

Forbidden Technologies plc
(AIM: FBT)
(“Forbidden” or the “Company”)

Interim results for the six months to 30 June 2011

Forbidden Technologies, the AIM quoted developer and marketer of a leading cloud based video platform, is pleased to announce its Interim Results for the six months to 30 June 2011.

Financial Highlights

- Revenue for the period up 8% to £181,839 (H1 2010: £167,858)
- Gross profit for the period was £155,950 (H1 2010: £158,375)
- Operating costs for the period increased to £318,842 (H1 2010: £214,730)
- Operating loss for the period was £157,200 (H1 2010: £53,853)
- Strong balance sheet with cash and cash equivalents at £929,538 (H1 2010: £137,553)

Post Period Highlights

- Upgraded Clesh software to enables publishing direct to YouTube site
- Partnered with EVS to provide IBC Television News' connected workflow

Vic Steel, Chairman of Forbidden Technologies, commented:

“Looking ahead, the Company expects to see continuing growth in the broadcast post production market as more Producers adopt FORscene and repeat orders are placed by satisfied users. The now frequent extension of FORscene use into editing underpins the value of the FORscene platform as we enter new value-added markets where editing plays a more important role.”

-END-

For further information please visit www.forbidden.co.uk (where a copy of the interim results is available) or contact:

Forbidden Technologies plc

Stephen Streater, CEO
Tel: +44 (0)20 8879 7245

Brewin Dolphin

Neil Baldwin, Nominated Advisor
Tel: +44 (0)845 213 4726

Bishopsgate Communications

Deepali Schneider / Natalie Quinn
Tel: +44 (0)20 7562 3350

Chairman's Statement

I am pleased to announce that revenue in the six months to 30 June 2011 was up 8.3% to £181,839, compared to £167,858 in the six months to 30 June 2010. UK post production grew by 94% within these figures despite the poor economic conditions, increasing the diversification of Forbidden's sources of income both geographically and by customer. This expansion is a strong indication of FORscene's growing acceptance in the broadcast market where the FORscene platform is increasingly being adopted by major productions.

The loss before tax for the six month period, at £157,200, was £100,000 greater than in the six months to 30 June 2010, as Forbidden started to invest funds from its recent share issues. The increase was largely attributable to Administrative Expenses, which rose from £214,730 in the first half of 2010 to £318,842 in the six months to 30 June 2011. Planned staff increases in Business Development and Customer Support, the cost of share options (under IFRS 2) and the capitalisation and amortisation of development costs accounted for 90% of the increase.

The Balance Sheet at 30 June 2011 remains strong with £929,538 of cash and cash equivalents, representing a reduction of £94,073 over the six month period.

Outlook

Looking ahead, the Company expects to see continuing growth in the broadcast post production market as more Producers adopt FORscene and repeat orders are placed by satisfied users. The now frequent extension of FORscene use into editing underpins the value of the FORscene platform as we enter new value-added markets where editing plays a more important role.

Although projects from Systems Integrators are proving to have very long gestation periods, the Company is not dependent on this source for continuing growth.

Having increased resources in Business Development, the Company has added News and Sport as strategic target sectors. The ability to shoot, edit and publish video in the Cloud enables faster and more cost-efficient workflows in both News and Sport where accessibility and speed are of the essence. This is already recognised in our recently announced relationships with EVS and ENPS. Access from tablets and mobile phones enables new workflows, including outside traditional broadcast where the Web continues to expand its reach. The Company will reflect these advances by putting increasing effort and resources into these routes to market over the coming months and years.

Forbidden has made improvements to its publishing offer, and our USA partner BIM anticipates expanding its coverage of TV stations in the coming months, using FORscene technology.

With Facebook and YouTube publishing enabled from Android smartphones and tablets, as well as from the Web, the Company believes that Clesh and FORscene can now aspire to provide their State-of-the-Art tools for consumer video editing and publishing for both sites.

Summary

In summary, as the Cloud achieves widespread recognition and acceptance, Forbidden is well placed to prosper in five large market sectors:

- Broadcast;
- Professional Web video;
- User-generated video;
- News; and
- Sport.

FORscene and Clesh offer world-leading video tools for each of these global markets, with increasing recognition reflected in the quality of the trade partners it attracted at the recent IBC 2011 trade show. The Company has the confidence and determination to exploit its technological lead to the benefit of both customers and shareholders.

FORBIDDEN TECHNOLOGIES PLC (REGISTERED NUMBER: 03507286)**STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2011**

	Unaudited half year to 30 June 2011	Unaudited half year to 30 June 2010	Audited year to 31 December 2010
	£	£	£
CONTINUING OPERATIONS			
Revenue	181,839	167,858	372,139
Cost of Sales	(25,889)	(9,483)	(49,627)
GROSS PROFIT	155,950	158,375	322,512
Other operating income	217	2,502	1,965
Administrative expenses	(318,842)	(214,730)	(516,529)
OPERATING LOSS	(162,675)	(53,853)	(192,052)
Finance costs	-	(3,925)	(4,443)
Finance income	5,475	20	665
LOSS BEFORE INCOME TAX	(157,200)	(57,758)	(195,830)
Income Tax	-	-	66,081
LOSS FOR THE PERIOD	(157,200)	(57,758)	(129,749)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(157,200)	(57,758)	(129,749)
Earnings per share expressed in pence per share:			
Basic – continuing and total operations	(0.18p)	(0.07p)	(0.16p)

FORBIDDEN TECHNOLOGIES PLC (REGISTERED NUMBER: 03507286)

