

Fieldbury plc

Fieldbury plc
Previously Freeplay Energy plc
 ("Fieldbury" or "the Company")

Interim Results for the six months ended 30 June 2008

Fieldbury plc is pleased to announce interim results for the six months ended 30 June 2008.

	Six months ended 30 June 2008 US\$'000	Six months ended 30 June 2007 US\$'000	Change %
Revenue from continuing operations	17,619	18,937	-7
(Loss) from continuing operations	(555)	(1,287)	+57
Loss before taxation	(882)	(1,639)	+46
Loss from discontinued operations	(1,605)	(2,901)	+44
Loss for the period	(2,487)	(4,540)	+45
Earnings per share	(0.03)	(0.09)	+67

- Restructuring completed at end of March 2008; overall operational costs reduced significantly on an annualised basis
- Disposal of the Freeplay division on 4 August 2008 to Mr Devinder Raj Narang, Chairman of Narang Group India, for a total consideration of US\$14.5 million, including approximately US\$5 million of debt; Dixie Sales is now the sole operating company within Fieldbury
- Dixie Sales division had promising first half with revenue of US\$17.6 million in line with the Board's expectations; continued strong performance expected for 2008
- As part of Dixie's ongoing strategy to increase margins, the business has sought to exit agreements lower margin agreements with Philips and Bye Bye Standby and has terminated its relationship with Redmax effective late September 2008
- New contracts signed with distributors; expected to produce new revenue of US\$1 million on an annualised basis commencing 2009

Commenting on the outlook for the year, Rory Stear, Chairman, said:

"With a stronger balance sheet Fieldbury, including its Dixie Sales division, is well positioned to make further progress during the remainder of the year. The disposal of the Freeplay division has enabled the management team to focus on returning Dixie Sales to profitability. Consequently, the Board is positive about the Company's prospects during 2008 and beyond and looks forward to a promising and exciting second half of the year."

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For further information, please contact:

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Chairman's Statement

I am pleased to present the results for Fieldbury plc for the period ended 30 June 2008.

The Board is encouraged by the progress made in what was a pivotal year for the Company and is particularly satisfied by the achievements made against a backdrop of significant Group restructuring and difficult consumer markets.

The restructuring was completed at the end of March 2008 and, as a result of the measures undertaken, overall operational costs across the Group have been reduced significantly on an annualised basis. Since the start of the restructuring in September 2007, Freeplay Energy has performed in line with the Board's expectations thanks largely to the increased visibility of earnings afforded to both the Dixie Sales ("Dixie") and Freeplay ("Freeplay") divisions.

This restructuring has resulted in a simplified, better focused Group that is more able to pursue the significant growth opportunities identified. The progress already being made in the current financial year allows the Board to feel confident that sales are in line with our internal forecasts. We are encouraged that Dixie is performing in line with the Board's expectations and anticipate a continued strong performance for Fieldbury's continuing operations in 2008.

On 27 May 2008, Freeplay Energy plc announced it had entered into conditional agreements to dispose of the Freeplay Division to Mr Devinder Raj Narang, Chairman of Narang Group India, for a total consideration of US\$14.5 million, subject to adjustment, which includes the assumption of approximately US\$5 million of debt.

The disposal was completed on 4 August 2008 and following this disposal and sale of the rights to the Freeplay name and associated trademarks, Freeplay Energy plc changed its corporate name to Fieldbury plc

As a result of the disposal of Freeplay Energy, Dixie Sales is now the sole operating company within Fieldbury.

Financial Review

Total Group revenue for the period, including discontinued operations, was US\$22.3 million (2007: US\$21.0 million), including a contribution of US\$17.6 million (2007: US\$18.9 million) from Dixie Sales and US\$4.7 million (2007: US\$2.1 million) from the Freeplay Energy division.

Gross profit, including discontinued operations, increased to US\$6.6 million (2007: US\$5.8 million), with the Dixie division contributing US \$5.6 million to the total.

