12 November 2009

TEP Exchange Group PLC
("TEP" or "the Company")

Half-yearly results for the six month period ended 30 June 2009

Chairman's Statement

I am duly reporting the unaudited results of the Company for the six month period ended 30 June 2009. Revenue for the period was £10,000 (six month period ended 30 June 2008: £279,000), a decrease of 96 per cent. over the corresponding period last year. The Company incurred an operating loss of £72,000, compared to an operating profit of £18,000 in the same period last year. The loss on ordinary activities before and after taxation was £76,000, compared to a profit before and after taxation of £6,000 in the first six months of last year.

Revenue decreased very significantly in the first half of 2009 compared to the first half of 2008 due to extremely challenging market conditions in the traded endowment policy market. The turmoil in financial markets which commenced in the second half of 2008 resulted in a dramatic drop in demand for traded endowment policies from market makers to such an extent that from November 2008 there were virtually no deals being completed utilising the Company's electronic platform.

As set out in the Company's recently published Report and Accounts, the group relies on support from Surrenda-link Limited (a 48.26 per cent. shareholder in the Company). The Directors have recently agreed with Surrenda-link Limited that the payment of non-current outstanding charges in the amount of £271,624 will not be paid before 31 December 2010. In addition, the Directors have also recently agreed with Surrenda-link Limited a working capital facility of up to £150,000 which will not be repaid before 31 December 2010.

The Company's challenge to the VAT assessments, as detailed in note 4 of last year's Half-yearly Results Statement, has now been withdrawn and the Company has agreed to repay irrecoverable VAT in the amount of £134,960. The Company is in discussion with HM Revenue & Customs on the time period over which the irrecoverable VAT will be repaid.

The Directors are of the view that the Company's electronic platform is still a cost effective method for market makers to source policies, particularly direct from the public, but the Company is heavily reliant upon the market makers to stimulate the market again and in the meantime the Directors are endeavouring to reduce the Company's monthly cash outflow.

The expansion of the Company's electronic platform for its current range of products primarily into the German market was deferred due to the market conditions currently prevailing.

Your Directors are not proposing an interim dividend.

George Kynoch
Chairman

11 November 2009

For further information please contact:

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Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2009

	Six months ended 30 June 2009 (unaudited) £'000	Six months ended 30 June 2008 (unaudited) £'000	Year ended 31 December 2008 (audited) £'000
Revenue	10	279	439
Administrative expenses	(82)	(261)	(637)
(Loss) / profit from operations	(72)	18	(198)
Finance income	-	1	2
Finance costs	(4)	(13)	(21)
(Loss) / profit before tax	(76)	6	(217)
Tax expense	-	-	-
Total comprehensive income attributable to equity holders of the Company	(76)	6	(217)
(Loss) / earnings per share			
Basic and diluted (loss) / earnings per share (note 3)	(0.02)p	0.00p	(0.05)p

Consolidated Statement of Changes in Equity
for the six months ended 30 June 2009

Attributable to equity holders of the Company

	Share Capital (unaudited) £'000	**Share Premium (unaudited) £'000**	**Accumulated Losses (unaudited) £'000**	**Total Equity (unaudited) £'000**
At 1 January 2009	2,263	3,952	(6,642)	(427)
Total comprehensive income for the period	-	-	(76)	(76)
At 30 June 2009	**2,263**	**3,952**	**(6,718)**	**(503)**

Share capital is the amount subscribed for ordinary shares and deferred shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of these shares net of share issue expenses.

Accumulated losses represent cumulative losses of the Company and its subsidiaries (together the "Group") attributable to equity holders.

Consolidated Statement of Financial Position
as at 30 June 2009

	As at 30 June 2009 (unaudited) £'000	As at 30 June 2008 (unaudited) £'000	As at 31 December 2008 (audited) £'000
ASSETS			
Current assets			
Inventories	3	3	3
Trade and other receivables	60	121	68
Cash and cash equivalents	4	95	29
Total current assets	67	219	100
TOTAL ASSETS	67	219	100
LIABILITIES			
Current liabilities			
Short term borrowings	-	(29)	-
Trade and other payables	(298)	(205)	(255)
Total current liabilities	(298)	(234)	(255)
Non-current liabilities			
Long term borrowings	-	-	-
Trade payables	(272)	(188)	(272)
Total non-current liabilities	(272)	(188)	(272)
TOTAL LIABILITIES	(570)	(422)	(527)
TOTAL NET LIABILITIES	(503)	(203)	(427)
Equity attributable to equity holders of the parent			
Share capital	2,263	2,263	2,263
Share premium reserve	3,952	3,952	3,952
Accumulated losses	(6,718)	(6,418)	(6,642)
TOTAL EQUITY	(503)	(203)	(427)

