



26 June 2012

Lo-Q plc

**UNAUDITED INTERIM RESULTS
for the six month period ended 30 April 2012**

Lo-Q plc (AIM: LOQ), the AIM listed provider of virtual queuing systems for theme parks and major attractions, announces unaudited Interim Results for the six month period ended 30 April 2012.

This trading period only represents a small percentage of annual revenue due to the very seasonal nature of Lo-Q's business, with the majority of parks being closed or only running a limited operational calendar until Easter.

Financial Highlights

	Six months ended 30 April 2012 (unaudited)	Six months ended 30 April 2011 (unaudited)	Year ended 31 October 2011 (audited)
	£m	£m	£m
Revenue	3.71	3.27	24.55
(Loss)/ profit before tax	(1.12)	(0.94)	2.70
Net cash	5.27	4.03	7.50
Earnings per share – basic (pence)	(4.97)	(4.46)	11.54

Operational Highlights

- Average revenue per guest increased by 14% driven by the increased conversion of customers to premium products
- Awarded an extension for Q-bot solution by Six Flags until the end of 2017
- Extended relationship with Merlin Entertainments with the addition of LEGOLAND Deutschland
- Successfully trialled and launched water park product, Q-band:
 - Signed agreements with 8 further Six Flags water parks
 - Additional contracts in place with Palace Entertainments (Splish Splash) and Zoombezi Bay
- 12-week pilot for a Smartphone-based solution progressing well with one of London's best known 'single-line' attractions
- Signed global agreement with MasterCard to develop a new contactless payment solution

Post-Period End Highlights

- Q-bot system trialled on smartphones at a North American Park in Summer 2012

Commenting on the results, Tom Burnet, Chief Executive of Lo-Q, said:

"We have had an encouraging first half, contracting with both new and existing customers and ensuring that these new mandates were installed efficiently and effectively, ready for the important second half trading period. This we have done and I am delighted with the progress our roll-out team has made, with both new Q-bot and Q-band installations primed and ready for guest use. Now, as the important peak theme park season

comes to life, we are ready to take full advantage of our increased operational footprint and look forward to a full year financial performance in line with our expectations.”

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About Lo-Q

Lo-Q is the creator of a virtual queuing system for theme parks, water parks and other leisure attractions that allows users to queue without waiting in line. Lo-Q users reserve their place in a queue electronically and are notified when their turn is up, spending less time queuing and more time enjoying their day out.

Lo-Q's system has been adopted by leading theme park and attraction operators globally, with customers including Parques Reunidos, Six Flags, Dollywood and Merlin Entertainments. These operators benefit not only from happier customers but also from additional revenue streams as time previously spent queuing is instead transformed into higher spending in park restaurants, gift shops and other retail facilities. By the end of 2011, more than eight million individuals had used a Lo-Q product and that number is growing.

The Company's technology is protected by extensive patents or patents pending in Europe, USA, Hong Kong and Japan. The target market for this technology is large and growing, with Lo-Q currently exploring opportunities for expansion into new theme parks and new geographies as well as opportunities to develop new product for other complementary adjacent markets. Products include:

Q-bot

Guests reserve a ride on their hand-held Q-bot device, allowing them to enjoy the rest of the park whilst the Q-bot virtually queues for them. When it's time to ride, the Q-bot lets them know and they head straight on to their reserved ride. In Summer 2012 theme park guests will also be able to enjoy the virtual queuing benefits of the Q-bot from their own Smartphone.

Q-smart

Q-smart puts our virtual queuing technology straight onto a smart phone. With attraction information, offers and the mobile payment & ticketing features of Q-pay, park guests can reserve, pay for and manage their rides.

Q-band

Q-band is the world's first virtual queuing solution for water parks. Using a waterproof RFID wristband, customers reserve their favourite slide at a touchscreen kiosk. The Q-band displays their wait time and once it has counted down to zero, it's time to ride and the guest heads straight onto their reserved slide. The product can also incorporate cashless payment and access control features.

Q-pay

Q-pay is our mobile payment and ticketing solution that's easily integrated into our line-up of Lo-Q products as well as attraction's existing systems.