Group revenue on a continuing basis, comprising Dixie Sales, was US\$17.6 million (2007: US\$18.9 million). During the year Dixie Sales exited certain lower margin businesses and gross margin increased by 7.7% to US\$5.6 million (2007: US\$5.2 million). Operating loss was US\$0.55 million (2007: Loss US\$1.3 million). The loss before taxation from continuing operations was US\$0.89 million (2007: Loss US\$1.6 million) and the corresponding loss per share was US\$0.01 (2007: loss US\$0.03).

The loss from discontinued operations, comprising the Freeplay division, was US\$1.6 million (2007: US\$2.9 million) and the corresponding loss per share was US\$0.02 (2007: loss of US\$0.06).

Following the disposal of Freeplay Energy, Fieldbury plc now has a stronger balance sheet. The total secured debt as at 30 June 2008 reduced from US\$12.7 million to US\$8.0 million at 31 August 2008. In addition Fieldbury plc had cash reserves at 31 August 2008 of US\$5.6 million.

Capital Reduction

As outlined in the Circular dated 12 June 2008, the Board of Fieldbury intends to apply to the High Court for permission to reduce the share premium account of the Company in order to enable the Company to partially eliminate the deficit on its profit and loss account. This was approved by shareholders at a General Meeting held on 27 June 2008. Work is progressing on this capital reduction and further information will be given in due course.

Review of Operations

Dixie Sales

Dixie Sales, the sales marketing, distribution and customer service provider, had a promising first half, in what is historically the stronger part of the year, with revenue of US\$17.6 million in line with the Board's expectations.

Following a strong first quarter, the division continued to experience encouraging trading conditions, enabling the Board to feel confident that Dixie remains on course to return to profitability in the current financial year. Earnings from continuing operations improved year over year for the 6 month period from a loss of US\$1.29 million in 2007 to a loss of US\$0.55 million in 2008.

As part of Dixie's ongoing strategy to increase margins, the business has sought to exit agreements with Philips and Bye Bye Standby which are low margin lines of business. In line with this strategy, the Division has decided to terminate its relationship with Redmax effective late September 2008. In addition to improving the overall gross margin this will result in a substantial reduction in Dixie's inventory investment. The average Redmax inventory on hand was approximately US\$2 million.

A number of organisational changes were also implemented during the period. Divisional P&L reporting is now in place and will ensure improved accountability and more accurate forecasting. An incentive based compensation plan for sales staff has also been implemented and should help drive sales in the second half of 2008.

During the period, key contracts with Canadian Tire Corporation, Yamaha Motors, Generac, Fiskers and Bounty Hunter were signed and are expected to produce in the order of US \$1 million in new revenue on an annualized basis commencing in 2009. Alongside this, Dixie continues to expand its geographic reach in the US and Canada by continuing to leverage its relationships in US mass merchant and manufacturing markets. Key new contracts include Lowes Canada, Swisher Canada Inc and HOP Canada (Husqvarna).

Freeplay

Following the disposal of this division on 4 August 2008, this will be the last time the division's progress will be reported by Fieldbury.

Trading in the Freeplay division in the first half of 2008 was in line with the Board's expectations in spite of the difficult consumer markets in all areas of its business.

The joint-venture with Narang Group, Freeplay Energy India, continued to perform well during the period, taking advantage of the significant opportunities in that evolving market. The Aid & Humanitarian division has had a good first half and the North American business has continued with the progress made during the first quarter. Freeplay's relationships with the retailers in its key developed markets have grown strongly and, in the UK, both Currys/Dixons and Marks and Spencer will continue to stock Freeplay products throughout 2008.

People

Following the disposal of the Freeplay division, David Floyd, Managing Director of Freeplay, and Colin Batt, Finance Director, resigned from the Board of Fieldbury plc. The current executive team at Fieldbury now comprises Rory Stear as Executive Chairman and Harold Reiter as Chief Executive Officer of Dixie Sales. There have been no changes to the non-executive directors.

On behalf of the Board I would like to thank the management and staff of both Dixie Sales and the Freeplay division for their commitment during the year. I would also like to take this opportunity to wish the staff of the Freeplay division well under its new owners.

Outlook

The restructuring measures implemented by the Board mean that Dixie Sales has made strong progress since the half year end and continued to perform in line with the Board's expectations. Following a strong July and August we firmly believe that its solid business and customer base position the Group well for significant profitability in the years ahead.

