Press Release **29 March 2011**

Ultimate Finance Group plc

("Ultimate" or the "Group")

Interim Results for the six months ended 31 December 2010

Ultimate Finance Group plc (AIM:UFG), a leading provider of financial solutions to SMEs, today announces its Interim Results for the six months ended 31 December 2010.

Highlights

- Profit before tax increased by 76% to £337,000 (31 December 2009: £191,000)
- Ashley Commercial Finance ahead of management expectations in two months contributing profit before tax of £228,000
- Turnover up 51% to £4.3 million (31 December 2009: £2.9 million)
- Proposed interim dividend of 0.35p. An increase of 17% (31 December 2009: 0.30p), in line with the progressive dividend policy
- Earnings per share increased to 0.80p (31 December 2009: 0.69p)
- £6.2 million of £34 million banking facility from Lloyds remained available to grow client base as at 31 December 2010
- Transformational acquisition of Ashley successfully completed in October 2010 and integration of the business is complete
- Regional presence strengthened by the opening of offices in Birmingham and Cardiff and continued sales force growth

Clive Garston, Chairman of Ultimate Finance, commented: "This has been a period of significant development for the Group, with the acquisition of Ashley Commercial Finance proving transformational for Ultimate in terms of scale and product offering. The Board is extremely pleased with the progress that this business has made and the contribution that it is already providing.

"The economic climate remains challenging, but this is presenting a number of opportunities for the Group as demand for our services continues to grow. The Group is well positioned with its regional presence, operational strength and £34 million funding facility."

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Chairman's Statement

I am delighted to be able to report a strong performance for the half year to 31 December 2010. The acquisition of Ashley Commercial Finance was completed at the end of October 2010, so these results include a two month contribution from Ashley. The integration of this acquisition has gone well and the Group is now seeing the anticipated benefits of the acquisition. Ashley has relocated to the Ultimate office in Manchester and their financial and operational activities have been consolidated under one roof.

Ultimate is in a strong position to provide finance for SMEs, given its geographical spread, broad and flexible offering and £34 million financing arrangement in place with Lloyds TSB Commercial Finance.

Results

Notwithstanding that the period under review has been challenging for all businesses, the Group has performed in line with management expectations for the period and the market opportunity continues to grow as traditional bank lending remains restricted. The Board is pleased that Ultimate has made strong progress and shown considerable growth in spite of this. The Group's focus on obtaining new clients has been successful and the acquisition of Ashley has also had an immediate positive impact on growth.

I am pleased to report that for the half year ended 31 December 2010, Ultimate made a profit before tax of £337,000 (31 December 2009: £191,000). Of this, Ashley has contributed a Profit before tax of £228,000 in the two months it has been within the Group, ahead of management expectations. Turnover for the half year was up 51% to £4,321,000 (31 December 2009: £2,854,000). Earnings per share increased to £0.80p (31 December 2009: £0.69p).

In the current economic climate I believe that this is very satisfactory and reflects the effort which has been made to grow the company.

Dividend

The Board has emphasised its progressive dividend policy and I am pleased to announce a proposed interim dividend of 0.35p per share to be paid on 23 May 2011 to shareholders on the register at the close of business on 26 April 2011.

Funding

One of Ultimate's strengths is its strong relationship with Lloyds TSB Commercial Finance and its access to funding. At 31 December 2010 the Group had utilised £27,800,000 (31 December 2009: £19,900,000) of the £34,000,000 back-to-back receivable financing arrangement (2009: £25,000,000) with Lloyds TSB Commercial Finance. This facility is in place until July 2013, giving Ultimate considerable capacity to further develop the business within the current arrangements.

Risk Management

It is clear that in our industry, risk management is critical. Our highly experienced credit control team ensures that Ultimate maintains high standards of underwriting and management of risk and our growth, whilst strong, has to be managed carefully.

Whilst the recession has increased potential risk in terms of business failures, it has also driven increased enquiry levels and the Group is careful to balance the opportunities with the appropriate risk management procedures. New client acquisition is selective, with robust underwriting procedures in place to support the business.

