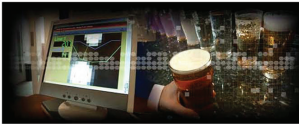




Brulines Group plc

Interim Results for the
six months ended 30 September 2011



The leading provider of real time monitoring systems and
data management services for the leisure and forecourt services sector

Brulines Group plc

("Brulines" or "the Group")

Financial Highlights

- Turnover of £11.79 million (H1 2011: £12.27 million)
- Profit before tax of £1.62 million (H1 2011: £1.95 million) and post exceptional items of £(0.1) million (H1 2011: £0.2 million)
- Basic earnings per share of 4.25p (H1 2011: 4.98p)
- Interim dividend payment maintained at 1.67p (H1 2011: 1.67p)
- Recurring revenues account for over 80% of core leisure business; recurring turnover blended across the Group is 70%
- Leisure division operating profit up 2.28% at £2.69 million (H1 2011: £2.66 million)
- Fuel Solutions operating loss of £0.45 million (part H1 2011: £ (0.0) million)

Operational Highlights

- Continued roll out of iDraught™ sales with Enterprise Inns placing 500 unit order
- Successful launch of Nucleus Smart Till™ EPOS system
- Contract extensions agreed with Enterprise Inns PLC, Spirit Group PLC, and at an advanced stage with several other core customers
- Continued roll out of Vianet's vending telemetry with leading international brand owners
- Although Fuel Solutions had a difficult Q1 arising from integration problems it achieved operational break even during Q2
- Post balance sheet acquisition of Lookout Solutions Limited
- Contract with Visa Europe to provide contactless payment technology in its vending machines

Chairman's Statement

In light of the continued difficult economic conditions in the key sectors in which the Group operates, the Board believes that Brulines has achieved a satisfactory set of results for the six months to 30 September 2011, demonstrating the strength of our recurring revenue streams, particularly within the Leisure Division.

Results

Turnover for the past six months amounted to £11.79 million, some 3.9% lower than the same period last year (H1 2011: £12.27 million). This decrease is largely due to pub closures and disposals which resulted in a net reduction of 660 sites in our core Leisure business installation base, although this was partially offset by delivering 361 higher value new iDraught™ installations. Turnover within the Fuel Solutions Division remained broadly flat compared to the same period last year, although both Edensure and RFS performed well.

Despite integration issues holding back the performance of the Fuel Solutions Division, Group gross margins remained strong at 53.0% as compared to 55.2% in H1 2011. The Group has maintained tight control over fixed overheads, which reduced by some 7.0% on last year, and the Board continues to review these in light of the difficult trading conditions within the leisure market.

The Group's profit before amortisation, share based payments and exceptional items amounted to £1.91 million (H1 2011: £2.42 million), a decrease of 21 % over the comparable period last year. Profit before taxation amounted to £1.62 million (H1 2011: £1.95 million).

The Group's earnings per share, before exceptional credits of £0.09 million (H1 2011: charge of £0.20 million), amounted to 3.93 pence (H1 2011: 5.43 pence).

Dividend

In line with the Group's current dividend policy and also to reflect the Board's view of the prospects for the year as a whole, the Board has declared an interim dividend of 1.67 pence per share (H1 2011: 1.67 pence per share), payable on 1 February 2012 to shareholders on the register as at 16 December 2011. A final dividend of 3.98 pence per share was paid in respect of the year ended 31 March 2011 on 28 July 2011.

Outlook

Although the economic climate remains challenging, particularly in the pub sector, the Board believes that the Group is well placed to make progress in H2, particularly in light of:

- a number of contract extensions, including Enterprise Inns, which was announced on 1 November 2011. In addition, the Group is in discussions with several of its other key customers in its Leisure Division over similar contract extensions;
- the progress being made by Vianet with new sales opportunities with major international brand owners, especially following the acquisition of Lookout Solutions and the appointment of Mark Boland as Sales and Marketing Director; and
- the recent improvement in trading within the Fuel Solutions Division following integration problems in the first half of the year.

Brulines is well positioned in all of the markets in which it operates, and the Board remains confident about the Group's prospects for the future.

James H Newman
Chairman
6 December 2011

Executive Review

Satisfactory financial performance in a difficult trading environment

Despite the difficult environment, the Board is pleased to report that trading in the Group's core beer monitoring business has been robust despite some initial delays to iDraught™ installation programmes. The Group's Fuel Solutions Division performance was significantly held back in the first quarter by some integration matters which have now been satisfactorily resolved, with the second quarter showing a better performance, and trading positively before exceptional costs. The resulting impact of all of these factors is that the Group's results for the six months to 30 September 2011 are moderately behind management expectations for the period.