With a stronger balance sheet Fieldbury, including its Dixie Sales division is well positioned to make further progress during the remainder of the year. The disposal of the Freeplay division has enabled the management team to focus on returning Dixie Sales to profitability. Consequently, the Board is positive about the Company's prospects during 2008 and beyond and looks forward to a promising and exciting 2nd half of the year.

R Stear
CHAIRMAN

Fieldbury Plc
GROUP INCOME STATEMENT
For the period ended 30 June 2008

		Unaudited 6 months ended 30 June 2008	Unaudited 6 months ended 30 June 2007	Audited Year ended 31 December 2007
	<i>Notes</i>	Total US\$000	Total US\$000	Total US\$000
REVENUE	1	17,619	18,937	36,744
Cost of sales		-12,040	-13,774	-27,063
GROSS PROFIT		5,579	5,163	9,681
Administrative expenses		-5,141	-5,042	-10,995
Distribution expenses		-777	-962	-1,597
Other income/(expense)		119	-400	-250
Impairment of intangible assets		-	-	-1,787
Amortisation of intangible assets		-269	0	-633
Share of losses of joint venture		-66	-46	-145
LOSS from operations		-555	-1,287	-5,726
Finance expenses		-327	-352	-739
Finance income		-	-	1
LOSS BEFORE TAX		-882	-1,639	-6,464
Income tax		-	-	474
Loss from Continuing Operations		-882	-1,639	-5,990
Loss from Discontinued Operations	2	-1,605	-2,901	-4,631
Loss for the period		-2,487	-4,540	-10,621
Earnings per Share Continuing Operations				
Basic		-0.01	-0.03	-0.1
Fully diluted		-0.01	-0.03	-0.1
Earnings per Share Total				
Basic		-0.03	-0.09	-0.2
Fully diluted		-0.03	-0.09	-0.2

Fieldbury Plc**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****For the period ended 30 June 2008**

	Unaudited 6 months ended 30 June 2008 US\$000	Unaudited 6 months ended 30 June 2007 US\$000	Audited Year ended 31 December 2007 US\$000
Foreign currency differences	-	29	99
Net income recognised directly in equity	-	29	99
Loss after tax	-2,487	-4,540	-10,621
Total recognised income and expense for the financial year	-2,487	-4,511	-10,522

Fieldbury Plc
GROUP BALANCE SHEET
As at 30 June 2008

	Notes	Unaudited 30 June 2008 US\$000	Unaudited 30 June 2007 US\$000	Audited Year ended 31 December 2007 US\$000
ASSETS				
NON CURRENT ASSETS				
Goodwill		3,495	8,198	3,495
Other intangible assets		3,673	279	4,428
Property, plant and equipment		807	1,329	948
		<u>7,975</u>	<u>9,806</u>	<u>8,871</u>
CURRENT ASSETS				
Inventory		9,447	11,110	11,488
Trade receivables and other receivables		7,785	6,686	7,234
other assets		445	746	824
Cash and cash equivalents		0	626	396
Total current assets		<u>17,677</u>	<u>19,168</u>	<u>19,942</u>
Non current assets classified as held for sale	2	846	-	-
TOTAL ASSETS		<u><u>26,498</u></u>	<u><u>28,974</u></u>	<u><u>28,813</u></u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital		11,426	6,608	11,426
Share premium account		28,761	29,028	28,761
Merger reserve		1,947	1,947	1,947
Other reserves		62	60	60
Foreign currency translation reserve		154	84	154
Share based payment reserve		1,762	2,011	1,881
Retained losses		-41,761	-33,194	-39,275
TOTAL EQUITY		<u>2,351</u>	<u>6,544</u>	<u>4,954</u>
NON CURRENT LIABILITIES				
Amounts due to bankers and long term financial liabilities		255	1,054	364
Deferred taxation		1,698	200	1,698
		<u>1,953</u>	<u>1,254</u>	<u>2,062</u>
CURRENT LIABILITIES				
Trade and other payables		8,062	7,091	8,029
Amounts due to bankers and short term financial liabilities		12,650	14,085	13,289
Other liabilities and provisions		1,482	-	479
		<u>22,194</u>	<u>21,176</u>	<u>21,797</u>
TOTAL LIABILITIES		<u>24,147</u>	<u>22,430</u>	<u>23,859</u>
TOTAL EQUITY AND LIABILITIES		<u><u>26,498</u></u>	<u><u>28,974</u></u>	<u><u>28,813</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 18 September 2008 and are signed on its behalf by:

