

Forbidden Technologies plc
(“Forbidden” or the “Company”)

Interim results for the six months to 30 June 2012

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 2012.

Highlights

- Revenue for the period up 91% to £348,159 (H1 2011: £181,839)
- Gross profit for the period was £282,548 (H1 2011: £155,950)
- Administrative expenses for the period increased to £442,756 (H1 2011: £318,842), principally reflecting planned increases in personnel
- Loss for the period was £156,908 (H1 2011: £157,200)
- Strong, debt free balance sheet with net cash of £617,100 (31 December 2011: £692,494)
- Powerful entry into sports with YouTube and NBC

Vic Steel, Chairman of Forbidden Technologies, commented:

“First-half revenue from the News and Sport sector grew by 124% to £208,064 against the first half of 2011, reflecting the successful penetration of this dynamic growth market by the FORscene cloud platform.

As demonstrated by the licensing to YouTube and use by NBC this summer, FORscene is achieving widespread recognition and acceptance as a leading cloud-based video platform. Forbidden is well placed to capitalise on the growth opportunities in its target sectors over the coming years, not only in the UK, but also in multiple overseas geographic locations.”

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Chairman's Statement

I am pleased to report that revenue in the six months to 30th June 2012 increased by 91% to £348,159 compared to £181,839 in the six months to 30th June 2011.

The UK broadcast post-production sector continued to provide strong growth for the FORscene platform with revenue increasing by 79% over the corresponding period last year to £137,414 as new customers came on board and as others extended the use of FORscene into more advanced levels of editing. We are encouraged by the extension of use of the FORscene platform by professional users as the benefits of using the platform are being more widely recognised and experienced.

First-half revenue from the News and Sport sector grew by 124% to £208,064 against the first half of 2011, reflecting the successful penetration of this dynamic growth market by the FORscene cloud platform. A key driver of this growth has been the licence agreement with YouTube relating to the major sporting event this summer.

Administrative expenses increased from £318,842 in the six months to 30th June 2011 to £442,756 in the six months to 30th June 2012. This was principally due to the recruitment of additional human resource including a Digital Marketeer, an internal Video Producer / Editor (to produce both training videos and promotional videos), and additional Research and Development staff. A modest provision against bad debts has also been included.

The loss for the six months to 30th June 2012 of £156,908 is similar to that incurred in the comparable period (2011: £157,200).

The balance sheet continues to be strong, debt free, with a positive cash balance of £617,100, and a net cash outflow in the six months to 30th June 2012 of £75,394.

Outlook

Forbidden Technologies is showing the characteristics of a growth company. Our scalable cloud architecture is demonstrating that it can handle growth in usage well.

FORscene is expected to continue its expansion in the broadcast post-production sector as more producers adopt new workflows that benefit from extended use of the FORscene platform.

In News and Sport, the rapid migration of video from broadcast to web-based and mobile media provides exciting opportunities for FORscene, with our customers benefiting from the speed and cost effectiveness that it can provide. The introduction of FORscene Server Lite opens up the corporate video sector and we have signed our first significant customer.

In our Social Media Consumer sector, our Android mobile app version of Clesh has a steadily growing number of users. The FORscene platform already supports web and mobile publishing, which the Board believes will be key growth areas.

IBC, Europe's biggest trade show for broadcasters, takes place in Amsterdam in early September. Forbidden will be involved in the production of IBC TV news, and will jointly

host presentations in the workflow theatre on three of the five days of the convention. These presentations, with a different FORscene partner each day, will provide valuable exposure of successful applications of our FORscene platform to a broad audience of potential customers in broadcast TV series, news and sport.

In summary, as demonstrated by the licensing to YouTube and use by NBC this summer, FORscene is achieving widespread recognition and acceptance as a leading cloud-based video platform. Forbidden is well placed to capitalise on the growth opportunities in its target sectors over the coming years, not only in the UK, but also in multiple overseas geographic locations.

Vic Steel

Chairman

FORBIDDEN TECHNOLOGIES PLC (REGISTERED NUMBER: 03507286)**STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2012**

	Unaudited half year to 30 June 2012 £	Unaudited half year to 30 June 2011 £	Audited year to 31 December 2011 £
CONTINUING OPERATIONS			
Revenue	348,159	181,839	466,674
Cost of Sales	(65,611)	(25,889)	(48,905)
GROSS PROFIT	282,548	155,950	417,769
Other operating income	135	217	4,443
Administrative expenses	(442,756)	(318,842)	(674,841)
OPERATING LOSS	(160,073)	(162,675)	(252,629)
Finance costs	-	-	-
Finance income	3,165	5,475	8,122
LOSS BEFORE INCOME TAX	(156,908)	(157,200)	(244,507)
Income Tax	-	-	58,289
LOSS FOR THE PERIOD	(156,908)	(157,200)	(186,218)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(156,908)	(157,200)	(186,218)
Earnings per share expressed in pence per share:			
Basic – continuing and total operations	(0.18p)	(0.18p)	(0.22p)

