18 October 2012

Brainspark plc
("Brainspark" or "the Company")

INTERIM RESULTS
For the 6 Months Ended 30 June 2012

Brainspark plc (AIM: BSP), a fast growing international leisure investment company, announces its unaudited Interim Results for the 6 months ended 30 June 2012.

The Company has today also published its audited Final Results for the year ended 31 December 2011.

Following publication of the audited Financial Results to 31 December 2011 and this announcement of the Interim Results, the suspension of trading in the Company's ordinary shares on AIM is expected to be lifted with effect from today.

Highlights

- London office opened with UK-based CFO
- NAV increased to £21.2m (June 2011: £15.9m)
- Loss before tax reduced to £304,000 (1st half 2011: £438,000)
- NAV per share is 21.7p

Financial Review

The consolidated net asset value at 30 June 2012 was £21.2 million, up from £15.9 million at 30 June 2011 and £13.6 million at 31 December 2011.

The Group made a loss before taxation in the period of £304,000 compared to a loss of £438,000 for the same period to 30 June 2011.

Operational Review

On 4 January 2012 the company announced that a large bond holder agreed to convert its holding of £3.5million, plus accrued interest of £449,000 (a total of £3,949,000), into 11 million Brainspark new ordinary shares, at a price of 36 pence per share, a 38 per cent. premium to the current share price.

On 23 February 2012 the Company announced that it had placed 13,125,000 new ordinary shares of 2.5p at a price of between 15 to 16 pence per share raising a total of approximately £2 million, before costs, via institutional investors and certain Directors of the Company. The proceeds will be used to fund new investments as well as for working capital purposes.

On 23 March 2012 the Company announced that further to the announcements of 28 June 2011, 19 October 2011, 8 November 2011 and 4 January 2012, the Company had issued a total of 29,690,000 new ordinary shares of 2.5p each to the vendors of You Can Group srl (the holding company for the Sosushi restaurant chain), ORH S.p.A (the holding company for the Ora Hotel Group) and to Regilco Srl (to purchase 10 villas on the Liscia di Vacca bay in

Sardinia) and to a holder of Brainspark bonds. In addition, the Company announced that it had agreed with a bond holder to convert bonds worth £2,824,800 including accrued interest into 8,070,857 new ordinary Shares at 35 pence per share. The Company also agreed to issue 150,000 new ordinary Shares to a consultant to the Company in lieu of fees. In addition the Company had agreed with Argentaria srl to reverse the acquisition of an office building in Milan and will not therefore issue the 5,000,000 new ordinary Shares referred to in the announcement of 8 November 2011.

On 3 April 2012 the Company announced that it had placed 5,750,000 new ordinary shares of 2.5p at a price of 10 pence per share raising a total of GBP 575,000 before costs, via institutional investors and a Director of the Company. The proceeds will be used for working capital purposes. Alfredo Villa, Chief Executive of the Company subscribed for a further 1,500,000 shares in the placing.

On 13 April 2012 the Company announced that it had allotted 3,440,000 new ordinary Shares of 2.5p each to the vendors of You Can Group srl as consideration for the acquisition of SoSushi and 3,440,000 to You Can Group srl as increase in capital in You Can Group srl. In addition, the company has also allotted 6,306,667 new ordinary Shares of 2.5p each to the vendors of Sipiem SpA.

On 4 May 2012 the Company announced announce the acquisition of 10 per cent. of Sixlove Group SpA for a total consideration of EUR 690,000, to be paid as follows: EUR 150,000 in cash, on or before 15 June 2012 and EUR 540,000 in exchange for 3,000,000 new ordinary shares to be issued at 15 pence per share.

On 15 June 2012 the Company announced the acquisition of a 50.1%. equity interest in You Can Group S.r.l. was formally completed. The total consideration is EUR 751,500 (approx. GBP 608,715), which Brainspark has agreed to settle as follows:

(i) EUR 4,500 in cash, and
(ii) EUR 747,000 through the allocation of already-issued 5,190,000 Brainspark new ordinary shares, at an average price of 11.66 pence per share.

