OPTOS PLC

Interim Results for the six months to 31st March 2013
Transitioning in FY13 from renewals to new customers

LONDON, UK, 16th May 2013 – Optos plc (LSE: OPTS), a leading medical retinal imaging company, today publishes its interim results for the first half of its financial year ending 30 September 2013 (H1 FY13). All figures are reported in US$ and are unaudited.

	Six months to 31 March 2013 H1 2013	Six months to 31 March 2012 H1 2012	*Change*
Figures are unaudited			
Total revenue[(1)]	**$73.0m**	**$86.2m**	**($13.2m)**
Operating lease & variable revenues from device rentals	$11.0m	$31.6m	($20.6m)
Device sales - outright	$31.8m	$22.7m	$9.1m
Device sales under finance leases	$17.1m	$26.0m	($8.9m)
Service & warranty revenues	$13.1m	$5.9m	$7.2m
Gross profit[(1)]	**$42.8m**	**$49.8m**	**($7.0m)**
Operating (loss)/profit before exceptional items	**($0.6m)**	**$6.8m**	**($7.4m)**
Net finance income / (charge)	$1.3m	$0.1m	$1.2m
Profit before tax before exceptional items	**$0.7m**	**$6.9m**	**($6.2m)**
Profit after tax before exceptional items	**$0.4m**	**$4.3m**	**($3.9m)**
Exceptional items	$0.0m	($1.3m)	$1.3m
Profit after exceptional items and tax	**$0.4m**	**$3.5m**	**($3.1m)**
Net debt (cash less debt & lease finance liabilities)	**($55.8m)**	**($48.2m)**	**($7.6m)**

1. Revenue and gross margin include other operating income

Overview

Today we report headline revenue [(1)] for H1 FY13 of $73.0m, down 15% from $86.2m in H1 FY12 (up 6% on an underlying [(2)] basis). As indicated in our trading update of 20th March 2013, second quarter (and therefore first half) FY13 trading was softer than expected. This reflected the inherent difficulty in forecasting growth trajectories and timing of sales during the initial launch of a new product such as Daytona; and lower than expected sales due to macro-economic factors, notably in Europe. The overall strategy for the Company remains unchanged.

During H1 FY13 we:

- Significantly increased the number of new customers;
- Grew the installed base of ultra-wide field ("UWF") devices;
- Increased sales from markets outside North America;
- Moved closer to commercialisation of the next generation product that combines UWF and ocular coherence tomography ("OCT").

Full market launch of Daytona began in Q4 FY12. 400 devices have been sold in H1 FY13, bringing the global installed base to 729 at 31st March 2013. As previously disclosed, in common with most new product launches, initial customer feedback resulted in early software upgrades and enhancements being made in Q2 FY13, which slowed down the Daytona roll out. These specific issues are now resolved and momentum is being re-established.

Financial Highlights- underlying revenue increases by 6%

- Total H1 FY13 revenue was $73.0m (H1 FY12: $86.2m) reflecting fewer rental renewal contracts, and softer sales of Daytona and 200Tx than expected.
  - Outright (or "capital") sales increased by 40% to $31.8m from $22.7m in H1 FY12, with the sale of 413 ultra wide-field devices.
  - As expected, operating lease revenue fell to $11.0m from $31.6m in H1 FY12 as the remaining rental agreements under operating lease continue to be renewed onto finance leases (621 operating leases remaining; 842 at start of FY13).
  - Service revenue was $13.1m, up from $5.9m in H1 FY12.
- Underlying revenue was up 6% due to the high level of capital sales in the period.
- Good control of operating expenses; these were broadly flat period-on-period at $43.4m (H1 FY12: $43.0m, pre-exceptional).
- Profit before tax was $0.7m (H1 FY12: $6.9m pre-exceptional).
- Net debt at the end of H1 FY13 was $55.8m, up from $47.9m at end FY12 and up from $48.2m at end H1 FY12.

Post Period – focused restructuring plan to accelerate growth

- Restructuring plan announced on 1st May 2013, with an expected cost of $2.0m in H2 FY13. It is expected to deliver annual savings of approximately $3.5m-$4.0m from 1st October 2013 and to position the business for faster growth and closer customer service.

Operational Highlights- net increase of 492 new customers and good international growth

- The installed base of ultra wide-field devices has increased 9% to 5,130 in the six months to 31st March 2013 (end FY12 4,689 units; H1 FY12 4,404).
- Increase of 492 new customers in H1 FY13 (H1 FY12: 246).
- Improvement in de-install rate in the first half (1% H1 FY13 versus 2% H1 FY12).
- The ratio of rental to capital customers by number at end H1 FY13 is now 63% to 37% (77% and 23% at end H1 FY12).
- International (non-North American) markets contributed first half revenue of $23.5m, 32% of the total (H1 FY12: $19.0m and 22%), growing at 24% over H1 FY12.
- Continued strong progress with clinical evidence demonstrating the value of ultra wide-field imaging.
- Continued development of exciting new product development roadmap including the integrated UWF and OCT device.

Daytona- 400 units placed in period

- 400 Daytona units installed in H1 FY13; total since launch to 31st March 2013, 729.
- All software issues highlighted in our trading update of 20th March 2013 have been resolved.
- We received a further order for 250 units from OPSM, Australian's leading eye care provider, giving further validation and endorsement of the Daytona technology.
- Current Daytona order book circa 450 units including the majority of the new order from OPSM.
- The unit production cost of Daytona has been reduced, with further planned reductions, based on volume and supply chain management, expected to flow through in FY14.

Outlook FY13

At the time of our prelims in November 2012, shortly after the full launch of Daytona, we gave guidance of high single digit revenue growth in an attempt to convey the growth trajectory of the business.

However, as indicated in our previous trading update, we have found during H1 FY13 that the adoption rate of a new medical device like Daytona in the initial post-launch phase is difficult to forecast with precision. Forecasting is also complicated by an inherent lack of prior visibility on the mix of new installs because the customer choice between a capital sale and a rental is only made at the point of sale. New customer growth – whilst strong and above last year's level - is not yet filling the gap left by lower renewal opportunities as rapidly as projected earlier.

We remain encouraged by the endorsement and level of interest in Daytona, exemplified by the completion of a second order from OPSM. We have also had a positive start to the trade show season with over 220 orders placed with the Vision Source group.

Guidance for the full year is that top line revenue will be lower than FY12. As normally occurs, we expect that H2 sales will exceed H1, especially given the second OPSM order which has already been secured. We expect to place about 1,000 – 1,200 units of Daytona in the year. Cost control will be maintained, with savings from the new organisation structure driving further cost reductions in FY14. Operating profit will also be below 2012 and net debt will remain above the level at 30th September 2012.

Roy Davis, CEO, commented:

"While our full year outlook is softer than we had hoped, we have made important recent strategic and operational progress and firmly believe that the longer term prospects for Optos remain strong. We have significantly increased both the number of new customers and our installed base of devices whilst growing sales from markets outside of North America. Our R&D pipeline is also progressing well and we remain excited by its potential. I am confident that these trends, together with the steps we are taking to reduce both Daytona production costs and general operating overhead, will translate into an improved performance in H2 and beyond."

