

30 September 2010

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

INTERIM RESULTS
For the Six Months ended 30 June 2010

Brainspark plc (AIM: BSP), a fast growing international investment company, is pleased to announce its interim results for the six month period ended 30 June 2010. The Company continues to pursue its dynamic strategy to create a comprehensive portfolio of companies encompassing the interactive media, leisure, entertainment and financial services sectors mainly in Italy but also other European countries. The Company may be either a passive or active investor and its investment rationale ranges from acquiring minority positions with strategic influence through to larger controlling positions.

PERIOD HIGHLIGHTS

- Seven new investments made during the period
- Funds of c.£10.4 million raised during the period through issue of new equity and an up to £10 million convertible bond

POST PERIOD HIGHLIGHTS

- Increased stake in Mediapolis to 55.35% and named changed to B'Parks & Leisure
- Initial preparation for stock market listing on AIM Italia of Brainspark underway

Prof. Francesco Gardin, Chairman of Brainspark, commented, "We have made significant progress during the period, in line with our investing strategy. Although we continue to identify opportunities for further investment, we are also now preparing for the next phase of our development which will involve floating one or more of our divisions on a European stock exchange in order to facilitate funding and establish objective valuation reference points."

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CHAIRMAN'S STATEMENT

Overview

I am pleased to report that the first half of 2010 was a period of significant achievement for the Company, progressing in line with our investing strategy mainly through consolidating our position within our chosen investment sectors. As we now move towards the end of the year we have begun a review of our portfolio of investments, as well as the position of the capital markets in the UK and Italy, which will ensure the next phase of our development is conducted in a timely manner to bring satisfactory returns to the Company and our shareholders.

In total, seven new investments were made in the period; three entities having London Stock Market listings, one having a stock market listing in Italy and three private Italian companies. The Group has raised £3.08 million through the issue of new shares and £7.28 million through our up to £10 million convertible bond, which was issued in May of this year. Our investments are aligned within four divisions (Financial Services, Leisure, Interactive Media and Entertainment) and it is the Group's intention to divest one or more of these entities in due course, via a stock market listing, while retaining a large minority position.

Our appointment of Arbuthnot Securities, as Nomad and Broker, on 20 September 2010 is also in preparation for the anticipated stock market listing of the Company on AIM Italia which the Company will seek to achieve in due course.

The Group is also looking to improve its associations with its investments by taking senior board positions within these companies. To date, our CEO, Alfredo Villa has been appointed Chairman to the board of B'Parks & Leisure (formerly Mediapolis Investments SA) and one of our non-Executive Director, Haresh Kanabar is also Chairman of Indian Restaurant Group plc. We hope to announce similar appointments regarding our other investments, as we believe a voice on the board will allow us to provide clearer direction to our own strategy.

Financial Review

The consolidated net asset value at 30 June 2010 was £9.50 million, up from £1.05 million at 30 June 2009. At 30 June 2010, Brainspark's mid-market share price of 111.5p valued the Company at approximately £14.6 million.

The Group made a loss before tax in the period of £0.9 million, compared to the loss as at 31 December 2009 of £0.2m.

Following two placings of £2.45 million and £504,000 on 26 January and 5 March respectively, as well as the issue of a £10 million, 7% convertible bond on 4 May, the Group had cash of £112,000 at 30 June 2010.

Operational Review

A number of significant investments were made during the first half of the year. In summary, these were:

On 3 March 2010 the Group subscribed for 25,000,000 new ordinary shares in Daniel Stewart Securities plc, an AIM listed financial services company and stockbroker, for a

consideration of £500,000, giving Brainspark a holding of 6.66 per cent. The Group also acquired an option for £1 to purchase a further 75,000,000 shares, to be exercised at a price of 2 pence per share before 29 June 2010. The Group's decision to enter into the financial services sector was a long-term goal to broaden its investments into the financial services industry and the Board believes it will provide Brainspark with the professional capabilities, expertise and placing power to facilitate its future investments.

The Company entered into an agreement on 18 March 2010 with Investor Unlimited Srl to acquire 36.6 per cent. of the Serie B football club, Associazione Calcio Ancona S.p.A ("AC Ancona"). After the period end, on 24 September, the Company announced that it had entered into an unsecured short-term loan agreement, expiring on 28 February 2011, with T.R.E. srl ("T.R.E."), the largest shareholder in AC Ancona. Pursuant to this unsecured loan agreement, Brainspark has lent 4,100,000 shares in Cogeme SET S.p.A ("Cogeme") to T.R.E. The loan carries an annual yield of 1.2% payable to Brainspark in cash. The loan allowed T.R.E. to provide AC Ancona with the required collateral for a bank guarantee which was required to be produced to the Italian Football Association (the "F.I.G.C."). This bank guarantee was required as part of the conditions for AC Ancona to receive a grant from the F.I.G.C. and was part of a number of actions implemented by AC Ancona to secure the require funding for the football club.

