

29 December 2009

**Avia Health Informatics plc
("Avia" or "the Company")**

Interim results for the six months ended 30 September 2009

Avia (AIM: AVIA), the developer and provider of clinical decision support systems worldwide, is pleased to announce its interim results for the six months ended 30 September 2009.

These are the first results to be published since joining AIM in November 2009.

Highlights – post period

- **Admission to AIM 16 November 2009**
- **Placing to raise £1.2 million**
- **Acquisition of The Plain Software Company completed**
- **Two contracts won since admission to AIM**

Barry Giddings, Chairman, Avia Health Informatics commented:

"The acquisition of The Plain Software Company and the move to AIM transforms the business. The primary focus for the Company in the short to medium term is to expand its global reach by building on Plain's success in the UK and in addition to actively market and sell its products overseas.

"Since completing the acquisition we have won two new contracts and we look to increased market share over the coming months. We have also accelerated the development programme in order to introduce the new web-deployed products earlier in 2010 than originally planned.

"The Board is encouraged by the progress made since Plain was acquired and is optimistic regarding the prospects for the Company."

Enquiries:

Avia Health Informatics plc

Barry Giddings, Chairman

07770 747 818

Nigel Leavy, Finance Director

07540 014 503

Merchant John East Securities Limited (Nominated Adviser and Broker)

Simon Clements/Bidhi Bhoma

020 7628 2200

Lothbury Financial (Financial PR)

Gary Middleton/Michael Padley

020 7011 9411

Chairman's Statement

Introduction

The Company was incorporated on 11 January 2008 and was admitted to PLUS Markets on 25 March 2008.

The principal activity of the Company is the acquisition and operation of businesses in the healthcare technology sector.

As this is my first Chairman's statement for Avia Health Informatics Plc since we completed the acquisition of The Plain Software Company Limited ("Plain"), the £1.2 million placing and admission to trading on AIM, I thought it would be helpful if I set out the background to this transaction.

Acquisition of Plain

The Company entered into agreement to acquire Plain in late 2008 and after a false start relating to an aborted fundraising effort in early 2009, which was primarily due to extremely difficult trading conditions across all financial markets, the Company concluded a placing of £1.2 million with institutional and retail investors in November 2009.

The consideration for the acquisition of Plain was approximately £1.6 million which was satisfied as to £105,000 in cash and the balance by the issue of 2,501,662 new ordinary shares in the capital of the Company. Simultaneously with the acquisition the Company raised approximately £1.2 million, before expenses, by the issue of 1,975,100 new ordinary shares at 60 pence per share and moved from Plus Markets onto AIM. The net proceeds from the placing will be applied to Plain's development and marketing plans and the Board believe the new funds available will allow Plain to accelerate its move into new markets, principally through the deployment of its software via the web and through a .Net platform.

It was pleasing to have completed the transaction especially after the problems experienced along the way and I was particularly encouraged by the commitment shown by the vendors, of Plain who chose to accept the majority of the consideration in shares. In addition, I would also like to thank the directors and staff of Plain and Avia for their strong participation in the placing.

Financial Performance

The results for the six months ended 30 September 2009 do not reflect the activities of Plain as the transaction was completed after the balance sheet date. We have chosen to include unaudited pro forma financial information for Plain in the notes to these accounts which will enable shareholders to see the financial performance of Plain in the period under review.

The Company did not trade in the period to 30 September 2009 and was focused on seeking suitable acquisition targets. The loss before and after taxation in the period was £66,383 (2008: £120,216). The net assets as at 30 September 2009 were £23,725 (2008: £288,011).

The next set of results will be for the year ended 31 March 2010 and these results will incorporate the trading activities of Plain.

Strategy

Avia's strategy is to seek to expand through a combination of the following:

- organic growth of Odyssey, Plain's Clinical Decision Support software
- identification and acquisition of suitable related health informatics businesses or companies;
- development of UK and International strategic partnerships; and
- marketing and selling third party health informatics related products and/or services in the UK and internationally.