Definitions

1. Revenue and gross margin include other operating income
2. Underlying revenue treats all finance leases as if they were operating leases

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Note to Editors: Images available upon request

About Optos Plc

Optos plc has the vision to be *The* retina company. We aim to be recognised as a leading provider of devices and solutions to eyecare professionals for improved patient care. Optos' core devices produce ultra widefield, high resolution digital images (**opto**maps®) of approximately 82% of the retina, something no other device is capable of doing in any one image. Our recent acquisition of OPKO instrumentation brings the group optical coherence tomography ("OCT") diagnostic devices and optical ultrasound scanners, used in the diagnosis and management of eye disease and conditions.

Optos' widefield retinal imaging technology, combined with the specific data that can be derived from OCT images, has the potential to offer ophthalmologists and optometrists the most powerful tools for disease diagnosis and management. The **opto**map images provide enhanced clinical information which facilitates the early detection, management and treatment of disorders and diseases evidenced in the retina such as retinal detachments and tears, glaucoma, diabetic retinopathy and age-related macular degeneration. Retinal imaging can also indicate evidence of non-eye or systemic diseases such as hypertension and certain cancers. OCT delivers an image that shows a three dimensional, cross-sectional view of the retina in any particular area, typically in the central pole area of the retina around the optic nerve and macula and is used to detect the presence of and understand the severity of disease, determine treatment approaches and monitor post-treatment effect.

Optos has a range of imaging devices that support different customer segments and patient levels: the P200 and 200Dx devices are concentrated on wellness screening carried out by optometrists and ophthalmologists in primary care; the P200C devices are designed to meet the need for more exacting clinical imaging capabilities and standards in secondary care within the ophthalmology market and at optometric practices that are clinically managing a patient base with advanced ocular disease; and the P200MA and 200Tx devices supports ophthalmologists and retinal specialists in the medical care market. We have recently introduced Daytona, our next generation imaging device. Daytona is a desk top device with multiple imaging modalities and was designed to enable us to globalise our ultra widefield technology. Our expanded product range includes visual acuity, perimetry and treatment laser products

For more information please visit our website www.optos.com.

Forward-Looking Statements

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about its industry, its beliefs and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

OPTOS PLC

Interim Results for the six months to 31st March 2013
Business Review

Overview

Strong outright (or "capital") sales drove underlying [(1)] revenue [(2)] growth for the first half of FY13 up 6%, despite a fall in headline revenue of 15% to $73.0m from $86.2m in H1 FY12. H1 FY12 was a particularly strong comparator given the number of contracts available for renewal in that period. Despite softer trading than we were forecasting at the time of FY12 preliminary results in November 2012, we continued to make good progress in H1 FY13 on our strategic objectives, both significantly increasing new customers and growing the installed base of ultra-wide field ("UWF") devices. The installed base at the end of H1 FY13 was 5,130 devices world-wide, an increase of 9% from 4,689 installed devices at end FY12 (and 16% from 4,404 at end H1 FY12). We have also increased sales from markets outside North America and moved closer to commercialisation of the next generation product that combines UWF and ocular coherence tomography ("OCT").

Daytona has now been commercially available since April 2012 with full market launch in Q4 2012. During H1 FY13, our main focus has been the sale of Daytona in our direct and indirect markets, as well as its efficient manufacture in our Dunfermline facility. Uptake has been good, with 400 devices placed in H1 FY13 bringing the total installed base of Daytona to 729 at 31st March 2013. However, Daytona sales were lower than we had planned, particularly rental sales. As stated in our trading update of 20th March 2013, early software upgrades contributed to a slower Daytona roll out in the second quarter. These specific issues are now resolved and momentum is being re-established. Sales of the more expensive 200Tx devices were also slower than expected due to increased sales cycles driven by a combination of macro-economic factors and increased customer decision-making timelines.

Gross margin [(2)] was 59% (H1 FY12: 58%) reflecting product mix and some Daytona cost reductions, offset by one-off costs for the Daytona software upgrades. Operating expenses were broadly flat compared to H1 FY12. Despite good cost control the lower sales level generated profit before tax of $0.7m compared to $6.9m (pre-exceptional) in the first half last year.

Revenue [(2)]

Our revenue mix during the period continued to shift towards capital sales, service income and finance leases.

Capital sales increased by 40% to $31.8m from $22.7m in H1 FY12, with the sale of 413 ultra-wide field ("UWF") products at an average price of $69k (H1 FY12: 209 devices at $83k). 220 of these outright sales were Daytona and 57 were our high-end ophthalmology device, the 200Tx. The reduction in the average selling price reflects the lower number of 200Tx and a higher distributor mix.

Finance lease revenue from device rentals decreased 34% from $26.0m in H1 FY12 to $17.1m in H1 FY13, representing 257 rental transactions, with the initial revenue recognised averaging $50k each (H1 FY12: $30k). The upward trajectory in upfront lease revenue reflects the higher number of Daytona. H1 FY12 was a particularly strong comparator period with 880 transactions, mainly contract renewals, being completed in that period. A total of 263 rental contracts in the first half of FY13 comprise three elements:

- 162 finance leases with new customers
- 95 conversions / upgrades with existing customers
- 6 operating leases with new customers

Finance lease rental contracts also deliver revenue in future periods as inherent warranty and service revenue within the contracts is released to the profit and loss account as the contracts are fulfilled. Service revenue (including one year service on capital sales) more than doubled to $13.1m, up from $5.9m in H1 FY12.

As noted above, we continue to renew older rental agreements under operating leases that are due to expire over the next couple of years, converting them into finance leases. This conversion retains the customer relationship and extends the future cash flows receivable. At the start of FY13, we had 842 contracts under operating lease. At the end of March 2013, 184 of these customers had been converted (95 to a new rental finance lease and 89 buying their device outright). As a consequence, operating lease revenue decreased 65% to $11.0m from $31.6m in H1 FY12.

Product and geography

At the end of March 2013, we had an installed base of 5,130 UWF devices, an increase of 9% from the installed base of 4,689 at the end of the last financial year. The ratio of rental (operating leases and finance leases) to capital customers (by number) is now 63% to 37% (77% and 23% respectively at end H1 FY12).

Daytona, our new desktop-sized UWF imaging device, continues to receive positive customer feedback about high image quality and ease of use. In January 2013, we announced a new Daytona contract for 250 units with OPSM (the leading optometry chain in Australia and New Zealand and an affiliate of Luxottica), the second major contract from this customer. This takes the total number of Daytona instruments to be supplied to this customer to 410 in this region alone, where all OPSM stores will have the unique UWF technology. Coming from such a major eye care chain, we believe this is a tremendous validation and endorsement of the product.