Nonetheless, the Board is encouraged by the headway made in reducing the losses associated with Vianet, the progress being made in the core beer monitoring business with further iDraught™ gains notably with Enterprise Inns, and the improvements now being seen in the Fuel Solutions division moving close to contributing positively on a month by month basis. The Group's technology business, Viatelemetry, is bringing benefits to its internal customers, protecting margin, and also growing an increasing foothold externally which the Board believes will result in this business moving towards being a profit contributor, as planned.

Overall the financial impact from the Group's trading performance has led to the following results:-

Group turnover was £11.79 million, down by 3.9% on last half year (H1 2011: £12.27 million) resulting primarily from slower installation traction and first quarter integration matters within the Fuel Solutions division.

Gross margins remained strong at expected levels of 53.0% (H1 2011: 55.2%) underpinned overall by a blended recurring revenue rate across the Group of approximately 70%.

The core beer monitoring business continued to generate strong operational cash flow of £1.3 million in H1 2011, despite being held back by the timing of debtor and creditor movements which impacted the overall Group cash generation. With a combination of the Group's own cash and the utilisation of an overdraft facility for the acquisitions of 2010-11, the Group had cash balances of £0.14 million, an overdraft of £1.19 million, and overall net debt of £3.27 million at 30 September 2011. The Group continues to be cash generative which provides a strong financial base for both operations and development.

Core beer monitoring service customers and contracts

The core Leisure business delivered 387 new installations in the first half, of which 361 were the higher value iDraught™ (H1 2011: 595 installations, of which 533 were iDraught™). These installations have taken iDraught™ penetration to near 9% of the active installation base which, factoring in pub closures and disposals, fell by a net 660 sites in H1 2012. These numbers should be put in the context of a total installation base of over 19,000.

On 1 November 2011, the Group announced that it had secured a new long-term agreement with Enterprise Inns, which also included the roll-out of iDraught™ into 500 Enterprise pubs as well as the introduction of the Group's Nucleus Smart Till™ EPOS systems. The Group is also in advanced discussions with other key customers concerning contract extensions and iDraught™ trials. These developments will consolidate the strong recurring revenues for the core Leisure business, which in the first six months of the current year accounted for over 80% of its turnover.

The Group is pleased with the launch of its Nucleus Smart Till™ EPOS system which, together with its iDraught™ system, is enabling pub companies and their licensees to deliver data necessary for them to improve quality and efficiency in their business; both vital during these difficult trading conditions. The Board believes that this combination of systems will drive the growth of the business in the medium term.

Whilst the turnover in the core Leisure business decreased in comparison with the corresponding period last year, the trading performance of the business was maintained at a similar level to last year due largely to the fixed overheads of the business being carefully controlled and monitored.

Whilst the Board does not expect any easing of the challenging trading conditions in the pub market, it believes that the significant level of recurring income enjoyed by the business will enable it to maintain its resilient performance.

Vending Telemetry Solutions

Vianet has continued to make progress in the first half of the current year, particularly in developing existing contracts and also in progressing significant new sales opportunities with major international brand owners. In addition, the acquisition of Lookout Solutions, announced on 26 October 2011, enables the enlarged business to create a one-stop shop for vending telemetry, contactless payment processing and vending management software solutions.

The Board was pleased to have been able to announce on 16 November 2011 that Vianet had entered into a contract with Visa Europe to provide contactless payment technology in its vending machines. This contract demonstrates the potential for contactless payments in the vending industry, where Vianet believes that there is significant growth potential.

Fuel Solutions Division

Fuel Solutions has had a mixed performance in the first half of the year, with trading in the first three months significantly held back by unforeseen integration problems, especially in the ELS business, which has resulted in management changes being made. The Board is satisfied that these problems have been resolved without any material ongoing legacy issues. Trading has been progressively less affected by these integration issues as the year has developed; during the second quarter new business was gained and this trend looks set to continue, Christmas season apart, through to the fourth quarter.

Against that background, the Board is optimistic that the division will achieve breakeven for H2 and provide a significant profit contribution in 2012/13.

The Board believes that this division provides the market's only end-to-end solutions for forecourt operators, allowing them to maximise their return on their fuel stocks and assets. As such, the prospects for Fuel Solutions remain very attractive.