The Group works to ensure that its client base represents a broad spread in terms of size of investment, sector and geographic exposure. The single largest investment at 31 December 2010 was £1,458,000 (31 December 2009: £909,000), which constituted 5% (31 December 2009: 4%) of total funds advanced.

People

The success of the business is reliant on the dedication and performance of the team; I would like to thank the entire staff for their ongoing commitment to the Group as we grow and adapt. I would also like to welcome Jonathan Cranston to the Board and the Ashley staff to the Group and thank them for their support during the integration period and their support for the enlarged Group.

Outlook

We are encouraged by the current year's trading and as we continue to benefit from the synergies between Ultimate and Ashley, we look forward to further growth. The economic conditions have to some extent driven increased levels of activity in the asset finance sector and Ultimate is in an excellent position to capitalise on this. The Board continues to view the future with confidence and sees considerable growth potential in our market.

The Board will consider further acquisition opportunities to enhance shareholder value.

Clive R Garston
Chairman
28 March 2011

Chief Executive's Review

This has been a period of considerable progress for Ultimate Finance, as we have strengthened our offering and reinforced our position in the market as a leading provider of financial solutions to SMEs.

Whilst the economic climate has undoubtedly been challenging, this has created opportunities for the Group, as we are able to offer SMEs funding that would be difficult, or in some cases impossible, to achieve through traditional means. Consequently there is increasing demand for an alternative and the Group's operational strength and flexible offering positions us well to support SMEs.

Acquisition of Ashley Commercial Finance

The acquisition of Ashley Commercial Finance Limited ("Ashley") in October 2010 has already resulted in cross-selling between the businesses, which validates one of the rationales behind the acquisition. The acquisition also led to Lloyds increasing the funding available to the enlarged Group to £34 million, providing further capacity for growth.

The Ashley business is highly complementary and provides Ultimate with considerable scale as well as enhancing the Group's offering, as Ashley works with clients of a different typical size to Ultimate's existing client base. The potential for cross-selling and joint marketing therefore is significant and this is already being leveraged. In addition, Ashley has moved into new, larger offices with Ultimate's Manchester team, maximising the cost-savings and operational synergies identified at the time of the acquisition.

Performance

The Group continues to grow in terms of profitability and the acquisition of Ashley has also already enhanced the Group's performance. As previously indicated difficult market conditions often lead to increased demand for independent asset financiers.

During the period we opened an office in Birmingham, run by Paul Atkins, Managing Director (Midlands and South West) and the acquisition of Ashley has strengthened the Group's presence in the North West. Overall our regional presence, which also includes the South East, South West, North East and South Wales, is a key strength of the Group and equips us well to support SMEs across the country.

Strategy

Our strategy remains to focus on the SME sector, from good quality start up businesses to more established SMEs. As the economic conditions continue to result in tightening credit, our services (invoice, asset and trade finance) become increasingly attractive to SMEs, either to fund their growth or to support them through challenging times. Even in cases where traditional bank finance is available, many businesses seek alternative solutions in order to provide more flexibility.

People

Throughout the period we have strengthened the team, increasing the size of the sales force across our offices and in February 2011 we appointed Kevan Jones as Group Sales and Marketing Director. Kevan brings over 30 years' experience in funding SMEs, from traditional banking, acquisition finance, asset finance and invoice finance and is therefore extremely well placed to help the management drive the business forward. We have also recently appointed Emma Horrex as Business Development Director, which further boosts our team and increases our focus on customer acquisition.

We are pleased to continue to attract some of the most experienced and competent professionals in our industry and believe this to be a testament to the success and reputation of the Group.

Ultimate prides itself on providing a responsive and dedicated service to SMEs and it would not be possible to uphold these standards without considerable hard work and commitment from the wider team.