Whilst we were delighted to announce this new OPSM contract, as stated in our March trading update, Q2 FY13 sales were softer than we had hoped for at this stage of Daytona's launch. This was driven by a combination of customers deferring a purchasing decision whilst we rolled out a series of software and other product enhancements, and general economic malaise in Europe. At the end of March 2013, we had placed 729 Daytona devices globally. Our current order book is approximately 450, including the majority of the new order from OPSM.

After a strong performance in the full year FY12, placement of 200Tx slowed in H1 FY13. We placed 57 200Tx devices in the first half of FY13, compared to 100 in the comparative period. The ophthalmology segment takes time to penetrate; leading experts and second tier decision-makers require clinical studies to validate products and expect to try before they buy to ensure the devices fit into their practice's workflow. Although these market dynamics are not materially different to previous periods, they have contributed much stronger commercial headwinds during this half. At the end of March 2013, 379 200Tx (and the related "MA") machines were installed globally.

The P200 / 200Dx still make up the bulk of our installed base with 3,537 units globally. As expected, this installed base has fallen (3,558 units last year) as new placements of the 200Dx are offset by customers upgrading from P200 to Daytona.

In March, we announced 510(k) clearance from the U.S. Food and Drug Administration ("FDA") for microperimetry as part of our OCT device. Microperimetry assesses retinal sensitivity, providing a precise correlation between structural pathology and corresponding visual functional defects. The **Optos**OCT SLO is the only device on the market that can conduct both structural OCT and functional microperimetry testing and quantifiably monitor changes of the patient's retinal function in a selected location on the retina over time. We believe this additional feature will help our sales efforts, and given the competitive nature of the OCT market, we remain focused on the integrated UWF OCT device.

We also continue to roll out our OptosAdvance software, which is a more intuitive cloud-based, work-flow aligned software package for reviewing and storing images.

As expected, we saw higher revenue from our non-North American markets in H1 FY13, which contributed revenue of $23.5m, 32% of the total (22% H1 FY12). North America contributed first half revenue of $49.5m, 68% of the total (78% H1 FY12).

Japan and the Middle East remain important markets for us, particularly in ophthalmology. We recently received regulatory approval to sell Daytona in Korea and OCT in Singapore. We also received regulatory clearance for Daytona and 200Tx in Brazil. Opening up new markets in Latin America will be a key focus in the coming months.

Clinical evidence and research and development

We continue to build a robust body of clinical evidence to support the use of our UWF imaging. We have several studies underway in support of the approval, launch and post-launch acceptance of our product range, including UWF-ICGA (Indocyanine Green Angiography) and further studies on peripheral diabetic retinal lesions. In the past six months, we have published 20 clinical papers in 15 countries and across 73 academic institutions. We have had 58 clinical studies accepted for the post-period May 2013 ARVO (the Association for Research in Vision and Ophthalmology) meeting.

The key results from our clinical work this half includes:

- The first published study that demonstrates the ability of the Optomap-assisted examination to outperform the traditional retinal exam (Brown *et al*);
- The first study to demonstrate that Optomap alters management decisions compared to the standard of care (Nguyen *et al*);
- Evidence building that periphery may predict diabetic retinopathy disease progression independent of baseline severity and glycemic control (ARVO Abs ID 1725)

Our research and development pipeline remains strong. Research activities continue to focus on a replacement 200Tx using the Daytona platform, the integrated UWF OCT device (initially with OCT in the central pole, followed by wide-field OCT in the periphery) and a range of software-based measurement tools to aid clinicians in their diagnosis and disease management.

Financial review

As discussed above, headline revenues [(2)] fell by 15% to $73.0m from $86.2m in H1 FY12. Underlying revenue, treating all rentals as if they were operating rentals, showed a 6% growth over the comparator period driven by higher capital sales.

Other operating income was $0.8m relating to additional income derived from the extension of existing finance leases.

Gross margin [(2)] was 59% (H1 FY12: 58%, FY FY12 57%). The gross margin benefited from a lower mix of 200Tx, some Daytona cost reduction and positive price variances on P200 / 200Dx leases. Against that, we have incurred approximately $1.5m of one-off costs in relation to Daytona. Continuing to reduce the cost of Daytona production remains a key operational goal. Most of these targeted savings are driven by volume-related procurement savings and supply chain management. Lower Daytona sales in H1 FY13 and the focus on product enhancements, have delayed our cost reduction plans but we expect that they should flow through in

FY14. We remain focused on this, and all other efficiency opportunities, including reducing the cost of maintaining and repairing the installed base of P200 machines and the 200Tx.

In light of lower sales, first half operating expenses have been kept broadly flat period-on-period at $43.4m (H1 FY12: $43.0m, pre-exceptional). Gross overheads (before capitalisation of R&D labour) actually fell 6%. We held back H1 FY13 operating expense through savings on hiring, sales commissions and other variable costs.

There were no exceptional charges in the first half of FY13, although cash of $1.6m was paid out in Q1 FY13 for our field service employee settlement.

Lower sales drove an operating loss of $0.6m, compared to an operating profit of $6.8m (pre-exceptional) in H1 FY12.

Finance revenue from finance leases increased from $1.1m to $2.5m. Finance costs increased slightly from $1.0m to $1.2m. Net finance revenue and costs resulted in a credit of $1.3m ($0.1m in H1 FY12).

Profit before tax was $0.7m ($6.9m in H1 FY12, pre-exceptional). As a consequence of the reduced profit, basic EPS fell to 1.0c (7.8c in H1 FY12).

The tax charge in the period was $0.3m. The underlying tax charge was $0.1m, with the balance largely due to tax relating to share based payments.

Cash flow, cash balances and financing

Cash outflow before financing was $7.1m, compared to an outflow of $4.6m at H1 FY12 (excluding acquisitions of $17.5m). This was driven by:

- Operating performance;
- An increase in inventory due to the timing of Daytona sales and lower 200Tx volumes;
- A reduction in creditors following the manufacturing ramp-up at the end of last fiscal year.

Finance lease receivables increased to $86.7m in the first half, from $82.2m at the end of FY12 and from $49.4m at the comparator point of 31st March 2012. This reflected new finance leases of $17.1m offset by payments of $12.6m. Finance lease transactions included in the profit and loss account do not deliver cash flow until later periods. A growing finance lease book will therefore negatively impact cash conversion of revenue in the short term (although the imbalance between revenue and cash will decrease as the receipts from finance leases increases). Total future receipts from leases were $152m at the end of the first half, $86.7m of which is on balance sheet, with the remainder of $65.3m representing service revenue and future operating lease commitments which are not booked until the period in which the service is delivered.

As well as operating cash flow, the business is funded in two ways. Firstly, we have a revolving credit facility ("RCF") with Lloyds Bank. This has been increased from $41.5m to $50.0m since the start of the fiscal year FY13. $38m of this facility is drawn down at the end of H1 FY13. Second, we raise funds from third party vendor finance organisations to whom we assign the finance lease receivables of some of our customers on a fully non-recourse basis. We raised $12.8m from these arrangements in the first half of FY13, offset by repayments of $6.9m, with amounts owed under vendor finance arrangements increasing from $24.5m at the end of FY12 to $30.3m at 31st March 2013.