However, AC Ancona has not been admitted to Serie B for the 2010-2011 season. Ancona has instead been admitted to a lower division in Italy for the 2010-2011 season. Brainspark are currently in discussions with Investor Unlimited S.r.l. ("Investor Unlimited"), the entity from which Brainspark acquired a 36.6% stake in Ancona in March 2010, with a view to unwinding the original investment made by Brainspark in Ancona.

On 24 March the Group acquired a 20% stake in TLT Tempo Libero e Turismo SpA (trading as Ondaland), Italy's largest water theme park for a consideration of £5.17 million. This investment was structured through a cash payment of £2.16 million and the issue of 400,000,000 new ordinary shares in Brainspark. Ondaland became the second investment for the Group in the theme park sector after Mediapolis.

On 26 March 2010 the Group entered into an agreement with Digital Magics SpA to acquire a 50.2 per cent. holding in Bibop SpA, a leading Italian digital technology company which owns a revolutionary video community platform called MyCast. The total consideration was £2.385 million, satisfied through a cash payment of £135,000 and the issue of 198,000,000 new ordinary shares in Brainspark. In addition, Brainspark has invested an additional £135,000 and committed to invest a further £600,000 in Bibop to help it acquire certain assets from its parent, Digital Magics and also to develop its video community platform on an international level.

On 23 April 2010, the Company subscribed for 5,578,994 (29.9 per cent.) shares in the Indian Restaurant Group plc (IRG), an AIM listed chain of Indian themed restaurants. Brainspark paid £139,474.85 in cash for full settlement. IRG currently owns three restaurants in and around London, with plans to expand in 2010/11.

On 14 May 2010, Brainspark announced it had entered into an agreement to acquire an 11.56 per cent interest in Vyke Communications plc for a consideration of £748,750. The investment was made as part of a placing by Vyke which was announced on 22 April 2010 and approved by Vyke shareholders on 10 May 2010. Vyke is an AIM quoted, leading mobile voice over internet protocol (VoIP) provider.

On 18 May 2010 Brainspark announced that it had invested £2.1m in Cogeme to acquire a 6.12 per cent. stake in the issued share capital of Cogeme. Brainspark has subsequently acquired a further 10.08 per cent. stake in Cogeme for c.EUR3.29 million (c.£2.81).

Subsequently Brainspark sold a (5,231,006) 8.47 per cent. stake in Cogeme for c.EUR2.77 million (c.£2.36 million).

At the date of this announcement Brainspark has an interest in 4,492,857 shares in Cogeme equivalent to 7.27% of Cogeme's issued share capital. Cogeme is a leading Italian Tier 2 manufacturer of high precision components for the automotive sector. For the year ended 31 December 2009, Cogeme generated revenue of EUR61.8 million (£52.8 million) and profit before tax of EUR3.0 million (£2.6 million). Audited net assets as at 31 December 2009 were EUR63.0 million (£53.9 million). As announced on 18 May 2010, Brainspark's investment in Cogeme is a short-term position taken by Brainspark to optimise its cash.

Post Balance Sheet Events

On 6 August, the Company increased its equity stake in its core investment, B'Parks & Leisure (formerly Mediapolis Investments SA) to 55.35%. B'Parks & Leisure has a 69.94% equity interest in Mediapolis S.p.A., which is the owner of a site in northern Italy with plans for the development of a theme park. The transaction comprised Brainspark acquiring 145,000 ordinary shares in B'Parks & Leisure from certain vendors for a total consideration of 3,600,000 new ordinary shares of 2.5 pence in Brainspark and €1,204,000 in cash.

Investments Portfolio at the period end

Name	Stake	Division
B'Parks & Leisure	55.35%	Leisure
Mediapolis S.p.A.	1.79%	Leisure
Ondaland	20.0%	Leisure
Indian Restaurant Group plc	29.9%	Leisure
Bibop	50.5%	Interactive Media
Filmmaster TV	10.0%	Interactive Media
Geosim	13%	Interactive Media
Vyke Communications plc	11.56%*	Interactive Media
Ancona	44.8%	Entertainment
Daniel Stewart & Co plc	5.7% **	Finance
Cogeme SET SpA	6.12% ***	Finance

* 11.55% at the date of this announcement

** Option to increase the holding to 19.6% was exercised on 29th June 2010

*** 7.27% at the date of this announcement

Outlook

The Company will continue to identify and acquire undervalued companies which offer synergistic opportunities for its existing portfolio. We will also pursue our goal to list one or more of our divisions in the UK or Italy, where we believe we can offer shareholders an attractive return on their investment. We look forward to a proactive and rewarding future for the Company.