Brainspark also committed to contribute up to EUR 600,000 (approx. GBP 486,000) in development capital to You Can Group before 31 December 2012; out of this amount EUR 150,000 was paid on 23 March 2012 through the issue of 3,440,000 new ordinary shares in the Company to You Can Group. The residual funding commitment is therefore EUR 450,000.

Post Balance Sheet Events

On 2 August 2012 the Company announced that it had completed the first stage of its investment in Sipiem SpA ("Sipiem"), the construction and leisure company in Biella, Italy. Sipiem owns 66% of Ondaland, a reduction from the previously announced 90% as a result of a EUR 7 million investment from other investors. The EUR 7 million investment was secured to fund the construction of a new indoor theme park, "La Terra d'Endora", situated within the Ondaland complex. It is expected that this new attraction will be opened in time for Easter 2013 and will enable Ondaland to welcome visitors 12 months a year.

The initial investment in Sipiem has been made through the swap of the Company's 20% shareholding in Ondaland, as well as EUR 1.9 million, which has been settled through EUR 650,000 in cash, which was paid on 27 July 2012 and 6,306,667 ordinary shares in the Company, which were issued on 13 April 2012. As a result of the acquisition, Alfredo Villa has been appointed as a director of Sipiem. In addition, Brainspark has signed an agreement to subscribe for an additional 11 per cent. of Sipiem shares, for an amount of EUR 800,000 to be paid on or before 31 December 2012.

On 28 August, the Company issued 4,000,000 new ordinary shares of 2.5p at a price of 5 pence per share in relation to an investment in London based corporate broking firm, Ascend Capital plc. Brainspark acquired a 9.9 per cent. holding in Ascend Capital, which successfully completed two fundraisings for Brainspark, on 23 February 2012 and 3 April 2012, totalling £2.575 million. Alfredo Villa, Executive Chairman of Brainspark, has joined the board of Ascend Capital as a Non-Executive Director.

On 11 October, the Company announced it is currently progressing discussions in relation to the sale of the land of Mediapolis with two new investment funds, one Italian and one Italian/American, due to the breakdown in negotiations with Sorgente SGR, following the refusal by the mortgage holding Italian bank to transfer the land's mortgage. The Company yesterday received a preliminary non-binding offer from one of the parties, with terms more favourable than the previous offer from Sorgente, and it will provide shareholders with a further update once a binding agreement has been reached. The Board remains focused on reaching a swift agreement with one of these investment funds.

Further, the Company has recently received permission to designate 118,000 square meters of the land for commercial real estate development (as well continuing with the development of the original theme park) and is currently looking at the viability of dividing the land in order to sell the commercially permitted land separately. It is expected that this approach will result in a release value for shareholders in a more timely manner.

In addition, Brainspark is pleased to announce that a bond holder agreed to convert its holding of £800,000 7% bonds plus accrued interest to 30 June 2012, into 15,000,000 Brainspark new ordinary shares at 7 pence a share. Following this conversion, from the original £10 million convertible bond issue in May 2010, £3.06 million remains unconverted.

Update on Bibop SpA

The Company is committed to divesting Bibop and as announced on 7 March 2012, Bibop signed a letter of intent to sell its Mycast video platform to a US company for US 3 million. The board has been informed that negotiations have not reached a conclusion due to the difficulty in applying for a US patent to fully protect the MyCast technology. Therefore the Company has today entered into an agreement with Inventia srl, giving the right to use, promote and develop the MyCast platform, implement the patents and undertake commercial use, in exchange for meeting all future development and commercial costs related to these activities.

Bibop remains the owner of the Mycast platform and will receive the proceeds from any future sale, but will not have the cost burden related to bringing the platform up to a level where a sale can be deemed profitable. Brainspark owns 67.12 per cent of Bibop, but since 1 October 2012 is not required to pay any costs related to the Mycast platform, which instead will be met by Inventia.