Management and employees

The Group continues to invest in and develop the calibre of its people and management to take advantage of the growth opportunities that exist in its target markets.

In October 2011, Mark Boland, the founder of Lookout Solutions, was appointed Sales and Marketing Director for the enlarged Vianet business with a view to driving this part of the Group forward and establishing it as a leading provider of vending solutions.

Outlook

The Group's strategic intent is to continue its drive to secure market leading positions using its core capabilities and products, through growth in iDraught™, Nucleus Smart Till™ and its integrated vending solutions in the Leisure Division, as well as through expansion of the Fuel Solutions division's end-to-end fuel asset management solutions.

The Group is in the second year of a five year strategic plan to achieve a market leading position in each of its chosen fields; the core Leisure business has already reached this level and the Board believes that the Group has the ability to achieve this position within the vending and fuel solutions markets in the medium term.

Despite the current challenging conditions, the Board considers that the opportunities for growth in each of its areas of operation are encouraging and continues to view the future with confidence and, looking to 2012, believes the prospect of further contract wins could well mark the turning point for growth.

James Dickson
Chief Executive

6 December 2011

Mark Foster
Group Finance Director

Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2011

		Before Exceptional 6 months ended 30 Sept 2011	Exceptional 6 months ended 30 Sept 2011	Total Unaudited 6 months ended 30 Sept 2011	Unaudited 6 months ended 1 Oct 2010	Audited Year ended 31 March 2011
	Note	£'000	£'000	£'000	£'000	£'000
Revenue	3	11,794	-	11,794	12,272	24,282
Cost of sales		(5,549)	-	(5,549)	(5,501)	(11,396)
Gross profit		6,245	-	6,245	6,771	12,886
Administration and other operating expenses	4	(4,334)	120	(4,214)	(4,534)	(9,104)
Profit before amortisation and share based payments	3	1,911	120	2,031	2,237	3,782
Intangible asset amortisation		(362)	-	(362)	(237)	(696)
Share based payments		(18)	-	(18)	(42)	(28)
Operating profit		1,531	120	1,651	1,958	3,058
Finance income		4	-	4	21	36
Finance costs		(34)	-	(34)	(31)	(66)
Profit before tax		1,501	120	1,621	1,948	3,028
Income tax expense	5	(390)	(31)	(421)	(540)	(597)
Profit and total comprehensive income for the period attributable to the owners of the parent	3	1,111	89	1,200	1,408	2,431
Earnings per share	6					
Basic		3.93p	0.32p	4.25p	4.98p	8.61p
Diluted		3.75p	0.29p	4.04p	4.88p	8.26p

Consolidated Balance Sheet

At 30 September 2011

	Unaudited As at 30 Sept 2011 £'000	Unaudited As at 1 Oct 2010 £'000	Audited As at 31 March 2011 £'000
Assets			
Non-current assets			
Intangible assets	19,253	17,306	19,256
Property, plant and equipment	3,701	3,589	3,643
Investments	533	556	533
Total non-current assets	23,487	21,451	23,432
Current assets			
Inventories	2,150	3,103	2,674
Trade and other receivables	5,475	4,234	4,553
Cash and cash equivalents	-	3,577	2,517
	7,625	10,914	9,744
Total assets	31,112	32,365	33,176
Equity and liabilities			
Liabilities			
Current liabilities			
Trade and other payables	4,436	6,671	6,198
Borrowings	1,637	478	1,756
Tax liabilities	301	519	324
Provisions	89	89	89
	6,463	7,757	8,367
Non-current liabilities			
Borrowings	1,738	2,274	1,992
Provisions	34	96	75
Deferred tax	303	353	303
	2,075	2,723	2,370
Equity attributable to owners of the parent			
Share capital	2,825	2,825	2,825
Share premium account	11,174	11,174	11,174
Shares to be issued	294	290	276
Own shares	(1,154)	(1,154)	(1,154)
Merger reserve	310	310	310
Retained profit	9,125	8,440	9,008
Total equity	22,574	21,885	22,439
Total equity and liabilities	31,112	32,365	33,176