Lo-Q is listed on the Alternative Investment Market ("AIM") under the ticker "LOQ". For further information please visit www.lo-q.com. These Interim Results are available on Lo-Q's website at www.lo-q.com

Lo-Q plc (“Lo-Q” or the “Company”)

Interim Results for the six month period ended 30 April 2012

Chief Executive’s Statement

Financial Review

I am pleased to report a good set of results for the first half of the year.

Revenues were up 13.7% to £3.71m (2011: £3.27m). This double digit revenue growth was delivered against a 6% like-for-like increase in guest attendance at the parks where we operate, and without any material additions in the half to our installed park base. Our ability to deliver revenue growth of this kind owes, in part, to the partnership approach we and our operator customers adopt in pricing our offering and services within parks. In this particular half, a good performance from our systems in existing parks and an increase in sales & marketing efforts focused on the up selling of Lo-Q products by our in-park teams have also contributed to growth. As a result, whilst we saw a slight decrease this half of 1% in the number of park guests utilising a Lo-Q system, our success in increasing the number of guests utilising our premium products delivered a pleasing increase in average revenue per guest of 14%.

The contribution from our new contract wins, set out below, is not significant for the first half but will feed into the second half of the year, with the contribution from new park installations expected to grow over the term of the operation. Traditionally Lo-Q’s performance is significantly second half weighted due to the seasonal nature of the business. As previously flagged, this weighting will increase this year as a result of the investments made in supporting new product and new customer installations.

During the period, expenditure increased in line with our expectations as we have continued to invest in our technology and products as well as increasing headcount to implement and install our existing and new products in the parks. We have seen the results of this hard work and the sales and marketing efforts come to fruition over the period with a stream of new business wins now coming on line and by an excellent new business pipeline.

The Company also continues to invest in R&D in future technologies as well as patent protection as we recognise the importance of technology and continue to anticipate opportunities and trends in our dynamic market environment.

The increase in expenditure, outlined above, means that the Loss before Tax has increased to £1.12m (2011: £0.94m).

Cash

The Company remains debt free with cash of £5.27m (H1 2011: £4.03m) demonstrating a year on year increase of 30.8%. At the end of April, just prior to the start of the principal theme park, water park and attractions season, cash levels were close to the annual low point for the Company.

Cash outflow for the period increased to £2.23m from £1.99m. This increase includes the installation or part installation of the new business detailed in the Operational Review and is consistent with increased working capital requirements from new business installations and increased tax payments. The Board believes that the Company is in a strong financial position at the period end.

The policy of the Board continues to be to hedge an appropriate proportion of its dollar exposure before or during the relevant period.

Dividend

As mentioned previously, it remains the view of the Board that the payment of a dividend is unlikely in the short to medium term, given anticipated new product investment, deployment and other investment opportunities.

Operational Review

We have had an encouraging start to the year demonstrated by the performance in the first six months. The business has performed well at our existing parks due to the continuing strong relationships between the park operators and our in-park teams. We have also been positively impacted as a result of the recent investment that park operators have made in new rides within their parks. This in turn encourages new guests into the parks as well as returning guests. We continue to build on our success in the theme park arena as well as gaining traction in our newer markets such as water parks and those suitable for Smartphone applications.

Overall trading is up 14% on the same period last year, with our North American business performing well, though unseasonably cold and wet weather has impacted trading in Europe. However, where the weather has been favourable, strong attendances have driven excellent sales, which underscore the effectiveness of our in-park operations and the attraction of our products.

Customer Contracts

In the period, we have announced a number of new contracts as well as signed extensions to existing contracts. In November 2011, we were awarded an extension for our Q-bot solution by Six Flags: the Company's largest customer and the world's largest regional theme park operator. This agreement means that our systems will continue to be available in their parks until the end of 2017. This contract represented an important milestone for the Company and to a certain extent underpins a significant proportion of our financial performance. We also extended our relationship with Merlin Entertainments by adding LEGOLAND Deutschland to our portfolio, the second LEGOLAND park to offer our technology to its guests.

Our sales pipeline remains very healthy and of high quality, containing a number of advanced opportunities with leading operators.

Launching of new products

Following the launch of our new and innovative water park product, Q-band, last year, we have achieved strong early sales success. The 2011 trial at Six Flags White Water Atlanta was successful and gained positive feedback from guests; this has now been formalised into a contracted agreement. The agreement provides for Six Flags to install Q-band systems to a further eight other water park sites within its estate and runs to the end of 2017. The Q-band product was initially launched at two parks over the first weekend of May, with the remaining parks going live by the end of that month. This is an exciting development for the Company and showcases our ability to deploy our technology into significant adjacent markets.

