

PANNAL PLC

COMPANY NUMBER: 04998151

INTERIM RESULTS FOR THE PERIOD ENDED 30 JUNE 2005

Pannal plc

Interim results

Pannal plc (or 'the company') today announces its results for the period ended 30 June 2005. The company was incorporated on 17 December 2003 and the previous period results are included for comparative purposes.

Chairman's statement for the period ended 30 June 2005

These are the first set of results for Pannal since flotation, showing the results for the period 1 January 2005 to 30 June 2005. The company made a loss for the period of £76,906 and had net assets of £1,522,977 at the period end. Pannal came to AIM on 22 February 2005 raising gross funds of £1,500,000. Upon admission the company had no trading businesses.

The Directors' original and continuing strategy is to use Pannal as a vehicle to identify and acquire businesses that are positioned to take advantage of opportunities within the technology, media and telecommunication sector. Following the company's listing in February 2005 the board of directors and its advisers have considered a number of potential acquisitions. As yet none of these opportunities have met the criteria set out and hence no deals have yet been concluded. The Directors will continue to investigate opportunities with a view to securing a suitable acquisition.

The board is aware of recent changes to the rules regarding AIM traded investing companies, which stipulate that any company listed prior to 1 April 2005, which raised less than £3million, must have completed an acquisition constituting a reverse takeover by 1 April 2006, otherwise its shares will be suspended. The company then has a further six months under suspension after which if a deal has still yet to be concluded, the shares cease to be traded on AIM and a distribution will be made to shareholders. The board is confident that a suitable deal will have been identified before this time and I look forward to reporting to you when progress has been made.

John Swingewood

Non-executive Chairman

Pannal plc

Unaudited Profit and Loss Account

For the period ended 30 June 2005

01.01.05 17.12.03

	to	to
	30.06.05	<u>31.12.04</u>
	£	£
Turnover	-	-
Cost of Sales	-	-
Gross Profit	-	-
Administrative Expenses	(92,303)	-
Operating Loss	(92,303)	-
Interest Receivable	15,407	-
Interest Payable	(10)	-
Loss on ordinary activities before taxation	(76,906)	-
Tax on loss on ordinary activities	-	-
Loss for the Period	(76,906)	-

All transactions arise from continuing operations

Pannal plc

Unaudited Balance Sheet

As at 30 June 2005

	<u>2005</u>	<u>2004</u>
	£	£
CURRENT ASSETS		
Debtors	58,638	-
Cash at bank and in hand	1,484,064	100,002
	1,542,702	100,002
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	(19,725)	-
NET CURRENT ASSETS	1,522,977	100,002
TOTAL ASSETS LESS CURRENT LIABILITIES	1,522,977	100,002
CAPITAL AND RESERVES		
Called up share capital	420,502	100,002

Share Premium Account	1,179,381	-
Profit and Loss Account	(76,906)	-

Equity Shareholders' Funds	1,522,977	100,002
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Pannal plc

Unaudited Cashflow Statement

For the period ended 30 June 2005

	01.01.06	17.12.03
	to	to
	30.06.06	<u>31.12.04</u>
	£	£
NET CASH OUTFLOWS FROM OPERATING		
ACTIVITIES	(131,216)	-
RETURNS ON INVESTMENTS AND		
SERVICING OF FINANCE		
Interest Paid	(10)	-
Interest Receivable	15,407	-
	15,397	-
FINANCING		
Net proceeds on issue of	1,499,881	100,002 shares in the period

INCREASE IN CASH

1,384,062

100,002

END