The net debt position at the end of the March 2013 was $55.8m, comprising cash balances of $12.5m, bank debt of $38m and vendor finance liabilities of $30.3m. Net debt has increased from $47.9m since the start of the fiscal year FY13.

Assets, liabilities and shareholders' funds

Property, plant and equipment has fallen to $11.8m from $29.1m at H1 FY12, reflecting the increase in out-right sales and finance leases, where the full cost of the device is charged immediately to the profit and loss account, instead of the asset value held by the Company on its balance sheet as an operating lease. There is no significant movement in intangible assets except for routine amortisation, leaving the March FY13 balance at $45.7m. As noted in the financing section, finance leases receivables have increased to $86.7m from $49.4m at the end of H1 FY12.

Issued share capital increased in the period by 340,730 to 71,803,966 ordinary shares.

Board changes

With effect from 31st May 2013, Barry Rose will step down from the Board as Senior Independent Director ("SID") and Chair of the Audit Committee. Barry will be succeeded as SID by David Wilson and John Goddard will assume the Chair of the Audit Committee. David Wilson and Peter Kehoe will join the Audit Committee as Peter Fellner steps down from that Committee. The Directors warmly thank Barry for his valuable contribution to the Board over the last 8 years.

Post balance sheet events

On 1st May 2013, we initiated a restructuring of the business into two regional businesses (Americas and International). This should set the Company up organisationally for faster growth and deliver a closer alignment to the customer. As part of this restructuring, we will close our R&D facility in Canterbury, focussing our R&D efforts in Scotland, and also our OCT manufacturing site in Miami, moving production to the existing UWF site in Boston. As part of these changes, some of our staff will leave us under redundancy programmes. We would like to thank them all for their contributions to our Company over the years. The cost of the restructuring will be approximately $2.0m to be booked in the second half of the year and will save annual operating costs in the range of $3.5-$4.0m.

Principal risks and uncertainties

The principal risks and uncertainties facing the business remain largely the same as those described in the FY12 Annual Report. Market uptake of Daytona remains critical to the long term prospects of the Company and the challenges of reducing cost of production remain, especially whilst Daytona is at relatively low volumes.

Summary

Despite a headline fall in sales and profit in the first half, we have seen positive trends in many of our key metrics, including an increase of 9% in the installed base, 492 new customers, a stronger outright sale mix, and an increasing revenue contribution from our International (non-North American) business. We have installed 729 Daytona devices globally and have a strong current order book of approximately 450, including the majority of the 250 devices for the second phase of our Daytona deal with OPSM - a strong validation of our unique UWF technology.

Guidance for the full year is that top line revenue will be lower than FY12, expecting to place about 1,000 – 1,200 units of Daytona in the year. Cost control will be maintained, with savings from the new organisation structure driving further cost reductions in FY14. Operating profit will also be below 2012 and net debt will remain above the level at 30th September 2012.

We remain confident regarding our future prospects:

- We have a large market opportunity and low market share in key markets.
- Our clinical research programmes continue to demonstrate the value of our technology.
- We have an exciting pipeline of new products, including the Daytona Tx and the integrated UWF / OCT device.

(1) Underlying revenue treats finance leases as if they were operating leases

(2) Includes other operating income

Condensed Consolidated Income Statement
For the six months ended 31 March 2013

	Notes	Six months ended H1 2013 (Unaudited) [1]	Six months ended 31 March 2012 Before exceptional items H1 2012 (Unaudited)	Exceptional items (Note 4) (Unaudited)	Total H1 2012 (Unaudited)	Year ended 30 September 2012 Before exceptional items (Audited)	Exceptional items (Note 4) (Audited)	Total (Audited)
		$m	$m	$m	**$m**	$m	$m	**$m**
Revenue	5	**72.2**	86.2	-	**86.2**	193.2	-	**193.2**
Cost of sales		**(30.2)**	(36.4)	-	**(36.4)**	(84.5)	-	**(84.5)**
Gross profit		**42.0**	49.8	-	**49.8**	108.7	-	**108.7**
Selling & distribution costs		**(18.5)**	(18.6)	-	**(18.6)**	(34.8)	-	**(34.8)**
Administrative & other costs		**(24.9)**	(24.4)	(1.3)	**(25.7)**	(51.2)	(2.9)	**(54.1)**
Other operating income		**0.8**	-	-	**-**	3.2	-	**3.2**
Operating (loss)/profit		**(0.6)**	6.8	(1.3)	**5.5**	25.9	(2.9)	**23.0**
Finance revenue		**2.5**	1.1	-	**1.1**	2.8	-	**2.8**
Finance costs		**(1.2)**	(1.0)	-	**(1.0)**	(2.4)	-	**(2.4)**
Profit before taxation		**0.7**	6.9	(1.3)	**5.6**	26.3	(2.9)	**23.4**
Taxation	7	**(0.3)**	(2.6)	0.5	**(2.1)**	(7.5)	1.7	**(5.8)**
Net profit for the period attributable to equity holders of the parent		**0.4**	4.3	(0.8)	**3.5**	18.8	(1.2)	**17.6**
Profit before taxation per ordinary share								
Basic	8	**1.0c**	9.7c	-	**7.8c**	36.8c	-	**32.7c**
Diluted	8	**1.0c**	9.2c	-	**7.5c**	35.7c	-	**31.7c**
Profit after taxation per ordinary share								
Basic	8	**0.7c**	6.0c	-	**4.8c**	26.3c	-	**24.6c**
Diluted	8	**0.5c**	5.7c	-	**4.6c**	25.6c	-	**23.9c**

All activity arose from continued operations.
[1] There are no exceptional items in the period.

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 31 March 2013

	Six months ended 31 March 2013 (Unaudited)	Six months ended 31 March 2012 (Unaudited)	Year ended 30 September 2012 (Audited)
	$m	$m	$m
Profit for the period	**0.4**	3.5	**17.6**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on foreign operations	**0.1**	-	**-**
Other comprehensive income not being reclassified to profit or loss in subsequent periods:			
Deferred tax associated with share-based payment transactions	**(0.5)**	0.6	**0.1**
Other comprehensive income for the period	**(0.4)**	0.6	**0.1**
Total comprehensive income for the period	**-**	4.1	**17.7**