Inventia has the right at any time to buy the Mycast platform from Bibop for a minimum price of EUR 1.5 million, or if the buyer is a third party (ie, not Inventia), then the minimum selling price is EUR 2.5 million, with a proportionate earn-out for Inventia. Inventia srl, is a company related to Cambria Coinvestment Fund, the other shareholder of Bibop.

Outlook

The Board expects to complete its majority investments in ORH SpA (Ora Hotel Group) and Sipiem SpA (Ondland AquaPark) before the end of the year. Together with YouCan Group srl (SoSushi restaurants) the Company will then have three significant, majority owned assets in the leisure and real estate sectors, with combined annual revenues of EUR 60 million.

The Company will look to invest more of its resources, including cash, where needed, into these assets to allow them to follow their own programmes for expansion. With the Italian economy expected to stagnate for the next 12 months, the Company believes it is an excellent time to take advantage of cheap real estate prices and grow the assets of each of these subsidiaries.

Alfredo Villa
Executive Chairman

18 October 2012

For further information please contact:

Brainspark plc Alfredo Villa, Executive Chairman	+39 02 525 051
Westhouse Securities Antonio Bossi Jonathan Haines	+44 (0) 20 7601 6100
Leander PR Christian Taylor-Wilkinson	+44 (0) 7795 168 157

Financial Statements

Unaudited Consolidated Statement of Comprehensive Income for the six months ended 30 June 2012

	Note	Six months to 30 June 2012 (Unaudited)	Six months to 30 June 2011 (Unaudited)	Year ended 31 December 2011 (Audited)
		£'000	£'000	£'000
Continuing operations				
Commission		-	-	-
Finance charges		(300)	(250)	(1,448)
Impairment gains (charges)		337	(312)	(2,460)
(Loss) /gain on disposal of investments		-	340	240
Other operating expenses		(341)	(216)	(3,023)
Loss before tax		**(304)**	**(438)**	**(6,691)**
Tax		-	-	-
Loss for the period from continuing operations		**(304)**	**(438)**	**(6,691)**
Loss for the period		**(304)**	**(438)**	**(6,691)**
Other comprehensive income				
Net value (loss)/gain on available for sale investments		-	-	(6,311)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(304)**	**(438)**	**(13,002)**
Loss attributable to:				
Equity holders of the parent		**(304)**	**(438)**	**(13,002)**
Total comprehensive loss attributable to:				
Owners of the company		**(304)**	**(438)**	**(13,002)**
Loss per share				
Basic and diluted loss per 2.5p ordinary share	3	**(0.01p)**	**(0.03p)**	**(0.24p)**

Consolidated Statement of Financial Position at 30 June 2012

	Notes	Six months to 30 June 2012 (Unaudited) £'000	Six months to 30 June 2011 (Unaudited) £'000	Year Ended 31 December 2011 (Audited) £'000
Non-current assets				
Available for sale investments	4	2,240	26,690	2,240
Other receivables		14,939	-	10,980
Total non-current assets		17,179	26,690	13,220
Current assets				
Available for sale investments	5	13,400	-	13,063
Trade and other receivables		974	85	-
Cash and cash equivalents		13	-	7
Total current assets		14,387	85	13,070
Current liabilities				
Trade and other payables		(5,209)	(1,584)	(6,337)
Total current liabilities		(5,209)	(1,584)	(6,337)
Net current assets		9,178	(1,499)	6,733
Total assets less current liabilities		26,357	25,191	19,953
Non-current liabilities				
Trade and other payables		(5,141)	(9,197)	(6,363)
Net assets		21,216	15,994	13,590
Equity				
Share capital		2,439	473	1,146
Share premium account		33,192	16,335	26,555
Other reserves		6,813	6,813	6,813
Equity component of convertible instrument		1,142	1,875	1,142
Fair value adjustment to available for sale investments		6,311	6,311	-
Retained losses		(28,681)	(15,813)	(22,066)
Equity attributable to equity holders of the parent		21,216	15,994	13,590

Consolidated Statement of changes in equity
For the six month period ended 30 June 2012