Summarised Consolidated Cash Flow Statement

For the six months ended 30 September 2011

	Unaudited 6 months ended 30 Sept 2011 £'000	Unaudited 6 months ended 1 Oct 2010 £'000	Audited Year ended 31 March 2011 £'000
Cash flows from operating activities			
Profit for the period	1,200	1,408	2,431
Adjustments for			
Interest receivable	(4)	(21)	(36)
Interest payable	34	31	66
Income tax expense	421	540	597
Amortisation of intangible assets	362	237	696
Depreciation	231	270	480
Gain on pre-existing contract on acquisition	-	-	(200)
Exceptional items	(458)	-	-
Loss/(profit) on sale of property, plant and equipment	2	(5)	(80)
Share-based payments	18	42	28
Operating profit before changes in working capital and provisions	1,806	2,502	3,982
Change in inventories	524	(1,145)	(510)
Change in receivables	(922)	330	13
Change in payables	(1,288)	(164)	(1,602)
Change in provisions	(41)	-	(80)
	(1,727)	(979)	(2,179)
Cash generated from the operations	79	1,523	1,803
Income tax paid	(445)	(375)	(834)
Net cash from operating activities	(366)	1,148	969
Cash flows from investing activities			
Interest payable	(34)	(31)	(66)
Interest receivable	4	21	36
Proceeds on disposal of property, plant and equipment	1	23	121
Purchases of property, plant and equipment	(290)	(688)	(608)
Purchase of intangible assets	(374)	-	(735)
Purchase of subsidiary undertakings	-	(3,392)	(4,380)
Cash acquired with subsidiaries	-	548	547
Net cash used in investing activities	(693)	(3,519)	(5,085)
Cash flows from financing activities			
Repayments of borrowings	(257)	(334)	(452)
Dividends paid	(1,082)	(610)	(1,064)
Net cash used in financing activities	(1,339)	(944)	(1,516)
Net decrease in cash and cash equivalents	(2,398)	(3,315)	(5,632)
Cash and cash equivalents at beginning of period	1,260	6,892	6,892
Cash and cash equivalents at end of period	(1,138)	3,577	1,260

Statement of changes in equity

6 months ended 1 October 2010

	Share Capital £000	Share Premium Account £000	Own Shares £000	Share based payment reserve £000	Merger Reserve £000	Profit and loss account £000	Total £000
At 1 April 2010	2,825	11,174	(1,154)	248	310	7,641	21,044
Profit and total comprehensive income for the period	-	-	-	-	-	1,408	1,408
Share based payment	-	-	-	42	-	-	42
Dividends	-	-	-	-	-	(609)	(609)
At 1 October 2010	2,825	11,174	(1,154)	290	310	8,440	21,885

12 months ended 31 March 2011

	Share Capital £000	Share Premium Account £000	Own Shares £000	Share based payment reserve £000	Merger Reserve £000	Profit and loss account £000	Total £000
At 1 April 2010	2,825	11,174	(1,154)	248	310	7,641	21,044
Profit and total comprehensive income for the period	-	-	-	-	-	2,431	2,431
Share based payment	-	-	-	28	-	-	28
Dividends	-	-	-	-	-	(1,064)	(1,064)
At 31 March 2011	2,825	11,174	(1,154)	276	310	9,008	22,439

6 months ended 30 September 2011

	Share Capital £000	Share Premium Account £000	Own Shares £000	Share based payment reserve £000	Merger Reserve £000	Profit and loss account £000	Total £000
At 1 April 2011	2,825	11,174	(1,154)	276	310	9,008	22,439
Profit and total comprehensive income for the period	-	-	-	-	-	1,200	1,200
Share based payment	-	-	-	18	-	-	18
Dividends	-	-	-	-	-	(1,083)	(1,083)
At 30 September 2011	2,825	11,174	(1,154)	294	310	9,125	22,574

Notes to the interim report

1. **Statutory information**

The interim financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The auditors' review report on the interim financial information for the six months ended 30 September 2011 is set out on page 13.

The financial information for the year ended 31 March 2011 has been derived from the published statutory accounts. A copy of the full accounts for that period, on which the auditors issued an unqualified report that did not contain statements under 498(2) or (3) of the Companies Act 2006, has been delivered to the Registrar of Companies.

These interim financial statements will be posted to all shareholders and are available from the registered office at One Surtees Way, Surtees Business Park, Stockton on Tees, TS18 3HR or from our website at www.brulines.com.

2. **Accounting policies**

These interim financial statements are for the six months ended 30 September 2011. As is permitted, the Group has chosen not to adopt IAS 34 'Interim Financial Statements' and therefore the interim financial information is not in full compliance with International Financial Reporting Standards. They have been prepared using the recognition and measurement principles of IFRS as adopted by the European Union using the historic cost convention.