FORBIDDEN TECHNOLOGIES PLC (REGISTERED NUMBER: 03507286)

**STATEMENT OF FINANCIAL POSITION
30 JUNE 2012**

	Unaudited half year to 30 June 2012 £	Unaudited half year to 30 June 2011 £	Audited year to 31 December 2011 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	847,891	634,362	749,894
Property, plant and equipment	15,142	15,270	9,425
	863,033	649,632	759,319
CURRENT ASSETS			
Trade and other receivables	252,093	156,892	534,247
Tax receivable	-	7,485	58,289
Cash and cash equivalents	617,100	929,538	692,494
	869,193	1,093,915	1,285,030
TOTAL ASSETS	1,732,226	1,743,547	2,044,349
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	692,636	692,636	692,636
Share premium	5,199,999	5,199,999	5,199,999
Capital contribution reserve	125,000	125,000	125,000
Retained earnings	(4,486,219)	(4,344,413)	(4,359,855)
TOTAL EQUITY	1,531,416	1,673,222	1,657,780
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	-	-	-

CURRENT LIABILITIES

Trade and other payables	200,810	70,325	386,569
TOTAL LIABILITIES	200,810	70,325	386,569
TOTAL EQUITY AND LIABILITIES	1,732,226	1,743,547	2,044,349

The financial statements were approved by the Board of Directors on 23 July 2012.

FORBIDDEN TECHNOLOGIES PLC (REGISTERED NUMBER: 03507286)**STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2012**

	Called up share capital £	Profit and loss account £	Share premium £	Capital contribution reserve £	Total equity £
Balance at 1 January 2011	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	-	40,472	-	-	40,472
Total comprehensive income	-	(186,218)	-	-	(186,218)
Balance at 31 December 2011	692,636	(4,359,855)	5,199,999	125,000	1,657,780
Changes in equity					
Share based payment	-	30,544	-	-	30,544
Total comprehensive income	-	(156,908)	-	-	(156,908)
Balance at 30 June 2012	692,636	(4,486,219)	5,199,999	125,000	1,531,417

FORBIDDEN TECHNOLOGIES PLC (REGISTERED NUMBER: 03507286)

STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Unaudited half year to 30 June 2012	Unaudited half year to 30 June 2011	Audited year to 31 December 2011
	£	£	£
Cash flows from operating activities			
Cash generated from operations	25,981	(131,312)	(221,998)
Tax received	58,289	50,460	50,461
Net cash from operating activities	84,270	(80,850)	(171,537)
Cash flows from investing activities			
Purchase of intangible fixed assets	(141,455)	(107,818)	(254,105)
Purchase of tangible fixed assets	(21,374)	(7,680)	(10,397)
Interest received	3,165	5,475	8,122
Net cash from investing activities	(159,664)	(110,023)	(256,380)
Cash flows from financing activities			
Share issue	-	96,800	96,800
Sale of share options	-	-	-
Net cash from financing activities	-	96,800	96,800
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Increase/(Decrease) in cash and cash equivalents	(75,394)	(94,073)	(331,117)
Cash and cash equivalents at beginning of year	692,494	1,023,611	1,023,611

Cash and cash equivalents at end of year	617,100	929,538	692,494
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NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 20121. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH
GENERATED FROM OPERATIONS

	Unaudited half year to 30 June 2012	Unaudited half year to 30 June 2011	Audited year to 31 December 2011
	£	£	£
Loss before income tax	(156,908)	(157,200)	(244,507)
Depreciation charges	15,657	9,900	18,463
Amortisation charges	43,458	30,750	61,505
Employee share option costs	30,544	26,896	40,472
Finance income	(3,165)	(5,475)	(8,122)
	(70,414)	(95,129)	(132,189)
Increase in trade and other receivables	282,154	46,479	(323,391)
(Decrease)/Increase in trade and other payables	(185,759)	(82,662)	233,582
Cash generated from operations	25,981	(131,312)	(221,998)

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 2012	Unaudited half year to 30 June 2011	Audited year to 31 December 2011
	£	£	£
Cash and cash equivalents	617,100	929,538	692,494

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 2011. 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 20 July 2012. The information for the year ended 31 December 2011 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 31 December 2011.