Our success in the water park market has also meant that we have secured a contract to install and implement our system at Splish Splash, part of Palace Entertainments in Long Island, New York as well as a five year

agreement with Zoombezi Bay in Ohio, another US water park, which is owned and operated by Columbus Zoo and Aquarium.

As with all new parks, in the second half of the year we would expect to see some contribution in revenue and profitability as each park comes on board. However we would not expect to see the full impact of their contribution until the product establishes itself, usually over a 3 or 4 year period.

The strong sales traction for Q-band with three park operators reinforces the strength of Lo-Q's Q-band water park solution and demonstrates the significant progress in this exciting and sizeable new market. There remain a number of large water park operators for the Company to target and we are in active discussions with several key players.

As announced at the beginning of December 2011, we have also signed a global agreement with MasterCard to develop a new contactless payment solution to be used in water parks and other potential venues. Under the terms of the partnership, we will combine our innovative queuing software with MasterCard's Tap & Go™ and PayPass™ payments technology. This product development is progressing in line with expectations.

In the remainder of this year we also plan to trial the delivery of our Q-bot system on guests' Smartphone's, in a North American park.

Extending our reach

As we have demonstrated over the past six months, we continue to make in-roads into complementary markets adjacent to our core markets, which we see as an important step in the development of the Company.

In line with this strategy, we agreed a pilot for a Smartphone-based solution with one of London's best known 'single-line' attractions. This is the first of our 'single-line' ticketing solutions and the early results have been encouraging. As previously mentioned, this is an attractive vertical that we believe includes a large range of potential future customers including popular tourist sites, sport stadiums, festivals, concerts, museums and special exhibitions.

We are continuing to develop our mobile payments, ticketing, and scheduling software capability as we look to develop further business in 'single-line' attractions and in adjacent markets. We also continue to look at how we may add to our existing product portfolio. Despite significant consolidation of ownership in the theme and leisure market, over the past ten years the supply chain remains largely fragmented and mostly very small in scale. Having talked with our customers, we believe that this presents an excellent opportunity to acquire other technology-focused organisations within the industry to build a multi-disciplined supplier of scale and reach.

Additionally we are also exploring opportunities to accelerate penetration or open additional geographic markets. Asia represents the fastest growing market geographically for Lo-Q, with the top 20 parks growing attendance by some 9.4% in 2011 and we are exploring a partnership with a well established pan-Asian business to provide our entry point into this region.

These are exciting developments in the Company's growth plans both from extending our reach into new geographical territories as well as adjacent markets.

Outlook

I am pleased to report a strong set of results for the half year. Trading is continuing well and I remain confident that the momentum will carry on into the second half. Although we are only at the beginning of the key Summer trading period of the majority of our existing parks, we are ready to take full advantage of our increased operational footprint and look forward to a full year financial performance in line with our expectations.

Tom Burnet
Chief Executive
26 June 2012

Consolidated Statement of Comprehensive Income

	Six months ended	Six months ended	Year ended
	30 April 2012 (unaudited)	30 April 2011 (unaudited)	31 October 2011 (audited)
	£	£	£
Revenue	3,711,210	3,265,929	24,546,020
Cost of Sales	<u>(3,086,588)</u>	<u>(2,696,144)</u>	<u>(18,339,014)</u>
GROSS PROFIT	624,622	569,785	6,207,006
Administrative expenses	<u>(1,776,019)</u>	<u>(1,526,126)</u>	<u>(3,540,316)</u>
OPERATING (LOSS)/PROFIT	(1,151,397)	(956,341)	2,666,690
Finance income	<u>32,753</u>	<u>13,859</u>	<u>34,825</u>
(LOSS)/PROFIT BEFORE TAX	<u>(1,118,644)</u>	<u>(942,482)</u>	<u>2,701,515</u>
Tax	<u>262,894</u>	<u>206,975</u>	<u>(760,696)</u>
(LOSS)/PROFIT FOR THE PERIOD/YEAR	<u>(855,750)</u>	<u>(735,507)</u>	<u>1,940,819</u>
OTHER COMPREHENSIVE INCOME			
Exchange differences on translating foreign operations	<u>(4,645)</u>	<u>(39,948)</u>	<u>74,478</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD/YEAR, NET OF TAX	<u>(4,645)</u>	<u>(39,948)</u>	<u>74,478</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/ YEAR	<u>(860,395)</u>	<u>(775,455)</u>	<u>2,015,297</u>
Loss Attributable to Owners of the parent	<u>(855,750)</u>	<u>(735,507)</u>	<u>1,940,819</u>
Total comprehensive income attributable to Owners of the parent	<u>(860,395)</u>	<u>(775,455)</u>	<u>2,015,297</u>
Earnings per share (pence)			
Basic	(4.97)	(4.46)	11.54
Diluted	<u>(4.77)</u>	<u>(4.32)</u>	<u>11.04</u>