The primary focus for the Company in the short to medium term is to expand its global reach by building on Plain's success in the UK and in addition to actively market and sell its products overseas. It is anticipated that this will be achieved through the development of added value partnerships and the ability to deploy Plain's Odyssey software via the web and on a .Net platform.

Plain will also continue to seek to grow sales of its traditional Odyssey product range into established markets whilst developing and delivering the Web-deployed Odyssey product range to new markets. It was originally envisaged that the Web-deployed range would be available in the last quarter of 2010 but I'm pleased to report that we now expect this to be in the 2nd/3rd quarter of 2010.

The acceleration of the timetable with respect to the development programme will allow Plain to commence the marketing and sale of these products at an earlier stage than previously envisaged, although it will also advance the costs associated with this programme such that they will now fall into the current financial year and be charged to the Income Statement.

The Board is encouraged by the progress made since Plain was acquired and as we enter our most important trading quarter of our financial year I look forward to updating you as to further progress early in 2010.

B S Giddings
Chairman

29 December 2009

Avia Health Informatics plc
Income Statement
For the six months ended 30 September 2009

	Six months ended 30 September 2009 Unaudited £	Six months ended 30 September 2008 Unaudited £	Period from 11 January 2008 to 31 March 2009 Audited £
Administrative expenses	(68,633)	(102,583)	(408,795)
Operating loss	(68,633)	(102,583)	(408,795)
Finance income	2,250	367	8,403
Loss before taxation	(66,383)	(102,216)	(400,392)
Taxation	-	-	-
Loss for the period attributable to equity holders of the Company	(66,383)	(102,216)	(400,392)
Loss per share:			
Basic and diluted	0.35p	0.57p	2.46p

Avia Health Informatics plc
Balance Sheet
As at 30 September 2009

	As at 30 September 2009 Unaudited £	As at 30 September 2008 Unaudited £	As at 31 March 2009 Audited £
Non-current assets			
Property, plant and equipment	1,772	3,597	2,373
Current assets			
Trade and other receivables	104,094	-	106,114
Cash and cash equivalents	11,734	321,894	28,724
	115,828	321,984	134,838
Total assets	117,600	325,491	137,211
Current liabilities			
Trade and other payables	93,875	37,480	47,103
Total liabilities	93,875	37,480	47,103
Net assets	23,725	288,011	90,108
Equity			
Share capital	93,752	93,752	93,752
Share Premium	396,748	396,748	396,748
Retained earnings	(466,775)	(202,489)	(400,392)
Total Equity	23,725	288,011	90,108

Avia Health Informatics plc
Cash Flow Statement
For the six months ended 30 September 2009

	Six months ended 30 September 2009 Unaudited £	Six months ended 30 September 2008 Unaudited £	Period from 11 January 2008 to 31 March 2009 Audited £
Net cash absorbed by operating activities (note 1)	(16,990)	(56,514)	(466,581)
Investing activities			
Interest received	-	367	8,403
Purchase of property, plant and equipment	-	(3,598)	(3,598)
Net cash (absorbed by)/generated from investing activities	-	(3,231)	4,805
Financing activities			
Proceeds from issue of share capital	-	153,000	490,500
Net cash generated from financing activities	-	153,000	490,500
Net (decrease)/increase in cash and cash equivalents	(16,990)	93,255	28,724
Cash and cash equivalents at beginning of period	28,724	228,639	-
Cash and cash equivalents at end of period	11,734	321,894	28,724

Notes to the condensed Avia Health Informatics plc interim financial statements

1 General Information

Avia Health Informatics plc is incorporated in the United Kingdom under the Companies Act 1985. These condensed consolidated financial statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the group operates.

The condensed consolidated interim financial statements do not constitute statutory accounts as defined in Section 435 of the Companies Act 2006.