Consolidated Cash Flow Statement
for the six months ended 30 June 2009

	Six months ended 30 June 2009 (unaudited) £'000	Six months ended 30 June 2008 (unaudited) £'000	Year ended 31 December 2008 (audited) £'000
Operating activities			
(Loss) / profit before taxation	(76)	6	(217)
Finance income	-	(1)	(2)
Finance costs	4	13	21
(Loss) / profit from operations before changes in working capital	(72)	18	(198)
Decrease in trade and other receivables	8	139	191
Increase / (decrease) in trade and other payable	42	(44)	93
Cash (used in) / generated by operating activities	(22)	113	86
Investing activities			
Interest received	-	1	2
Financing activities			
Repayment of borrowings	-	(44)	(73)
Interest paid	(3)	(13)	(24)
Net cash outflow from financing activities	(3)	(57)	(97)
(Decrease) / increase in cash and cash equivalent	(25)	57	(9)
Cash and cash equivalents at beginning of period	29	38	38
Cash and cash equivalents at end of period	4	95	29
Cash and cash equivalents comprise:			
Cash available on demand	4	95	29

Notes to the half-yearly results

1. Basis of preparation

As permitted IAS 34, 'Interim Financial Reporting' has not been applied to these Half-yearly Results. The financial information of the Group for the six months ended 30 June 2009 have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("adopted IFRS") and are in accordance with IFRS as issued by the IASB. The condensed interim financial information has been prepared using the accounting policies which will be applied in the Group's statutory financial statements for the year ending 31 December 2009, which results in the adoption of IAS 1 'Presentation of Financial Statements' and has been applied throughout these interim financial statements.

The financial information shown in this publication is unaudited and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The comparative figures for the financial year ended 31 December 2008 have been derived from the statutory accounts for 2008. The statutory accounts will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The auditors have reported on those accounts; their report was unqualified and did not contain statements under the Companies Act 1985, Section 237 (2) or (3). The auditors' report on the statutory accounts for 2008 referred to a matter concerning the company's ability to continue as a going concern to which the auditors drew attention by way of emphasis without qualifying their report. The details concerning this matter are given in note 4 below.

2. Dividends

No dividend is proposed for the six months ended 30 June 2009.

3. (Loss) / earnings per share

The (loss) / earnings per share has been calculated by dividing the loss after taxation for the period of £76,000 (six month period ended 30 June 2008: profit of £6,000 and year ended 31 December 2008: loss of £217,000) by the weighted average number of Ordinary Shares of 399,999,999 (six month period ended 30 June 2008: 399,999,999 and year ended 31 December 2008: 399,999,999) in issue during the period.

The options and warrants in issue at 30 June 2008, 31 December 2008 and 30 June 2009 are anti-dilutive and have therefore been excluded from the calculation of diluted earnings per share. However, such options may be dilutive in future periods.

4. Going Concern

During the six month period ended 30 June 2009 the Group incurred a loss of £76,000 (year ended 31 December 2008 loss of £217,000) and at 30 June 2009 had net liabilities of £503,000 (31 December 2008 net liabilities of £427,000).

The Group relies on support from Surrenda-link Limited (a 48.26% shareholder in the Company). The Directors have recently agreed with Surrenda-link Limited that the payment of non-current outstanding charges in the amount of £271,624 will not be paid before 31 December 2010. In addition, the Directors have also recently agreed with Surrenda-link Limited a working capital facility of up to £150,000 which will not be repaid before 31 December 2010.

On the basis of discussions with Surrenda-link Limited the Directors are anticipating improved trading results for the period up to 30 September 2010 and have projected cash flow information which show creditors (excluding amounts owed to Surrenda-link Limited) can be paid out of cash flow. The projected cash flow information assumes that the total amount due to HM Revenue & Customs of £134,960 can be paid over a period of not less than 12 months from January 2010, which has not yet been agreed with HM Revenue & Customs.

On the basis of the above, and all other available information, the Directors consider that the Group will be able to operate within the working capital facility recently agreed with Surrenda-link Limited and therefore that it is appropriate to prepare the interim financial statements on the going concern basis.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The interim financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.