Financial Statements

Consolidated Statement of Comprehensive Income for the six months ended 30 June 2010

	Note	Six months to 30 June 2010 (Unaudited) £'000	Six months to 30 June 2009 (Unaudited) £'000	Year ended 31 December 2009 (Audited) £'000
Continuing operations				
Investment revenue		-	6	6
(Loss) /gain on disposal of investments		(338)	197	196
Other operating expenses		(566)	(397)	(404)
Loss before tax		(904)	(194)	(202)
Tax		-	-	-
Loss for the period from continuing operations		(904)	(194)	(202)
Discontinued operations				
Profit/(loss) for the period from discontinued operations		-	-	74
Loss for the period		(904)	(194)	(128)
Other comprehensive income				
Net value (loss)/gain on available for sale investments		(1,488)	-	851
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(2,392)	(194)	723
Loss attributable to:				
Equity holders of the parent		(2,392)	(194)	(128)
Total comprehensive income attributable to:				
Owners of the company		(2,392)	(194)	723
Loss per share				
Basic and diluted loss per 0.01p ordinary share	3	(57p)	(0.06p)	(0.04p)

Statement of Financial Position at 30 June 2010

	Notes	Six months to 30 June 2010 (Unaudited) £'000	Six months to 30 June 2009 (Unaudited) £'000	Year Ended 31 December 2009 (Audited)
Non-current assets				
Property, plant and equipment		-	6	-
Available for sale investments	4	16,943	403	1,814
Trade and other receivables		-	691	-
Total non-current assets		16,943	1,100	1,814
Current assets				
Trade and other receivables		696	16	8
Cash and cash equivalents		112	183	11
Total current assets		808	199	19
Current liabilities				
Trade and other payables		(973)	(23)	(140)
Total current liabilities		(973)	(23)	(140)
Net current assets		(165)	176	(121)
Total assets less current liabilities		16,778	1,276	1,693
Non-current liabilities				
Trade and other payables		(7,280)	(226)	-
Net assets		9,498	1,050	1,693
Equity				
Share capital		238	1,936	59
Share premium account		11,077	29,186	1,059
Other reserves		6,813	6,813	6,813
Equity component of convertible instrument		-	32	-
Fair value adjustment to available for sale investments		851	-	851
Retained losses		(9,481)	(36,917)	(7,089)
Equity attributable to equity holders of the parent		9,498	1,050	1,693

Statement of changes in equity
For the six month period ended 30 June 2010

	Six months to 30 June 2010	Six months to 30 June 2009	Year ended 31 December 2009
	(Unaudited)	(Unaudited)	(Audited)
	£'000	£'000	£'000
Opening equity attributable to equity holders of the parent	1,693	1,244	1,244
Movement in the period:			
Loss for the period	(2,392)	(194)	(128)
Issue and conversion of shares	10,321	-	1,128
Cost of share issue	(124)	-	(43)
Dividend in kind	-	-	(1,327)
Conversion of loan note	-	-	(32)
Fair value adjustment	-	-	851
Closing equity equity attributable to equity holders of the parent	9,498	1,050	1,693

Statement of Cash Flows
For the six months ended 30 June 2010

	Six months to 30 June 2010	Six months to 30 June 2009	Year ended 31 December 2009
	(Unaudited)	(Unaudited)	(Audited)
	£'000	£'000	£'000
Net cash used in operating activities	(893)	(383)	(547)
Cash flows from investing activities			
Interest received	-	6	6
Proceeds from sale of investments	997	250	300
Purchase of investments	(10,238)	-	(565)
Net cash (expended)/generated from investing activities	(9,241)	256	(259)
Cash flows from financing activities			
Net proceeds from issue of new ordinary shares and bond placing	10,235	-	507
Net cash generated from financing activities	10,235	-	507
Increase/(decrease) in net cash for the period	101	(127)	(299)
Cash and cash equivalents at beginning of period	11	310	310
Cash and cash equivalents at end of the period	112	183	11

Notes to the financial statements

1 Accounting policies

Basis of preparation

"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 2009, which were prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations adopted for use in the European Union, have been filed with the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006."

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 2009 and expects to apply in its annual financial statements for the year ending 31 December 2010, 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.

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, Italy and Israel.

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

	Six month to 30 June 2010 (Unaudited) Segment assets £'000	Six month to 30 June 2009 (Unaudited) Segment assets £'000	Year ended 31 December 2009 (Audited) Segment assets £'000
United Kingdom	2,442	-	(121)
Continental Europe	7,056	332	1,814
Middle East	-	677	-
China	-	41	-
	9,498	1,050	1,693

3 Earnings 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 2010	Six months to 30 June 2009	Year ended 31 December 2009
	(Unaudited)	(Unaudited)	(Audited)
	£'000	£'000	£'000
Loss attributable to ordinary shareholders	(2,392)	(194)	(128)
Adjusted loss	(2,392)	(194)	(128)
Weighted average number of ordinary shares	4,165	330,697	337,752
Adjusted weighted average number of ordinary shares	4,165	330,697	337,752
Basic loss per share	(57p)	(0.06p)	(0.04p)
Diluted loss per share	(57p)	(0.06p)	(0.04p)

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 2010	Six months to 30 June 2009	Year ended
	(Unaudited)	(Unaudited)	31 December 2009

	£'000	£'000	(Audited) £'000
At beginning of period	1,814	541	541
Fair value adjustment	(1,488)	(35)	851
Demerged from group	-	-	(404)
Disposal	(263)	(103)	(103)
Additions	16,880	-	929
At period end	16,943	403	1,814

5 Related party transactions

RCF SA, of which Mr. Villa is director, received £124,000 in respect of capital raised in the period.

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 29 September 2010.