All activities of the company are classified as continuing

Consolidated Statement of Financial Position

	30 April 2012 (unaudited) £	30 April 2011 (unaudited) £	31 October 2011 (audited) £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	1,187,752	1,225,165	1,182,607
Property, plant and equipment and Installed Systems	<u>458,467</u>	<u>262,283</u>	<u>477,755</u>
	<u>1,646,219</u>	<u>1,487,448</u>	<u>1,660,382</u>
CURRENT ASSETS			
Inventories	1,311,451	561,343	494,301
Trade and other receivables	1,065,520	1,055,078	1,134,576
Tax receivable	284,612	198,761	-
Cash and cash equivalents	<u>5,265,964</u>	<u>4,026,648</u>	<u>7,497,791</u>
	<u>7,927,547</u>	<u>5,841,830</u>	<u>9,126,668</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	869,675	815,372	1,007,477
Tax payable	<u>-</u>	<u>-</u>	<u>346,570</u>
	<u>869,675</u>	<u>815,372</u>	<u>1,354,047</u>
NET CURRENT ASSETS	<u>7,057,872</u>	<u>5,026,458</u>	<u>7,772,621</u>
NET ASSETS	<u>8,704,091</u>	<u>6,513,906</u>	<u>9,433,003</u>
SHAREHOLDERS' EQUITY			
Called up share capital	173,162	171,215	171,702
Share premium	6,602,931	6,467,550	6,515,908
Own shares held in trust	(1,331,956)	(1,331,956)	(1,331,956)
Other reserves	281,661	159,161	238,661
Retained earnings	<u>2,978,293</u>	<u>1,047,936</u>	<u>3,838,688</u>
Total equity	<u>8,704,091</u>	<u>6,513,906</u>	<u>9,433,003</u>
TOTAL SHAREHOLDERS EQUITY	<u>8,704,091</u>	<u>6,513,906</u>	<u>9,433,003</u>

Consolidated Statement of Cash Flows

	Six months ended	Six months ended	Year ended
	30 April 2012 (unaudited)	30 April 2011 (unaudited)	31 October 2011 (audited)
	£	£	£
Cash flows from operating activities			
Cash generated from operations	(1,682,433)	(1,520,278)	2,882,023
Tax paid	<u>(368,288)</u>	<u>(199,557)</u>	<u>(621,897)</u>
Net cash flow from operating activities	<u>(2,050,721)</u>	<u>(1,719,835)</u>	<u>2,260,126</u>
Cash flows from investing activities			
Purchase of intangible fixed assets	(208,391)	(158,472)	(344,050)
Purchase of tangible fixed assets	(93,951)	(139,347)	(532,398)
Interest received	<u>32,753</u>	<u>13,859</u>	<u>34,825</u>
Net cash used in investing activities	<u>(269,589)</u>	<u>(283,960)</u>	<u>(841,623)</u>
Cash flows from financing activities			
Share Issue	1,460	350	837
Share Premium	<u>87,023</u>	<u>11,650</u>	<u>60,008</u>
Net cash from financing activities	<u>88,483</u>	<u>12,000</u>	<u>60,845</u>
(Decrease)/Increase in cash and cash equivalents	(2,231,827)	(1,991,795)	1,479,348
Cash and cash equivalents at beginning of year	<u>7,497,791</u>	<u>6,018,443</u>	<u>6,018,443</u>
Cash and cash equivalents at end of period	<u><u>5,265,964</u></u>	<u><u>4,026,648</u></u>	<u><u>7,497,791</u></u>