	Six months to 30 June 2012 (Unaudited) £'000	Six months to 30 June 2011 (Unaudited) £'000	Year ended 31 December 2011 (Audited) £'000
Opening equity attributable to equity holders of the parent	13,590	13,951	13,951
Movement in the period:			
Loss for the period	(304)	(438)	(6,691)
Issue and conversion of shares	8,084	2,481	13,374
Cost of share issue	(154)	-	
Equity component of convertible instrument	-	-	(733)
Fair value adjustments to available for sale investments	-	-	(6,311)
Closing equity equity attributable to equity holders of the parent	21,216	15,994	13,590

Consolidated Statement of Cash Flows
For the six months ended 30 June 2012

	Six months to 30 June 2012 (Unaudited) £'000	Six months to 30 June 2011 (Unaudited) £'000	Year ended 31 December 2011 (Audited) £'000
Net cash generated / (used) in operating activities	**(712)**	**(92)**	**(1,252)**
Cash flows from investing activities			
Proceeds from sale of investments	-	1,184	2,349
Purchase of investments	(238)	(1,092)	(1,090)
Net cash (expended)/generated from investing activities	**(238)**	**92**	**1,259**
Cash flows from financing activities			
Net proceeds from issue of new ordinary shares and bond placing	956	-	-
Net proceeds of bond issue	-	-	-
Net cash generated from financing activities	**956**	**-**	**-**
Increase/(decrease) in net cash for the period	**6**	**-**	**7**
Cash and cash equivalents at beginning of period	**7**	**-**	**-**
Cash and cash equivalents at end of the period	**13**	**-**	**7**

Notes to the Consolidated Interim financial statements for the six months ended 30 June 2012

1 Accounting policies

Basis of preparation and going concern
This unaudited half yearly report does not constitute statutory accounts of the Group within the meaning of section 434 of the Companies Act 2006.

Statutory accounts for the year ended 31 December 2011, which were prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations adopted for use in the European Union.

The accounting policies applied in these unaudited half yearly condensed financial statements are consistent with those that the Group used in the Annual Report for the year ended 31 December 2011 and expects to apply in its annual financial statements for the year ending 31 December 2012, which will be prepared in accordance with International Financial Reporting Standards (IFRS), and those parts of the Companies Act 2006 that remain applicable to companies reporting under IFRS.

After making reasonable enquiries and events after the balance sheet date, the Board consider that the group has adequate future resources and facilities to continue in operational existence for the forseeable future and therefore the financial statements are prepared on a going concern basis.

The directors are satisfied that the group has sufficient future resources, even though at the balance sheet date the group had no liquidity, in order to meet its on-going operating costs and investment funding obligations. The directors are of the opinion that operational liabilities and contractual commitments can be settled from the timely disposal of investments, should the need arise, and from on-going future anticipated rounds of debt or equity funding. Whilst it is difficult to predict the timing of these cash flows, the board have no reason to believe that cash cannot be yielded at critical points to meet liabilities as they fall due. As a consequence, these financial statements are prepared on a going concern basis.

The unaudited half yearly financial statements are presented in pounds sterling as this is the currency of the primary economic environment in which the Group operates. All values are rounded to the nearest thousand pounds (£'000) except where otherwise stated.

2 Segment information

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is specifically focused on the geographical segments within the group. The principal categories of these segments are in the UK, USA and Italy.

Information regarding the Group's reportable segments is presented below:

	Six month to 30 June 2012 (Unaudited) Segment assets £'000	Six month to 30 June 2011 (Unaudited) Segment assets £'000	Year ended 31 December 2011 (Audited) Segment assets £'000
United Kingdom	(1,853)	(10,696)	(2,385)
Continental Europe	23,069	26,690	15,975
USA	-	-	-
	21,216	15,994	13,590

Notes to the Consolidated Interim financial statements for the six months ended 30 June 2012

3 Loss per share

The basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is computed using the same weighted average number of shares during the period adjusted for the dilutive effect of share warrants and convertible loans outstanding during the period.