Condensed Consolidated Balance Sheet
As at 31 March 2013

	Notes	**As at 31 March 2013 (Unaudited) $m**	As at 31 March 2012 (Unaudited) $m	As at 30 September 2012 (Audited) $m
ASSETS				
Non-current assets				
Property, plant and equipment	9	**11.8**	29.1	17.9
Intangible assets	10	**45.7**	50.2	47.1
Finance lease receivables	11	**57.9**	34.3	57.2
Deferred tax asset	7	**5.0**	9.3	5.5
Total non-current assets		**120.4**	122.9	127.7
Current assets				
Inventories		**36.4**	29.6	29.1
Income tax receivable		**2.6**	0.9	0.2
Finance lease receivables	11	**28.8**	15.1	25.0
Trade and other receivables		**20.3**	23.7	29.5
Cash and cash equivalents	12	**12.5**	3.9	6.6
Total current assets		**100.6**	73.2	90.4
Total assets		**221.0**	196.1	218.1
EQUITY AND LIABILITIES				
Equity				
Issued capital		**2.6**	2.5	2.5
Share premium		**120.2**	119.9	120.0
Retained deficit		**(3.3)**	(16.6)	(3.5)
Foreign exchange reserve		**(0.3)**	(0.4)	(0.4)
Total equity		**119.2**	105.4	118.6
Non-current liabilities				
Financial liabilities	13	**55.1**	36.3	42.7
Provisions		**6.6**	8.8	6.4
Government grants		**-**	0.1	-
Total non-current liabilities		**61.7**	45.2	49.1
Current liabilities				
Trade and other payables		**26.5**	27.5	38.3
Financial liabilities	13	**13.2**	15.8	11.8
Provisions		**0.3**	2.1	0.3
Government grants		**0.1**	0.1	-
Total current liabilities		**40.1**	45.5	50.4
Total liabilities		**101.8**	90.7	99.5
Total equity and liabilities		**221.0**	196.1	218.1

Condensed Consolidated Statement of Cash Flows
For the six months ended 31 March 2013

	Note	**Six months ended 31 March 2013 (Unaudited) $m**	Six months ended 31 March 2012 (Unaudited) $m	Year Ended 30 September 2013 (Audited) $m
Operating activities				
Profit for the period		**0.4**	3.5	17.6
Adjustments to reconcile profit for the period to net cash inflow from operating activities:				
Income tax charge		**0.3**	2.1	5.8
Finance costs net of finance revenue		**(1.3)**	(0.1)	(0.4)
Depreciation, amortisation and impairment of non-current assets		**7.1**	12.9	26.7
Contingent consideration		**-**	(0.8)	(0.8)
Property plant & equipment scrapped		**0.3**	0.1	0.5
Medical devices held in PPE disposed of		**0.8**	7.9	14.1
Share-based payments		**0.3**	0.6	0.1
Revenue recognised from device sales under finance leases		**(17.1)**	(26.0)	(64.1)
Decrease/(increase) in trade and other receivables		**9.2**	1.8	(3.0)
Government grants amortisation		**-**	(0.1)	(0.3)
Increase in inventories		**(5.9)**	(1.1)	(0.7)
(Decrease)/Increase in trade and other payables		**(11.8)**	1.0	11.5
Increase in provisions		**0.2**	2.1	(2.1)
Cash flows from operating activities		**(17.5)**	3.9	4.9
Tax paid		**(2.6)**	(1.6)	(1.3)
Net cash flows from operating activities		**(20.1)**	2.3	3.6
Cash flows used in investing activities				
Bank interest receivable		**0.2**	**-**	-
Finance lease interest receivable		**2.3**	1.1	2.8
Cash receipts from finance lease receivables		**12.6**	2.3	7.1
Purchases of property, plant and equipment		**(1.1)**	(6.6)	(9.9)
Acquisition of business net of cash acquired		**-**	(17.5)	(17.5)
Expenditure on intangible assets		**(1.0)**	(3.7)	(7.1)
Net cash flows used in investing activities		**13.0**	(24.4)	(24.2)
Cash flows from financing activities				
Proceeds from vendor finance	13	**12.8**	4.3	12.3
Repayment of vendor finance	13	**(6.9)**	(12.7)	(23.2)
Proceeds from revolving credit facility		**8.0**	25.0	30.0
Proceeds from share issues		**0.3**	0.2	0.3
Interest paid		**(1.2)**	(1.0)	(2.4)
Net cash flows from financing activities		**13.0**	15.8	17.0
Net increase/(decrease) in cash and cash equivalents		**5.9**	(6.3)	(3.6)
Effect of exchange on cash and cash equivalents		**-**	-	-
Cash and cash equivalents at beginning of period		**6.6**	10.2	10.2
Cash and cash equivalents at end of period		**12.5**	3.9	6.6

Condensed Consolidated Statement of Changes in Equity
For the six months ended 31 March 2013

	Share capital $m	Share premium $m	Retained earnings $m	Foreign exchange $m	Total $m
At 1 October 2011	2.5	119.7	(21.3)	(0.4)	**100.5**
Other comprehensive income	-	-	0.6	-	**0.6**
Profit for the period	-	-	3.5	-	**3.5**
Total comprehensive income for the period	-	-	4.1	-	**4.1**
Issue of ordinary share capital	-	0.2	-	-	**0.2**
Share-based payments	-	-	0.6	-	**0.6**
At 31 March 2012	**2.5**	**119.9**	**(16.6)**	**(0.4)**	**105.4**
Exchange differences on foreign operations	-	-	-	-	-
Other comprehensive income	-	-	(0.5)	-	(0.5)
Profit for the period	-	-	14.1	-	14.1
Total comprehensive income for the period	-	-	13.6	-	13.6
Issue of ordinary share capital	-	0.1	-	-	0.1
Share-based payments	-	-	(0.5)	-	(0.5)
At 30 September 2012	**2.5**	**120.0**	**(3.5)**	**(0.4)**	**118.6**
Other comprehensive income	-	-	(0.5)	0.1	**(0.4)**
Profit for the period	-	-	0.4	-	**0.4**
Total comprehensive income for the period	-	-	(0.1)	0.1	**-**
Issue of ordinary share capital	0.1	0.2	-	-	**0.3**
Share-based payments	-	-	0.3	-	**0.3**
At 31 March 2013	**2.6**	**120.2**	**(3.3)**	**(0.3)**	**119.2**

Notes to the Condensed Consolidated Financial Statements
For the six months ended 31 March 2013

1 Authorisation of financial statements and statement of compliance
Statement of compliance and approval of financial statements
These condensed consolidated interim financial statements have been prepared in compliance with IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 September 2012.

These unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 March 2013 were approved by the Board on 15 May 2013.

2 Basis of preparation and accounting policies
a) Basis of preparation
The condensed consolidated interim financial statements are unaudited but have been formally reviewed by the auditors and their report to the Company is included on page 24. The comparative figures shown for the year ended 30 September 2012 do not constitute the Group's statutory Financial Statements as defined in Section 435 of the Companies Act 2006 and have been extracted from the Group's 2012 Annual Report and Accounts which have been reported on by the Group's auditor and have been filed with the Registrar of Companies. The Independent Auditors' Report on the financial statements contained within the Group's 2012 Annual Report and Accounts was unqualified and did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006.

The condensed consolidated interim financial statements are presented in US Dollars and all values are rounded to the nearest 0.1 million ($m), except when otherwise indicated.