Statement of Changes in Equity

Six Months ended 30 April 2011 (unaudited)	Share capital	Retained earnings	Share premium	Own shares held in trust	Other reserves	Total
	£	£	£	£	£	£
Balance at 1 November 2011	171,702	3,838,688	6,515,908	(1,331,956)	238,661	9,433,003
Loss for Period	-	(855,750)	-	-	-	(855,750)
Foreign exchange	-	(4,645)	-	-	-	(4,645)
Issue of share capital	1,460	-	87,023	-	-	88,483
Recognition of shared-based Payments	-	-	-	-	43,000	43,000
Balance at 30 April 2012	173,162	2,978,293	6,602,931	(1,331,956)	281,661	8,704,091

Six Months ended 30 April 2011 (unaudited)	Share capital	Retained earnings	Share premium	Own shares held in trust	Other reserves	Total
	£	£	£	£	£	£
Balance at 1 November 2010	162,327	1,823,391	5,132,482	-	141,621	7,259,821
Loss for Period	-	(735,507)	-	-	-	(735,507)
Foreign exchange	-	(39,948)	-	-	-	(39,948)
Issue of share capital	8,888	-	1,335,068	-	-	1,343,956
Own shares held in trust	-	-	-	(1,331,956)	-	(1,331,956)
Recognition of shared-based Payments	-	-	-	-	17,540	17,540
Balance at 30 April 2011	171,215	1,047,936	6,467,550	(1,331,956)	159,161	6,513,906

Year ended 31 October 2011 (audited)	Share capital	Retained earnings	Share premium	Own shares held in trust	Other reserves	Total
	£	£	£	£	£	£
Balance at 1 November 2010	162,327	1,823,391	5,132,482	-	141,621	7,259,821
Profit for the year	-	1,940,819	-	-	-	1,940,819
Foreign exchange	-	74,478	-	-	-	74,478
Issue of share capital	9,375	-	1,383,426	-	-	1,392,801
Own shares held in trust	-	-	-	(1,331,956)	-	(1,331,956)
Recognition of shared-based Payments	-	-	-	-	97,040	97,040
Balance at 31 October 2011	171,702	3,838,688	6,515,908	(1,331,956)	238,661	9,433,003

Cash Flow Statement

	Six months ended	Six months ended	Year ended
	30 April 2012 (unaudited)	30 April 2011 (unaudited)	31 October 2011 (audited)
	£	£	£
(Loss)/Profit before tax	(1,118,644)	(942,482)	2,701,515
Depreciation charges	316,505	192,629	598,324
Share based payment	43,000	17,540	97,040
Foreign exchange	(4,645)	(39,948)	74,478
Finance income	(32,753)	(13,859)	(34,825)
	<u>(796,537)</u>	<u>(786,120)</u>	<u>3,426,532</u>
Increase in inventories	(817,150)	(318,070)	(251,028)
Decrease/ (Increase)in trade and other receivables	77,635	(226,342)	(305,840)
(Decrease)/Increase in trade and other payables	(146,381)	(189,746)	2,359
Net cash (outflow)/ inflow from operations	<u><u>(1,682,433)</u></u>	<u><u>(1,520,278)</u></u>	<u><u>2,882,023</u></u>

Notes to the Interim Statements

1. Lo-Q plc is a public limited company incorporated in the United Kingdom, whose shares are publicly traded on the AIM market. The Company is domiciled in the United Kingdom and its registered address is Thames House, Portsmouth Road, Esher, Surrey, KT10 9AD.
2. This interim financial information in this statement was approved for issue by the Board on 25 June 2012.
3. These accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS).
4. The financial information in this statement is unaudited and does not constitute statutory accounts for the purposes of section 434 of the Companies Act 2006. The accounts of the Company for the financial period ended on 31 October 2010 have been reported on by the Company's auditors and have been delivered to the Registrar of Companies. The report of the auditors was unqualified and did not include any statement under section 498 of the Companies Act 2006.
5. The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2011.
6. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.
7. Earnings per share have been calculated on the result for the period after taxation and the weighted average number of shares in issue of 17,217,582. The diluted earnings per share is calculated with 17,943,969 shares.