The profit and weighted average number of shares used in the calculation are set out below:

	Six months to 30 June 2012 (Unaudited) £'000	Six months to 30 June 2011 (Unaudited) £'000	Year ended 31 December 2011 (Audited) £'000
Loss attributable to ordinary shareholders	(304)	(438)	(13,002)
Adjusted loss	(304)	(438)	(6,691)
Weighted average number of ordinary shares	61,416	11,743	27,968
Adjusted weighted average number of ordinary shares	61,416	11,743	27,968
Basic loss per share	(0.01p)	(0.03p)	(0.24p)
Diluted loss per share	(0.01p)	(0.03p)	(0.24p)

IAS 33 requires presentation of diluted earnings per share when a company could be called upon to issue shares that would decrease earnings per share or increase net loss per share. For a loss making company with outstanding share options and warrants, net loss per share would only be increased by the exercise of out-of-the money options and warrants. Since it seems inappropriate that option holders would act irrationally, no adjustment has been made to diluted earnings per share for out-of-the money options and warrants in the comparatives. There are no other diluting share issues, in either financial period, consequently diluted earnings per share equals basic earnings per share.

4 Available for sale investments

	Six months to 30 June 2012 (Unaudited) £'000	Six months to 30 June 2011 (Unaudited) £'000	Year ended 31 December 2011 (Audited) £'000
At beginning of period	15,303	22,970	22,970
Fair value adjustment	337	-	(6,311)
Impairment charge	-	(312)	(3,172)
Disposal	-	(844)	(2,109)
Transfer to trade and other receivables			(10,980)
Transfer from trade and other receivables			129
Additions	-	4,876	14,776
At period end	15,640	26,690	15,303
Non-current assets	2,240	-	2,240
Current Assets	13,400	26,690	13,063

5 Trade and other receivables

	Six months to 30 June 2012 (Unaudited) £'000	Six months to 30 June 2011 (Unaudited) £'000	Year ended 31 December 2011 (Audited) £'000
Trade and other receivables	974	-	-
Amounts falling due after one year			
Participated loans in associated undertakings	14,939	-	10,980
At period end	15,913	-	10,980

6 Approval of half-year unaudited condensed consolidated financial statements

These half-year unaudited condensed consolidated financial statements were approved by the Board of Directors on 17 October 2012.

7 Subsequent Events

On 5 July 2012, a bond holder agreed to convert its holding of £800,000 7% bonds plus accrued interest to 30th June 2012, into 15,000,000 Brainspark new ordinary shares at 7 pence a share. Following the transaction, from the original £10 million convertible bond issue in May 2010, £3.06 million remains unconverted

On 2 August 2012 the Company announced that it had completed the first stage of its investment in Sipiem SpA ("Sipiem"), the construction and leisure company in Biella, Italy. Sipiem owns 66% of Ondaland, a reduction from the previously announced 90% as a result of a EUR 7 million investment from other investors. The EUR 7 million investment was secured to fund the construction of a new indoor theme park, "La Terra d'Endora", situated within the Ondaland complex. It is expected that this new attraction will be opened in time for Easter 2013 and will enable Ondaland to welcome visitors 12 months a year.

The initial investment in Sipiem has been made through the swap of the Company's 20% shareholding in Ondaland, as well as EUR 1.9 million, which has been settled through EUR 650,000 in cash, which was paid on 27 July 2012 and 6,306,667 ordinary shares in the Company, which were issued on 13 April 2012. As a result of the acquisition, Alfredo Villa has been appointed as a director of Sipiem. In addition, Brainspark has signed an agreement to subscribe for an additional 11 per cent. of Sipiem shares, for an amount of EUR 800,000 to be paid on or before 31 December 2012.

On 28 August, the Company issued 4,000,000 new ordinary shares of 2.5p at a price of 5 pence per share in relation to an investment in London based corporate broking firm, Ascend Capital plc. Brainspark acquired a 9.9 per cent. holding in Ascend Capital, which successfully completed two fundraisings for Brainspark, on 23 February 2012 and 3 April 2012, totalling £2.575 million. Alfredo Villa, Executive Chairman of Brainspark, has joined the board of Ascend Capital as a Non-Executive Director.