Harold Reiter

Fieldbury Plc
GROUP STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2008

	Share Capital US\$000	Share Premiu m US\$000	Merger reserve US\$000	Other reserve US\$000	Foreign currency translatio n reserve US\$000	Share based payment reserve US\$000	Retaine d losses US\$000	Total Equity US\$000
Balance 31 December 2006	6,608	29,028	1,947	60	55	1,387	-28,654	10,431
Share based compensation	-	-	-	-	-	624	-	624
Share issue costs	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	-4,540	-4,540
Exchange differences arising on translation of foreign operations	-	-	-	-	29	-	-	29
Balance at 30 June 2007	6,608	29,028	1,947	60	84	2,011	-33,194	6,544
Share based compensation	-	-	-	-	-	-130	-	-130
Loss for the period	-	-	-	-	-	-	-6,081	-6,081
Issue of shares in the year	4,818	-	-	-	-	-	-	4,818
Share issue costs	-	-267	-	-	-	-	-	-267
Exchange differences arising on translation of foreign operations	-	-	-	-	70	-	-	70
Balance 31 December 2007	11,426	28,761	1,947	60	154	1,881	-39,275	4,954
Share based compensation	-	-	-	-	-	-119	-	-119
Loss for the period	-	-	-	-	-	-	-2,487	-2,487
Exchange differences arising on translation of foreign operations	-	-	-	2	-	-	-	2
Balance 30 June 2008	11,426	28,761	1,947	62	154	1,762	-41,761	2,351

Fieldbury Plc
GROUP CASHFLOW STATEMENT
For the period ended 30 June 2008

	Period ended 30-Jun-08	Period ended 30-Jun-07	Year ended 31-Dec-07
	US\$000	US\$000	US\$000
Loss before taxation	-882	-1,639	-6,464
Adjustments to reconcile loss for the year to cash used in operating activities			
Loss before tax from discontinued operations	-1,605	-2,901	-4,675
Finance cost	494	496	1,097
Finance income	-2	-	-7
Share based compensation	-119	485	494
Depreciation	295	227	520
Amortisation and impairment of intangible assets	269	49	2,420
Decrease/(Increase) in inventory	2,041	-907	-1,285
Decrease/(Increase) in trade and other receivable	-551	-203	1,030
Increase in trade and other payables	33	1,010	1,669
Share of loss from joint venture	66	46	145
Loss on disposal of property, plant and equipment	2	-4	144
Net movement on provisions	894	819	-340
Cash used in operations	934	-2,522	-5,252
Taxation	-	-	343
Cash used in operating activities	934	-2,522	-4,909
Cashflows from investment activities			
Acquisition of property, plant and equipment	-516	-169	-226
Acquisition of intangible assets	-	-93	-369
Interest received	2	-	7
Advances to joint venture	-66	-67	-145
Acquisition of subsidiary undertaking	-	-	-
Cash used in investing activities	-580	-329	-733
Cashflows from financing activities			
Proceeds from the issue of shares	-	-	4,818
Payment for share issue costs	-	-	-267
Repayment of borrowings	-71	-331	-858
Interest on loans	-494	-298	-1,097
Cash from financing	-564	-629	2,596
Decrease in cash and cash equivalents	-210	-3,480	-3,046
Exchange gains	-	-	97
Opening cash and cash equivalents	-12,695	-9,746	-9,746
Closing cash and cash equivalents	-12,905	-13,226	-12,695

Fieldbury Plc**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

GENERAL INFORMATION

The Group's interim result consolidates the results of the company and its subsidiary companies made up to 30 June 2008.

The interim financial information is presented in US Dollars and all values are rounded to the nearest thousand dollars (\$000) except when otherwise indicated.