3. **Segmental information**

For management purposes the Group is currently organised into three operating divisions. These business segments are the basis on which the Group reports its primary segmental information. As the Group's business is entirely conducted within the United Kingdom, there are no geographical business segments and as a result no secondary reporting segmental information is presented.

Corporate strategy is to be market leader in the leisure and fuel solution markets with the services we provide. In terms of leisure this includes Brulines traditional core business around dispense monitoring & I-Draught™, as well as machine monitoring across our vending & AWP sectors. Fuel solutions include a full suite of products and services to help the forecourt operator maximise their returns.

The segmental results for the 6 months ended 30 September 2011 are as follows:

	Leisure Services £'000	Fuel Solutions £'000	Technology Solutions and Group £'000	Total £'000
Revenue				
Total revenue	8,745	2,667	382	11,794
Result				
Operating profit/(loss) before exceptional items	2,689	(450)	(328)	1,911
Amortisation	(112)	(23)	(227)	(362)
Share based payments	-	-	(18)	(18)
Finance costs	(19)	(2)	(9)	(30)
Profit/(loss) before exceptional items	2,558	(475)	(582)	1,501
Exceptional items	(42)	(229)	391	120
Profit/(loss) after exceptional items	2,516	(704)	(191)	1,621
Tax	(654)	183	50	(421)
Profit/(loss) attributable to equity shareholders	1,862	(521)	(141)	1,200

The segmental results for the 6 months ended 1 October 2010 are as follows:

	Leisure Services £'000	Fuel Solutions £'000	Technology Solutions and Group £'000	Total £'000
Revenue				
Total revenue	9,540	2,732	-	12,272
Result				
Operating profit/(loss) before exceptional items	2,664	(4)	(241)	2,419
Amortisation	(20)	-	(217)	(237)
Share based payments	-	-	(42)	(42)
Finance (costs)/income	(18)	(2)	10	(10)
Profit/(loss) before exceptional items	2,626	(6)	(490)	2,130
Exceptional items	(8)	(31)	(143)	(182)
Profit/(loss) after exceptional items	2,618	(37)	(633)	1,948
Tax	(725)	10	175	(540)
Profit/(loss) attributable to equity shareholders	1,893	(27)	(458)	1,408

4. Exceptional items

Exceptional items principally relate to restructuring costs within fuel solutions and deferred consideration provision movements released in accordance with IFRS3 (Revised) Business Combinations.

5. Tax

The charge for tax is based on the profit for the period and comprises:

	6 months ended 30 Sept 2011 £'000	6 months ended 1 Oct 2010 £'000	Year Ended 31 March 2011 £'000
United Kingdom corporation tax	421	540	597

6. Earnings per share

Earnings per share is calculated on the profit after tax of £1.200m (2010 £1.408m) and the average number of shares in issue during the period of 28,128,164 (2010: 28,128,164).

Diluted earnings per share are calculated by taking the earnings as disclosed above and the average number of shares that would be issued on the full exercise of outstanding share options of 30,124,038 (2010: 29,671,914).

7. Post balance sheet events

On 26 October 2011 the Group, through its subsidiary undertaking, Vianet Limited, acquired 100% of the issued share capital of Lookout Solutions Limited.

Lookout Solutions is a provider of management information systems and reports for the vending telemetry marketplace.

At this stage, the Directors have yet to finalise the business combinations accounting for Lookout Solutions due to the limited elapsed time since the acquisition date of 26 October 2011 and, as such, the required fair value accounting and related disclosures required by IFRS3 (Revised) have yet to be completed.

INDEPENDENT REVIEW REPORT TO BRULINES GROUP PLC

Introduction

We have been engaged by the company to review the financial information in the half-yearly financial report for the six months ended 30 September 2011 which comprises the consolidated statement of comprehensive income, the consolidated balance sheet, the summarised consolidated cash flow statement, the statement of changes in equity and the related explanatory notes. We have read the other information contained in the half yearly financial report which comprises only the chairman's statement and executive review and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The AIM rules of the London Stock Exchange require that the accounting policies and presentation applied to the financial information in the half-yearly financial report are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable for such accounts.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The financial information in the half-yearly financial report has been prepared in accordance with the basis of preparation in note 2.

Our responsibility

Our responsibility is to express to the company a conclusion on the financial information in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report for the six months ended 30 September 2011 is not prepared, in all material respects, in accordance with the basis of accounting described in note 2.

GRANT THORNTON UK LLP

Auditor

Leeds

6 December 2011



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www.brulines.com