The balance sheet as at 31 March 2012 has been restated to reduce the deferred tax liability arising on the OPKO acquisition from $2.9m to nil, with a corresponding reduction to goodwill. This is consistent with the treatment as at September 2012 following a review of the purchase price allocation for the Opko acquisition in October 2011.

b) Accounting policies
The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those set out in the Group's statutory financial statements for the year ended 30 September 2012 which were prepared under International Financial Reporting Standards as adopted by the European Union, except for the impact of the adoption of the standards and interpretations described below

i) New standards and interpretations
New standards and interpretations adopted in these accounts are listed below and did not have any material effect on the financial position or performance of the Group.

International Accounting Standards (IFRS/IAS)		Effective date for periods commencing
IAS 12 (amendment)	Recovery of Underlying Assets	1 January 2012
IAS 1 (amendment)	Presentation of Other Items of Comprehensive Income	1 July 2012
	Improvements to IFRSs (issued May 2012)	various

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The amendment affected presentation only and had no impact on the Group's financial position or performance.

c) Impact of future tax rate changes
Further changes to the UK Corporation tax rates were announced in the 2012 Autumn Statement and the March 2013 Budget. These include further reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The proposed reductions to the main rate of corporation tax are both expected to be enacted as part of Finance Act 2013. The overall effect of these further changes, if applied to the deferred tax balance at the balance sheet date, would be to further reduce the deferred tax asset by an additional $0.5m resulting in a charge of $0.4m through the Income Statement and $0.1m through Statement of Comprehensive Income.

d) Going concern and liquidity

The Group's business activities and principal risks and uncertainties are detailed in the Business Review on pages 6 to 17 in the Annual Report and Accounts for the year ended 30 September 2012.

Having considered uncertainties under the current economic environment, and after making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these condensed consolidated interim financial statements.

This conclusion has been reached having considered the effect of liquidity risk on the Group's ability to operate effectively. Currently, liquidity risk is not considered a significant business risk to the Group given its level of cash, available debt facilities and cash flow projections. The key liquidity risks faced by the Group are considered to be the failure of banks where funds are deposited and the inability to secure additional debt finance in order to facilitate the expansion of the Group's business or to introduce new or improved products.

As part of this review the Directors considered the current levels of available debt facilities, the structure of the debt-finance being multiple asset-backed arrangements that are non-recourse on the Company, and indications of the availability of other sources of debt capital including amounts available under the revolving credit facility. The Directors also considered the levels of future business guaranteed under its rental customer agreements and the pattern of future debt repayments associated with current finance obligations.

3 Segmental disclosures

The Group has two reportable segments, being North America and Rest of World markets. In assessing performance and making resource allocation decisions, the Operating Board (which is the Group's chief operating decision-making body) and the Board review revenues and gross profits by segment.

Optos sells a range of diagnostic and treatment devices to healthcare professionals globally, either directly or through arrangements with distributors. Cash flow is generated through the rental or sale of devices and related software and support services.

The business is managed on an integrated basis, with functions managed globally and decisions reached through cross-functional committees. In particular, research and development is actively targeted at new products and at enhancing the existing product for all markets. Manufacturing, marketing, sales, regulatory and support functions are managed and operate on a global basis and are not specific to individual markets or products.

Transfer prices between segments are set in accordance with the Group's transfer pricing policy. Segment revenue, segment expense and segment result include transfers between geographical segments. Those transfers are eliminated on consolidation.

3 Segmental disclosures (continued)

An analysis by operating segment is given below for the six months ended 31 March 2013:

	North America 2013 (Unaudited) $m	**Rest of World 2013 (Unaudited) $m**	**Eliminations 2013 (Unaudited) $m**	**Total 2013 (Unaudited) $m**
Revenue				
Operating lease revenue from rental of devices	9.0	2.0		11.0
Device sales under finance leases	8.6	8.5		17.1
Device Sales - outright	20.9	10.9		31.8
Warranty and service contracts	11.0	2.1		13.1
Inter-segment sales	-	9.4	(9.4)	-
Segment revenue	**49.5**	**32.9**	**(9.4)**	**73.0**
Segment cost of sales	(17.8)	(12.4)		(30.2)
Inter-segment costs	(9.4)	-	9.4	-
Segment gross profit[1]	**22.3**	**20.5**	**-**	**42.8**
Selling and distribution costs				(18.5)
Administrative expenses				(24.9)
Operating profit				**(0.6)**
Net interest				1.3
Profit from continuing operations before taxation				**0.7**

[1] Segmental revenue and gross margin includes other operating income of $0.8m which relates to income derived from extension of existing finance lease contracts. This presented as other income on the face of the income statement.

An analysis by operating segment is given below for the six months ended 31 March 2012:

	North America 2012 (Unaudited) $m	Rest of World 2012 (Unaudited) $m	Total 2012 (Unaudited) $m
Revenue			
Operating lease revenue from rental of devices	27.2	4.4	31.6
Device sales under finance leases	21.6	4.4	26.0
Device Sales - outright	13.1	9.6	22.7
Warranty and service contracts	5.3	0.6	5.9
Segment revenue	67.2	19.0	86.2
Segment cost of sales	(25.1)	(11.3)	(36.4)
Segment gross profit[1]	42.1	7.7	49.8
Selling and distribution costs			(18.6)
Administrative expenses			(25.7)
Operating profit			5.5
Net interest			0.1
Profit from continuing operations before taxation			5.6

[1] Segmental revenue and gross margin includes other operating income of $nil.

3 Segmental disclosures (continued)

An analysis by operating segment is given below for the year ended 30 September 2012:

	North America 2012 (Audited) $m	Rest of world 2012 (Audited) $m	Eliminations 2012 (Audited) $m	Total 2012 (Audited) $m
Revenue				
Operating lease revenue from rental of devices	45.1	7.4	-	52.5
Device sales under finance leases	48.4	15.7	-	64.1
Device Sales - outright	40.7	23.5	-	64.2
Warranty and service contracts	13.6	2.0	-	15.6
Inter-segment sales	-	29.9	(29.9)	-
Segment revenue	147.8	78.5	(29.9)	196.4
Segment cost of sales	(52.9)	(31.6)		(84.5)
Inter-segment costs	(29.9)		29.9	-
Segment gross profit[1]	65.0	46.9	-	111.9
Selling and distribution costs				(34.8)
Administrative expenses				(54.1)
Operating profit				23.0
Net interest				0.4
Profit from continuing operations before taxation				23.4

[1] Segmental revenue and gross margin includes other operating income of $3.2m which relates to income derived from extension of existing finance lease contracts. This presented as other income on the face of the income statement.

4 Exceptional items

	Six months ended 31 March 2013 (Unaudited) $m	Six months ended 31 March 2012 (Unaudited) $m	Year ended 30 September 2012 (Audited) $m
Employee overtime claims	**-**	(1.6)	(1.6)
Acquisition costs	**-**	(0.5)	(1.0)
Contingent consideration fair value adjustment	**-**	0.8	0.8
Royalty release	**-**	-	2.2
Intangible assets and related trading balances impairment	**-**	-	(3.3)
Exceptional charges recognised in the period	**-**	**(1.3)**	(2.9)

There are no exceptional items in the period ended 31 March 2013.