The company is a limited liability company incorporated and domiciled in England & Wales and whose shares are listed on the London AIM Stock Exchange.

The interim report was approved for issue by the Board of Directors on 16 September 2008.

BASIS OF PREPARATION

The financial information contained in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. It does not therefore include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2007. The financial information for the preceding year is based on the statutory accounts for the year ended 31 December 2007. These accounts have been delivered to the Registrar of Companies.

SIGNIFICANT ACCOUNTING POLICIES

The interim report has been prepared using accounting policies consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2007.

1 SEGMENTAL REPORTING

Primary reporting format business segments

The following tables present revenue and losses and certain asset and liability information regarding the Group's business segments for the periods ended 30 June 2008 and 30 June 2007 and the year ended 31 December 2007.

Period Ended 30 June 2008	Discontinue d Freeplay 2008 US\$000	Continuing Operations 2008 US\$000	Total 2008 US\$000
Revenue			
Group revenue	4,669	17,619	22,288
Inter segment revenue	-	-	-
Segmental revenue	<u>4,669</u>	<u>17,619</u>	<u>22,288</u>
Result			
Segmental result before separately disclosed items	-1,441	-489	-1,930
Share of losses of joint venture		-66	-66
Loss from operations	<u>-1,441</u>	<u>-555</u>	<u>-1,996</u>
Finance Expense	-166	-327	-493
Finance Income	2	-	2
Loss before taxation	<u>-1,605</u>	<u>-882</u>	<u>-2,487</u>
Taxation	-	-	-
Loss after taxation	<u>-1,605</u>	<u>-882</u>	<u>-2,487</u>
Assets and liabilities			
Segment assets	<u>2,381</u>	<u>24,117</u>	<u>26,498</u>
Segment liabilities	<u>7,428</u>	<u>16,744</u>	<u>24,172</u>
Other segment information			
Capital expenditure Property plant and equipment and intangibles	<u>454</u>	<u>62</u>	<u>516</u>
Depreciation and amortisation	<u>147</u>	<u>417</u>	<u>564</u>

Period Ended 30 June 2008

	Discontinue d Freeplay 2007 US\$000	Continuing Operations 2007 US\$000	Total 2007 US\$000
Revenue			
Group revenue	2,080	18,937	21,017
Inter segment revenue	-	-	-
	<u>2,080</u>	<u>18,937</u>	<u>21,017</u>
Segmental revenue	<u>2,080</u>	<u>18,937</u>	<u>21,017</u>
Result			
Segmental result before separately disclosed items	-2,757	-1,241	-3,998
Share of losses of joint venture		-46	-46
	<u>-2,757</u>	<u>-1,287</u>	<u>-4,044</u>
Loss from operations	-2,757	-1,287	-4,044
Finance Expense	-144	-352	-496
Finance Income	-	-	-
	<u>-2,901</u>	<u>-1,639</u>	<u>-4,540</u>
Loss before taxation	-2,901	-1,639	-4,540
Taxation	-	-	-
	<u>-2,901</u>	<u>-1,639</u>	<u>-4,540</u>
Loss after taxation	<u>-2,901</u>	<u>-1,639</u>	<u>-4,540</u>
Assets and liabilities			
Segment assets	<u>6,006</u>	<u>22,968</u>	<u>28,974</u>
Segment liabilities	<u>5,772</u>	<u>16,658</u>	<u>22,430</u>
Other segment information			
Capital expenditure Property plant and equipment and intangibles	<u>123</u>	<u>139</u>	<u>262</u>
Depreciation and amortisation	<u>190</u>	<u>86</u>	<u>276</u>