**STATEMENT OF FINANCIAL POSITION
30 JUNE 2011**

	Unaudited half year to 30 June 2011	Unaudited half year to 30 June 2010	Audited year to 31 December 2010
	£	£	£
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	634,362	483,114	557,294
Property, plant and equipment	15,270	14,427	17,491
	<u>649,632</u>	<u>497,541</u>	<u>574,785</u>
CURRENT ASSETS			
Trade and other receivables	156,892	173,166	210,856
Tax receivable	7,485	36,261	50,461
Cash and cash equivalents	929,538	137,553	1,023,611
	<u>1,093,915</u>	<u>346,980</u>	<u>1,284,928</u>
TOTAL ASSETS	<u>1,743,547</u>	<u>844,521</u>	<u>1,859,713</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	692,636	639,260	689,356
Share premium	5,199,999	3,365,815	5,106,479
Capital contribution reserve	125,000	125,000	125,000
Retained earnings	(4,344,413)	(4,163,677)	(4,214,109)
TOTAL EQUITY	<u>1,673,222</u>	<u>(33,602)</u>	<u>1,706,726</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	-	785,000	-
CURRENT LIABILITIES			
Trade and other payables	70,325	93,123	152,987
TOTAL LIABILITIES	<u>70,325</u>	<u>878,123</u>	<u>152,987</u>
TOTAL EQUITY AND LIABILITIES	<u>1,743,547</u>	<u>844,521</u>	<u>1,859,713</u>

The financial statements were approved by the Board of Directors on 19 September 2011 and were signed on its behalf by:

.....
S B Streater - Director

.....
P J Madden - Director

FORBIDDEN TECHNOLOGIES PLC (REGISTERED NUMBER: 03507286)

**STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2011**

	Called up share capital £	Profit and loss account £	Share premium £	Capital contribution reserve £	Total equity £
Balance at 1 January 2010	632,820	(4,112,205)	3,275,655	125,000	(78,730)
Changes in equity					
Issue of share capital	56,536	-	1,830,824	-	1,887,360
Purchase of options	-	5,000	-	-	5,000
Share based payment	-	22,845	-	-	22,845
Total comprehensive income	-	(129,749)	-	-	(129,749)
Balance at 31 December 2010	689,356	(4,214,109)	5,106,479	125,000	1,706,726
Changes in equity					
Issue of share capital	3,280	-	93,520	-	96,800
Share based payment	-	26,896	-	-	26,896
Total comprehensive income	-	(157,200)	-	-	(157,200)
Balance at 30 June 2011	692,636	(4,344,413)	5,199,999	125,000	1,673,222

FORBIDDEN TECHNOLOGIES PLC (REGISTERED NUMBER: 03507286)**STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2011**

	Unaudited half year to 30 June 2011	Unaudited half year to 30 June 2010	Audited year to 31 December 2010
	£	£	£
Cash flows from operating activities			
Cash generated from operations	(131,312)	(78,389)	(109,499)
Finance costs paid	-	(4,296)	(4,443)
Tax received	50,460	36,261	51,881
Net cash from operating activities	(80,850)	(46,424)	(62,061)
Cash flows from investing activities			
Purchase of intangible fixed assets	(107,818)	(121,344)	(215,500)
Purchase of tangible fixed assets	(7,680)	(2,524)	(18,078)
Interest received	5,475	20	665
Net cash from investing activities	(110,023)	(123,848)	(232,913)
Cash flows from financing activities			
Amount (repaid to) / introduced by directors	-	-	(785,000)
Share issue	96,800	96,600	1,887,360
Sale of share options	-	-	5,000
Net cash from financing activities	96,800	96,600	1,107,360
Increase/(Decrease) in cash and cash equivalents	(94,073)	(73,672)	812,386
Cash and cash equivalents at beginning of year	1,023,611	211,225	211,225
Cash and cash equivalents at end of year	929,538	137,553	1,023,611

FORBIDDEN TECHNOLOGIES PLC (REGISTERED NUMBER: 03507286)

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2011**

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Unaudited half year to 30 June 2011	Unaudited half year to 30 June 2010	Audited year to 31 December 2010
	£	£	£
Loss before income tax	(157,200)	(57,758)	(195,830)
Depreciation charges	9,900	14,127	18,469
Amortisation charges	30,750	19,977	39,954
Employee share option costs	26,896	6,286	22,845
Finance costs	-	3,925	4,443
Finance income	(5,475)	(20)	(665)
	(95,129)	(13,463)	(110,784)
Increase / (decrease) in trade and other receivables	46,479	(75,542)	(76,971)
(Decrease) / increase in trade and other payables	(82,662)	10,616	78,256
Cash generated from operations	(131,312)	(78,389)	(109,499)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow in respect of cash and cash equivalents are in respect of these balance sheet amounts:

	Unaudited half year to 30 June 2011	Unaudited half year to 30 June 2010	Year to 31 December 2010
	£	£	£
Cash and cash equivalents	929,538	137,553	1,023,611

1. Basis of preparation and accounting policies

These interim statements have been prepared on a basis consistent with International Financial Reporting Standards (IFRS). They do not contain all of the information required for full financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2010. These interim financial statements do not constitute statutory accounts within the meaning of the Companies Act.

The interim financial information has not been audited. The interim financial information was approved by the Board of Directors on 19 September 2011. The information for the year ended 31 December 2010 is extracted from the statutory financial statements for that year which have been reported on by the Group's auditors and delivered to the Registrar of Companies. The audit report was unqualified and did not contain a statement under s498(2) or 498(3) of the Companies Act 2006.

The accounting policies applied by the Company in these interim financial statements are the same as those applied by the Company in its financial statements for the year ended and as at 31 December 2010.