The financial information for the period 11 January 2008 to 31 March 2009 has been extracted from the statutory accounts for that period. The auditors' report on the statutory accounts for the period ended 31 March 2009 was unqualified and did not contain a statement under S237 of the

Companies Act 1985. The auditors' opinion did however include the following emphasis of matter paragraph in their report:

"In forming our opinion on the financial statements, which is not qualified, we have considered the disclosure in note 2 to the financial statements concerning the Company's ability to continue as a going concern. The Company is currently unable to pay its creditors as they fall due and is dependent on its success in raising new share capital to fund acquisitions to continue its activities. This indicates the existence of a material uncertainty which affects the Company's ability to continue operating as a going concern. The financial statements do not include any adjustments that would result if the Company was unable to continue as a going concern."

A copy of those accounts has been filed with the Registrar of Companies.

Since the auditors' report was issued the Company has issued further share capital by way of the placing referred to below which has provided sufficient working capital for the Company's current requirements.

2. Basis of preparation

The Company has presented its results in accordance with International Financial Reporting Standards as adopted in the EU ("IFRS") using the same accounting policies and methods of computation as were used in the annual financial statements for the period ended 31 March 2009. As permitted, the interim report has been prepared in accordance with the AIM Rules for companies and is not compliant in all respects with IAS 34 Interim Financial Statements. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and cannot be construed to be in full compliance with IFRS.

3. Note to the cash flow statement

Reconciliation of loss before tax to cash absorbed by operating activities

	Six months ended 30 September 2009 Unaudited £	Six months ended 30 September 2008 Unaudited £	Period from 11 January 2008 to 31 March 2009 Audited £
Operating loss for the period	(68,633)	(102,583)	(408,795)
Depreciation on property, plant and equipment	601	-	1,225
Operating cash flows before movements in working capital	(68,032)	(102,583)	(407,570)
Decrease/(increase) in receivables	4,270	-	(106,114)
Increase in payables	46,772	46,068	47,103
Cash absorbed by operations	(16,990)	(56,515)	(466,581)

4. Placing and acquisition of The Plain Software Company Limited

On 16 November 2009 the Company completed the Placing of 1,975,100 ordinary shares raising £1.185 million of new equity (less costs of £201,000) for the Company. On the same date the Company completed the acquisition of The Plain Software Company Limited by way of the issue of 2,501,662 shares in the Company and the payment of £105,000 in cash. The acquisition has the characteristics of a reverse acquisition within the meaning of International Financial Reporting Standard 3 and will be accounted for as such in preparing the financial statements of the Group for the year ended 31 March 2009. Under the reverse acquisition method of accounting The Plain Software Company Limited will be portrayed as the acquirer in presented the consolidated results of the Group.

5. Basis of preparation of the unaudited interim condensed financial statements of The Plain Software Company Limited

The results of The Plain Software Company Limited for the six months ended 30 September 2009 are set out in the appendix attached.

The condensed consolidated interim financial statements set out in the appendix do not constitute statutory accounts as defined in Section 435 of the Companies Act 2006.

The financial information for the 13 months ended 31 March 2009 has been extracted from the statutory accounts for that period. The auditors' report on the statutory accounts for the period ended 31 March 2009 was unqualified and did not contain a statement under S237 of the Companies Act 1985. The auditors' opinion did however include the following emphasis of matter paragraph in their report:

"In forming our opinion on the financial statements which is not qualified, we have considered the adequacy of the disclosures in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £197,449 and at 31 March 2009 its liabilities exceeded its assets by £32,708.

The company is anticipating the injection of new equity capital, though there can be no certainty that their funds will be raised. This indicates the existence of a material uncertainty which may affect the Company's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the company was unable to continue as a going concern."

Since the auditors issued their report The Plain Software Company Limited, as explained above, was acquired by Avia Health Informatics Limited, which raised sufficient working capital by way of a placing to fund the ongoing operations of The Plain Software Company Limited.