Period Ended 30 June 2008

	Discontinued Freeplay 2007 US\$000	Continuing Operations 2007 US\$000	Total 2007 US\$000
Revenue			
Group revenue	7,964	37,271	45,235
Inter segment revenue	-	-527	-527
	<u>7,964</u>	<u>36,744</u>	<u>44,708</u>
Result			
Segmental result before separately disclosed items	-4,323	-5,581	-9,904
Share of losses of joint venture		-145	-145
	<u>-4,323</u>	<u>-5,726</u>	<u>-10,049</u>
Loss from operations			
Finance Expense	-358	-739	-1,097
Finance Income	6	1	7
	<u>-4,675</u>	<u>-6,464</u>	<u>-11,139</u>
Loss before taxation			
Taxation	44	474	518
	<u>-4,631</u>	<u>-5,990</u>	<u>-10,621</u>
Assets and liabilities			
Segment assets	<u>5,477</u>	<u>23,336</u>	<u>28,813</u>
Segment liabilities	<u>7,509</u>	<u>16,350</u>	<u>23,859</u>
Other segment information			
Capital expenditure Property plant and equipment and intangibles	<u>446</u>	<u>149</u>	<u>595</u>
Depreciation and amortisation	<u>345</u>	<u>2,595</u>	<u>2,940</u>

2 DISCONTINUED OPERATIONS

	Unaudited 6 months ended 30 June 2008 US\$000	Unaudited 6 months ended 30 June 2007 US\$000	Audited Year ended 31 December 2007 US\$000
REVENUE	4,669	2,080	7,964
Cost of sales	-3,657	-1,460	-6,160
GROSS PROFIT	<u>1,012</u>	<u>620</u>	<u>1,804</u>
Admin, Distribution and Financing Expense	-2,617	-3,521	-6,479
Loss before tax from discontinued operations	<u>-1,605</u>	<u>-2,901</u>	<u>-4,675</u>
Taxation	0	0	44
Net Loss attributable to discontinued operations	<u>-1,605</u>	<u>-2,901</u>	<u>-4,631</u>

Non current assets classified as held for sale

At 30 June 2008 this related to the carrying value of Property, Plant & Equipment and Intangibles for which the Group agreed the disposal of in August 2008.

The net cash flows attributable to discontinued operations are:

	Unaudited 6 months ended 30 June 2008	Unaudited 6 months ended 30 June 2007	Audited Year ended 31 December 2007
Operating Cash Flow	450	-1,730	-2,978
Investing Cash Flow	-520	-236	-448
Financing Activities	-244	-186	3,093
Net cash outflow	<u>-314</u>	<u>-2,152</u>	<u>-333</u>

Loss per Share from Discontinued Operations

	pence	pence	pence
Basic	-0.02	-0.06	-0.01
Diluted	-0.02	-0.06	-0.01

3 LOSS PER SHARE

	Unaudited 30 June 2008 US\$000	Unaudited 30 June 2007 US\$000	Audited Year ended 31 December 2007 US\$000
Total loss for the period	<u>-2,487</u>	<u>-4,540</u>	<u>-10,621</u>
Average number of ordinary shares in issue	96,865	49,802	52,123
Basic and diluted loss per 5p (2007: 5p) ordinary share (in US\$)	<u>-0.03</u>	<u>-0.09</u>	<u>-0.02</u>

The calculation of the basic and diluted loss per ordinary share of 5p (2007: 5p) each has been based on the loss for the relevant period and on 96,864,559 shares (2007: 49,801,868). This represents the weighted average number of ordinary shares in issue. The loss for the period and the weighted average number of ordinary shares for the purposes of calculating the diluted loss per share are the same as for the basic loss per share calculation. This is because the outstanding share options would have the effect of reducing the loss per ordinary share and therefore not dilute under the terms of IAS 33.

4 POST BALANCE SHEET EVENT

DISPOSAL OF FREEPLAY DIVISION AND CHANGE OF NAME

Following approval from the Reserve Bank of India and approval by shareholders at a General Meeting on 27 June 2008, the Company agreed to the disposal of its Freeplay Division ("Freeplay Energy") to Devinder Raj Narang. The total consideration is \$14.5 million, subject to adjustment, and includes the assumption of approximately \$5 million of bank debt.

The disposal was completed on August 4th 2008. Following the disposal and sale of the rights to the Freeplay name and associated trademarks, it has been agreed that Freeplay has changed its corporate name to Fieldbury plc ("Fieldbury"). The Company's shares will continue to be traded on AIM under Fieldbury plc and will have a new RIC code, FIE.L, that came into effect during the week beginning Monday 4th August.

As a result of the disposal of Freeplay Energy, Dixie Sales will be the sole operating company within Fieldbury.