Employee overtime claims

In the year to 30 September 2011, a number of current and former US-based employees of Optos Inc. have filed a claim against the Company that their employed status should be non-exempt, thus entitling them to be paid on an hourly basis rather than on a salaried basis and to be paid additional sums for overtime. The claim amounted to $1.6m was settled during the first half of the financial year ending 30 September 2013.

Acquisition costs

During the year ended 30 September 2012 the Group incurred a further $1.0m of acquisition costs in respect of the OPKO Health transaction of which $0.5m was incurred in the period to 31 March 2012.

Contingent consideration

The Group acquired 100% of the share capital of Opto Global Holdings Pty Ltd on 13 December 2010 for $14.3m. The purchase consideration included an estimated $2.5m relating to the fair value of the contingent consideration. The expectation at 30 September 2011 was that the conditions relating to the contingent consideration would no longer be met and $1.7m was released at that time. Last year, the fair value of the contingent consideration was further reassessed at zero resulting in a credit of $0.8m to the income statement and no payment was made. This was due to lower than expected sales primarily the result of delays in the integration of the products/distributors, as well as the time taken to obtain regulatory approval.

4 Exceptional items (continued)

Royalty release and intangible asset impairment
At 30th September 2012, the Group had reviewed its two acquisitions.

(a) As part of the OPKO instrumentation acquisition, contingent royalties are payable on future product sales. The product mix has a direct impact on level of royalty due. The fair value of this contingent royalty payment (see note 18, provisions) was revised downwards in the year from $8.5m to $6.3m to reflect the latest revenue and product mix projections.

(b) As part of the acquisition of Opto Global Holdings Pty Ltd, intangible assets were recognised relating to a number of key supplier relationships. Due to difficult trading circumstances at one of these suppliers, the carrying value of the intangible asset attributed to this supplier was impaired at 30th September 2012. Trading balances also existed between group companies and this supplier. To reflect the uncertainty as to when these amounts may be recoverable, a position was taken to charge the full amount of $3.3m in the period as an exceptional item. This charge is made up of a non-cash item of $2.5m relating to the supplier intangible asset, and $0.8m relating to the trading amount.

5 Revenue

	Six months ended 31 March 2013 (Unaudited) $m	Six months ended 31 March 2012 (Unaudited) $m	Year ended 30 September 2012 (Audited) $m
Revenue			
Operating lease revenue from rental of devices	**11.0**	31.6	52.5
Device sales under finance leases	**16.4**	26.0	61.9
Device sales – outright	**31.7**	22.7	63.2
Services and warranty contracts	**13.1**	5.9	15.6
Revenue	**72.2**	86.2	193.2
Other operating income	**0.8**	-	3.2
Finance revenue	**2.5**	1.1	2.8
Total revenue	**75.5**	87.3	199.2

No revenue was derived from exchanges of goods or services.

Other operating income relates to additional income from contracts that had been previously recognised as finance leases.

6 Share-based payments
The Company has operated discretionary share option arrangements details of which can be found on pages 83 to 86 of the Group's Annual Report and Accounts for the year ended 30 September 2012.

The total charge for share-based payments for the six months ended 31 March 2013 was $0.4m (H1 FY12: $1.1m charge; FY12: $0.2m charge) including $0.1m in respect of National Insurance contributions potentially payable on option gains (H1 FY12: $0.5m charge; FY12: $0.1m charge).

7 Taxation
The tax charge for the interim period was $0.3m (H1 2012: $2.1m; FY12 $5.8m) comprising a current tax charge of $0.3m (H1 2012 $1.0m; FY12 $1.2m) and a deferred tax charge of $nil (H1 2012 $1.1m; FY12 $4.6m). In the six months ended 31 March 2013, $2.6m (1H 2012 $1.6m; FY12 $1.3m) was paid in the US and Canada in respect of taxes levied by the tax authorities.

Deferred tax assets totalling $5.0m (1H 2012 $9.3m; FY12 $5.5m) have been recognised as there is sufficient evidence to conclude that these temporary differences, including tax losses, will be recoverable in the future. The continued availability of tax losses is subject to conditions being met and the level of tax losses being successfully challenged by the relevant tax authorities.

The movement in deferred tax balances in the period includes a charge of $0.5m (1H 2012 $0.6m credit; FY12 $0.1m credit) to other comprehensive income.

8 Profit per ordinary share

Basic earnings per share amounts are calculated by dividing the profit before and after taxation for the financial period by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the profit before and after taxation for the financial period by the weighted average number of ordinary shares outstanding during the period (adjusted for the effects of dilutive options). In the case of a loss, no impact for further dilution is reflected as this would not have the effect of increasing the loss per share and is therefore not dilutive.

The profit per ordinary share is calculated as follows:

	Six months ended 31 March 2013 (Unaudited) Number	Six months ended 31 March 2012 (Unaudited) Number	Year ended 30 September 2012 (Audited) Number
Weighted average number of ordinary shares in issue	**71,803,996**	71,343,230	71,463,266
Effect of dilution: share options	**2,617,777**	3,547,436	2,189,043
Adjusted weighted average number of ordinary shares for diluted earnings per share	**74,421,773**	74,890,666	73,652,309
Profit before exceptional items & tax ($m)	**0.7**	6.9	26.3
Basic profit before exceptional items & tax per share	**1.0c**	9.7c	36.8c
Diluted profit before exceptional items & tax per share	**1.0c**	9.2c	35.7c
Profit before exceptional items & after tax ($m)	**0.4**	4.3	18.8
Basic profit before exceptional items & after tax per share	**0.7c**	6.0c	26.3c
Diluted profit before exceptional items & after tax per share	**0.5c**	5.7c	25.6c
Profit before taxation ($m)	**0.7**	5.6	23.4
Basic profit before tax per share	**1.0c**	7.8c	32.7c
Diluted profit before tax per share	**1.0c**	7.5c	31.7c
Profit after tax ($m)	**0.4**	3.5	17.6
Basic profit after tax per share	**0.7c**	4.8c	24.6c
Diluted profit after tax per share	**0.5c**	4.6c	23.9c

9 Property, plant and equipment

	Leasehold improvements $m	Medical devices $m	Plant and Equipment $m	**Total $m**
Cost				
At 1 October 2012	**3.3**	**47.3**	**11.0**	**61.6**
Additions	-	0.1	1.0	1.1
Transferred to inventory	-	(1.4)	-	(1.4)
Transfers	(0.3)	-	0.3	-
Disposals	-	(27.4)	(0.4)	(27.8)
Exchange adjustment	-	-	-	-
At 31 March 2013	**3.0**	**18.6**	**11.9**	**33.5**
Accumulated depreciation				
At 1 October 2012	**1.7**	**34.1**	**7.9**	**43.7**
Charge for period	0.2	4.1	0.4	4.7
Transfers	(0.2)	-	0.2	-
Disposals	-	(26.6)	(0.1)	(26.7)
Exchange adjustment	-	-	-	-
At 31 March 2013	**1.7**	**11.6**	**8.4**	**21.7**
Net book value at 31 March 2013	**1.3**	**7.0**	**3.5**	**11.8**
Net book value at 30 September 2012	1.6	13.2	3.1	17.9
Net book value at 31 March 2012	0.9	23.0	5.2	29.1

During the six months to 31 March 2013, the Group incurred $1.1m of expenditure on additions to property plant & equipment (H1 2012: $6.6m; FY 2012: $10.0m). Depreciation charges in the period were $4.7m (H1 2012: $9.5m; FY 2012: $16.3m). There were no impairment charges to property, plant and equipment.