The Plain Software Company Limited has presented its results in accordance with International Financial Reporting Standards as adopted in the EU ("IFRS") using the same accounting policies and methods of computation as were used in the annual financial statements for the period ended 31 March 2009 and in the financial information included in the AIM Admission Document of the Company. The condensed interim financial information is not compliant in all respects with IAS 34 Interim Financial Statements. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and cannot be construed to be in full compliance with IFRS.

6. Dividends

The Directors cannot recommend the payment of an interim dividend.

7. Copies of the Interim Results

Copies of this interim announcement will be available to download from the Company's website at <http://www.ahi-plc.com> and at the registered office, 16 Thorney Leys Business Park Witney Oxon OX28 4GE.

Appendix
Condensed interim financial statements of The Plain Software Company Limited

The Plain Software Company Limited
Income Statement
For the six months ended 30 September 2009

	Unaudited Six months ended 30 September 2009 £	Audited 13 months ended 31 March 2009 £
Revenue	938,925	1,878,008
Operating costs	(540,918)	(1,088,209)
Trading profit	398,007	789,799
Administrative expenses	(528,705)	(1,017,239)
Operating loss	(130,698)	(227,440)
Finance income	-	10,084
Finance costs	(2,250)	-
Loss before tax	(132,948)	(217,356)
Tax on loss on ordinary activities	-	19,907
Loss for the period from continuing operations	(132,948)	(197,449)

The Plain Software Company Limited
Balance Sheet
As at 30 September 2009

	Unaudited As at 30 September 2009 £	Audited As at 31 March 2009 £
Non-current assets		
Plant and equipment	43,733	35,079
Intangible assets	95,206	31,141
	<u>138,939</u>	<u>66,220</u>
Current assets		
Trade and other receivables	286,699	423,413
Current income tax asset	22,358	22,358
Cash and cash equivalents	30,544	198,585
	<u>339,601</u>	<u>644,356</u>
Total assets	<u>478,540</u>	<u>710,576</u>
Current Liabilities		
Trade and other payables	211,997	279,460
Loan	102,250	100,000
Deferred income	329,949	363,824
	<u>644,196</u>	<u>743,284</u>
Total assets less total liabilities	<u>(165,656)</u>	<u>(32,708)</u>
Equity		
Share capital	1,641	1,641
Share premium account	219,731	219,731
Accumulated losses	<u>(387,028)</u>	<u>(254,080)</u>
Total equity	<u>(165,656)</u>	<u>(32,708)</u>

The Plain Software Company Limited
Cash flow statement
For the six months ended 30 September 2009

	Unaudited Six months ended 30 September 2009 £	Audited 13 months ended 31 March 2009 £
Net cash outflows from operating activities (note 1)	(86,922)	(242,178)
Investing activities		
Interest received	-	10,084
Purchase of property, plant and equipment	(17,054)	(33,195)
Purchase of intangible fixed assets	(64,065)	(31,141)
Net cash used in investing activities	(81,119)	(54,252)
Financing activities		
Short term loan advanced	-	100,000
Net decrease in cash and cash equivalents	(168,041)	(196,430)
Cash and cash equivalents at beginning of period	198,585	395,015
Cash and cash equivalents at end of period	30,544	198,585

**Notes to the condensed interim financial statements of The Plain Software Company Limited
for the six months ended 30 September 2009**

1. Reconciliation of loss before tax to cash absorbed by operating activities

	Six months ended 30 September 2009 £	13 months ended 31 March 2009 £
Loss before tax	(132,948)	(217,356)
Depreciation charges	8,400	14,268
Net finance cost/(income)	2,250	(10,084)
Movements in working capital:		
Decrease/(increase) in trade and other receivables	136,714	(250,688)
(Decrease)/increase in trade, other payables and deferred income	(101,338)	229,137
Cash absorbed by operations	<u>(86,922)</u>	<u>(234,723)</u>
Interest paid	-	-
Income taxes paid	-	(7,455)
Net cash absorbed by operating activities	<u>(86,922)</u>	<u>(242,178)</u>