)
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<b>Profit / (Loss) on ordinary activities after taxation</b>	<b>14,328</b>	<b>(38,601)</b>
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<b>Earnings (loss) per share (pence)</b>		
Basic EPS	<b>0.10</b>	<b>(0.26)</b>
Diluted EPS	<b>0.09</b>	<b>(0.25)</b>

All amounts relate to continuing activities

There are no recognised gains or losses other than those within the profit and loss account

**LO-Q PLC****Consolidated Balance Sheet**

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	<b>Six months to 30 Jun 2007</b>	<b>Six months to 30 Jun 2006</b>
	£	£
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	176,840	16,298
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<b>Current Assets</b>		
Inventories	200,798	258,681
<b>Trade and other receivables</b>		
- Trade receivables	220,418	465,534
- Corporation tax	53,557	32,477
Cash and cash equivalents	237,314	105,140
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	712,087	861,832
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<b>Total Assets</b>	<u>888,927</u>	<u>878,131</u>
<b>EQUITY</b>		
<b>Issued capital and reserves</b>		
Called up share capital	147,658	147,658
Share premium account	4,982,067	4,982,067
Other reserves	20,578	
Profit and loss account	(4,617,172)	(4,374,929)
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<b>Total Equity</b>	533,131	767,269
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<b>Current Liabilities</b>		
Trade Accounts Payable	256,229	29,282
Tax Payable	0	18,951
Provisions & Other Liabilities	99,567	62,629
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<b>Total Current Liabilities</b>	355,796	110,862
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<b>Total Liabilities &amp; Equity</b>	<u>888,927</u>	<u>878,131</u>
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**LO-Q PLC****Consolidated cash flow statement**

	<b>Six months to 30 Jun 2007</b>	<b>Six months to 30 Jun 2006</b>
	£	£
<b>Cash Flows From Operating Activities</b>		
Total Operating Profit / (loss)	32,432	(62,500)
<b>Non-Cash Adjustments</b>		
Depreciation	15,458	9,168
Unrealised gains on foreign currency exchange	5,402	4,935
<b>Non-Cash Adjustments</b>	<u>20,860</u>	<u>14,103</u>
<b>Cash Flows Before Changes in working Capital</b>	53,292	(48,397)
<b>Increase in Working Capital</b>		
Increase in inventories	(5,572)	(50,557)
Increase in trade and other receivables	(108,461)	(419,333)
Decrease in trade and other payables	(150,531)	(20,706)
Increase/(Decrease) in tax payable	11	(2,363)
<b>Increase in Working Capital</b>	<u>(264,553)</u>	<u>(492,959)</u>
<b>Cash Flows From Operating Activities</b>	(211,261)	(541,356)
<b>Cash Flows From Investing Activities</b>		
Payments to acquire property, plant and equipment	(177,288)	(7,163)
<b>Cash Flows From Financing Activities</b>		
Gross proceeds from issue of equity share capital	-	14,630
Interest Received	995	1,772
Interest Paid	(19,100)	(172)
<b>Net Cash Flows From Financing Activities</b>	<u>(195,393)</u>	<u>9,067</u>
<b>Net Increase in Cash and Cash Equivalents</b>	(406,654)	(532,289)
Cash and Cash equivalents as at 1 January 2007	643,968	637,429
<b>Cash and Cash Equivalents As At 30 June 2007</b>	<u>237,314</u>	<u>105,140</u>

**LO-Q PLC**

**Consolidated Statement Of Changes In Equity**

	<b>Issued capital</b> £	<b>Share premium</b> £	<b>Other reserves</b> £	<b>Retained earnings</b> £	<b>Total equity</b> £
<b>Balance at 1 January 2007</b>	147,658	4,982,067	20,578	(4,636,901)	513,402
Total expense for the year recognised directly in equity - foreign exchange	-	-	-	5,401	5,401
Profit for the year	-	-	-	14,328	14,328
<b>Balance at 30 June 2007</b>	<u>147,658</u>	<u>4,982,067</u>	<u>20,578</u>	<u>(4,617,172)</u>	<u>533,131</u>
<b>Balance at 1 January 2006</b>	143,478	4,971,617	18,285	(4,324,776)	808,604
Total expense for the year recognised directly in equity - foreign exchange	-	-	-	(10,552)	(10,552)
Loss for the year	-	-	-	(38,601)	(38,601)
<b>Total recognised expense for the year</b>	<u>143,478</u>	<u>4,971,617</u>	<u>18,285</u>	<u>(4,373,929)</u>	<u>759,451</u>
Issue of share capital	4,180	10,450	-	-	14,630
Recognition of share-based payments	-	-	2,293	-	2,293
<b>Balance at 30 June 2006</b>	<u>147,658</u>	<u>4,982,067</u>	<u>20,578</u>	<u>(4,373,929)</u>	<u>776,374</u>

## **Notes to the Interim Statements**

1. These accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) and show the effects of changes from Generally Accepted Accounting Practice (GAAP) previously adopted in the Accounts.

The interim statement for the six months are unaudited and do not constitute statutory accounts for the purpose of the Companies Acts. The accounts for the year ended 31<sup>st</sup> December 2006 have been filed with the Registrar of Companies and the auditors' report on those accounts was not qualified.

2. Due to corporation tax losses available no tax charge has been provided.

3. Earnings per share have been calculated on the profits for the period after taxation and 14,765,837 shares in issue. The diluted earnings per share calculation is based on 15,740,599.

5. The directors have not declared an interim dividend. No dividend is shown in the income statement.