

2 November 2012

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

Parent company's interim financial statements for the eight months period ended 31 August 2012

The Company announces that the following parent company's interim financial statements for the eight month period ended 31 August 2012, which relate only to TEP itself and not to the TEP Group, are being submitted today for filing with the Registrar of Companies as required by section 838 (6) of the Companies Act 2006. The statements have been prepared so that dividends which are expected to become payable between now and the publication of the TEP Group annual report in respect of the 2012 accounting period may be paid in compliance with section 836 (2) (a) of the Companies Act 2006.

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**Statement of Comprehensive Income
for the eight months ended 31 August 2012**

**Eight months
Ended
31 August
2012**

**(unaudited)
£**

	Notes	
Revenue	2	2,166,766
Administrative expenses		<u>(92,289)</u>
Profit from operations		2,074,477
Finance income	3	<u>5,365</u>
Profit before income tax		2,079,842
Income tax expense	4	<u>-</u>
Profit attributable to the owners of the parent and total comprehensive income for the period		<u>2,079,842</u>

**Statement of Changes in Equity
for the eight months ended 31 August 2012**

Attributable to equity holders of the Company

	Share Capital (unaudited) £'000	Share Premium (unaudited) £'000	Accumulated Profit (unaudited) £'000	Total Equity (unaudited) £'000
At 1 January 2012	2,267,480	4,032,678	(7,912,654)	(1,612,496)
Total comprehensive income for the period	-	-	2,079,842	2,079,842
Capital reduction and cancellation of premium	(2,258,980)	(4,032,678)	6,291,658	-
At 31 August 2012	8,500	-	458,846	467,346

**Statement of Financial Position
as at 31 August 2012**

**As at
31 August
2012
(unaudited)
£'000**

Notes

ASSETS

Non-current assets

Investments subsidiary undertakings

100,006

100,006

Current assets

Inventories

-

Trade and other receivables

7

612,616

Cash and cash equivalents

240,675

Total current assets

853,291

TOTAL ASSETS

953,297

LIABILITIES

Current liabilities

Borrowings

-

Trade and other payables

8

(485,951)

Total current liabilities

(485,951)

Non-current liabilities

Borrowings

-

Total non-current liabilities

-

TOTAL LIABILITIES

(485,951)

NET ASSETS

467,346

Equity attributable to equity holders of the parent

Share capital

8,500

Share premium reserve

-

Accumulated profit

458,846

TOTAL EQUITY

467,346

**Statement of Cash Flows
for the eight months ended 31 August 2012**

**Eight months
ended
31 August
2012
(unaudited)
£'000**

Cash flows from operating activities

Operating profit	2,079,842
Increase in trade and other receivables	(316,510)
Decrease in trade and other payable	<u>(1,584,959)</u>

Cash generated by operating activities

178,373

Cash flows from financing activities

Decrease in borrowings	-
Issue of ordinary share capital	<u>-</u>

Net increase in cash and cash equivalents

178,373

Cash and cash equivalents at beginning of period

62,302

Cash and cash equivalents at end of period

240,675

Cash and cash equivalents comprise:

Cash available on demand

240,675

Notes forming part of the interim financial statements

1. Basis of preparation

The financial statements of the Company for the eight months ended 31 August 2012 have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards, International Accounting Standards and EU adopted IFRICs (collectively "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("adopted IFRS"). The condensed interim financial statements have been prepared using the accounting policies which will be applied in the Group's statutory financial statements for the year ending 31 December 2012.

2. Revenue

The Company's revenue is generated in the United Kingdom from the licensing of the proprietary electronic platform together with the dividends received from subsidiary undertakings.

3. Finance income

	31 August 2012
	£
Interest receivable on loans	<u>5,365</u>

4. Income tax expense

No liability to corporation tax arises on the results for the period due to the utilisation of losses brought forward together with dividends received not being taxable.

	31 August 2012
	£
Profit on ordinary activities before income tax	2,079,842
Profit on ordinary activities before income tax multiplied by the standard rate of U.K. corporation tax of 25.4%	528,280
Non-taxable income	(381,000)
Utilisation of tax losses	<u>(147,280)</u>
Current period income tax charge	<u>-</u>

5. Dividends

No dividend is proposed for the eight months ended 31 August 2012.

6. Capital reduction and cancellation of share premium

On 13 July 2012 the Company's shareholders passed the special resolution to reduce its share capital and cancel its share premium account. The passing of the special resolution was subject to Court approval and this was obtained on 8 August 2012.

The statement of changes in equity on page 3 of these interim financial statements reflects the accounting impact of the reduction in the Company's share capital and cancellation of the share premium account.

7. Trade and other receivables

	31 August 2012
	£
Trade receivables	-
Amount due from subsidiary undertakings	150,050
Loan receivable	450,000
Other receivables	4,785
Prepayments and accrues income	7,781
	<hr/>
	612,616
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8. Trade and other payables

	31 August 2012
	£
Trade payables	48,616
Other payables	3,500
Amounts due to subsidiary undertakings	278,259
Creditors for taxation and social security	53,293
Accrued liabilities and deferred income	102,283
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	485,951
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