10 Intangible assets

	Development costs $m	Software costs $m	Licences and relationship costs $m	Goodwill costs $m	**Total $m**
Cost					
At 1 October 2012	**34.1**	**5.1**	**7.0**	**25.1**	**71.3**
Additions – internal development	0.8	-	-	-	0.8
Additions – acquired	-	0.2	-	-	0.2
At 31 March 2013	34.9	5.3	7.0	25.1	72.3
Accumulated amortisation					
At 1 October 2012	**16.0**	**3.9**	**4.3**	**-**	**24.2**
Amortisation in year	1.6	0.3	0.5	-	2.4
At 31 March 2013	**17.6**	**4.2**	**4.8**	**-**	**26.6**
Net carrying amount at 31 March 2013	**17.3**	**1.1**	**2.2**	**25.1**	**45.7**
Net carrying amount at 30 September 2012	**18.1**	**1.2**	**2.7**	**25.1**	**47.1**
Net carrying amount at 31 March 2012	**18.4**	**0.9**	**5.8**	**25.1**	**50.2**

During the six months to 31 March 2013, the Group capitalised $0.8m of expenditure incurred on intangible assets (H1 2012: $3.7m; FY 2012: $6.7m) and acquired intangible assets of $0.2m (H1 2012: $25.1m; FY 2012: $22.2m). Amortisation charges in the period were $2.4m (H1 2012: $3.4m; FY 2012: $7.9m). There were no impairment charges to intangible assets.

11 Finance lease receivables
During the six months ended 31 March 2013, the Group recognised $17.1m of finance lease agreements with customers (H1 2012: $26.0m; FY 2012: $64.1m) and received payments from customers of $12.6m (H1 2012: $2.3m; FY 2012: $7.1m) together with receipts in respect of finance income of $2.5m (H1 2012:$1.1m, FY 2012: $2.8m). The average effective interest rate in relation to finance leases is 6%.

As at 31 March 2013, the carrying value of finance lease receivables was $86.7m (H1 2012: $49.4m; FY 2012: $82.2m) of which $28.8m (H1 2012: $15.1m; FY 2012: $25.0m) was current. The fair value of finance lease receivables is considered not to be materially different from the carrying value in the balance sheet and there were no impairment charges in any of the periods reported.

12 Cash and cash equivalents

	Six months ended 31 March 2013 (Unaudited) $m	Six months ended 31 March 2012 (Unaudited) $m	Year ended 30 September 2012 (Audited) $m
Cash at bank and in hand	**12.4**	3.9	6.5
Short-term deposits	**0.1**	-	0.1
Cash and cash equivalents	**12.5**	3.9	6.6

Cash at bank earns interest at floating rates based on daily deposit rates.

13 Financial Liabilities
During the six months to 31 March 2013, the Group raised additional funding through vendor finance of $12.8m (H1 2012: $4.3m; FY 2012: $12.3m) and made repayments to third-party providers of vendor finance of $6.9m (H1 2012: $12.7m; FY 2012: $23.2m. Total vendor finance commitments outstanding at 31 March 2013 were $30.3m (H1 2012: $27.1m; FY 2012: $24.5m) of which $13.2m is current (H1 2012: $15.8m, FY2012: $11.8m).

The Group has in place a revolving credit facility (RCF) of up to $50.0m. This facility was used to fund the acquisition of the OPKO instrumentation division and for working capital purposes. $38m was drawn down as at 31 March 2013 (H1 2012: $25.0m; FY12: $30.0m). Amounts outstanding under the RCF incur interest between 1.45% and 2.15% above LIBOR. The facility expires in September 2014.

14 Related party transactions
During the six months to 31 March 2013, revenue totalling $94,923 (H1 2012: $23,449; FY 2012: $45,322) at normal market prices was received by Group companies from Kehoe Eye Care PC, of which P Kehoe is a Director and controlling shareholder. There was $nil outstanding at 31 March 2013 (outstanding within terms of trade: H1 2012: $4,046; FY 2012: $3,646). No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

15 Post balance sheet events
On May 1st 2013, we announced a restructuring of the business into two regional businesses (Americas and International). This should set the Company up organisationally for faster growth and deliver a closer alignment to the customer. As part of this restructuring, we will close our R&D facility in Canterbury, and also close our OCT manufacturing site in Miami, moving production to the existing UWF site in Boston. As part of these changes, some of our staff will leave us under redundancy programmes. We would like to thank them all for their contributions to our Company over the years. The cost of the restructuring will be approximately $2.0m to be booked in the second half of the year and will save annual operating costs in the range of $3.5-$4.0m.

Directors Responsibility Statement
For the period ended 31 March 2013

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE INTERIM FINANCIAL REPORT

The Directors of Optos plc at 15 May 2013 are listed below.

The Directors confirm to the best of their knowledge that:

- this condensed set of financial statements has been prepared in accordance with IAS 34;
- the interim management report includes a fair review of the information required by DTR 4.2.7R; and
- the interim management report includes a fair review of the information required by DTR 4.2.8R.

BY ORDER OF THE BOARD

Robert Kennedy
Company Secretary
15 May 2013

Independent Review Report to Optos plc
For the period ended 31 March 2013

Introduction

We have been engaged by the Company to review the condensed consolidated set of financial statements in the interim financial report for the six months ended 31 March 2013 which comprises the Condensed Consolidated Income Statement, Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Balance Sheet, Condensed Consolidated Statement of Cash Flows, Condensed Consolidated Statement of Changes in Equity, and the related notes 1 to 15. We have read the other information contained in the interim financial report 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 2410 (UK and Ireland) “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors’ responsibilities

The interim financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom’s Financial Services Authority.

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 condensed consolidated set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”, as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed consolidated set of financial statements in the interim 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 condensed consolidated set of financial statements in the interim financial report for the six months ended 31 March 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom’s Financial Services Authority.

Ernst & Young LLP
Glasgow
15 May 2013

Directors of Optos plc
Dr Peter Fellner, Non-executive Chairman
Roy Davis, Chief Executive Officer
Louisa Burdett, Chief Financial Officer

Non-executive Directors
Barry Rose
John Goddard
Peter Kehoe
David Wilson
Rosalyn Wilton

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