Richard Pepler
Chief Executive
28 March 2011

Consolidated Statement of Comprehensive Income (unaudited)
For the six months ended 31 Dec 2010

	Note	***Six months ended 31 Dec 2010 £000***	*Six months ended 31 Dec 2009 £000*	*Year ended 30 June 2010 £000*
Revenue		***4,321***	*2,854*	*6,441*
Cost of sales – finance costs		***(364)***	*(248)*	*(536)*
Gross profit		***3,957***	*2,606*	*5,905*
Administrative expenses		***(3,455)***	*(2,415)*	*(5,382)*
Acquisition costs		***(111)***	*-*	*(77)*
Total administrative expenses		***(3,566)***	*(2,415)*	*(5,459)*
Operating profit		***391***	*191*	*446*
Finance income		***-***	*-*	*-*
Finance expenses		***(54)***	*-*	*-*
Profit before tax		***337***	*191*	*446*
Taxation	*2*	***(94)***	*(54)*	*(179)*
Profit for the period being total comprehensive income		***243***	*137*	*267*
Earnings per share				
Basic (pence)	*3*	***0.80***	*0.69*	*1.33*
Diluted (pence)	*3*	***0.77***	*0.68*	*1.29*

All amounts are attributable to the owners of the parent.

Consolidated Statement of Financial Position (unaudited)
at 31 Dec 2010

	Note	31 Dec 2010	31 Dec 2009	30 June 2010
		£000	£000	£000
Non-current assets				
Intangible assets	5	***6,090***	-	-
Property, plant and equipment		***352***	110	222
Deferred tax asset		***-***	12	-
		6,442	122	222
Current assets				
Loans and other receivables		***32,143***	22,767	26,336
Cash and cash equivalents		***1,564***	405	556
		33,707	23,172	26,892
Total assets		***40,149***	23,294	27,114
Non current liabilities				
Other payables		***(2,379)***	-	-
Loans and borrowings		***(1,471)***	-	-
Deferred tax liability		***(8)***	-	(8)
		(3,858)	-	(8)
Current liabilities				
Bank overdraft		***(27,831)***	(19,866)	(22,988)
Tax payable		***(401)***	(190)	(160)
Trade and other payables		***(1,767)***	(241)	(887)
		(29,999)	(20,297)	(24,035)
Total liabilities		***(33,857)***	(20,297)	(24,043)
Net assets		***6,292***	2,997	3,071
Issued capital and reserves attributable to owners of the parent				
Share capital		***2,479***	1,000	1,000
Share premium		***3,502***	1,949	1,949
Retained earnings		***311***	48	122
Total equity		***6,292***	2,997	3,071

Consolidated Statement of Changes in Equity
for the six months ended 31 Dec 2010

	Share Capital	***Share Premium***	***Retained Earnings***	***Total***
	£000	*£000*	*£000*	*£000*
Balance at 30 June 2009	*1,000*	*1,949*	*(42)*	*2,907*
Total comprehensive income	-	-	*137*	*137*
Equity-settled share based payment transactions	-	-	*3*	*3*
Dividend Paid relating to prior year	-	-	*(50)*	*(50)*
Balance at 31 Dec 2009	***1,000***	***1,949***	***48***	***2,997***
Total comprehensive income	-	-	*130*	*130*
Equity-settled share based payment transactions	-	-	*4*	*4*
Dividend Paid relating to prior year	-	-	*(60)*	*(60)*
Balance at 30 June 2010	***1,000***	***1,949***	***122***	***3,071***
Total comprehensive income	-	-	*243*	*243*
New shares issued	*1,479*	*1,553*	-	*3,032*
Equity-settled share based payment transactions	-	-	*6*	*6*
Dividend Paid relating to prior year			*(60)*	*(60)*
Balance at 31 Dec 2010	***2,479***	***3,502***	***311***	***6,292***

Consolidated Statement of Cash Flows (unaudited)
for the six months ended 31 Dec 2010

	Six months ended 31 Dec 2010	Six months ended 31 Dec 2009	Year ended 30 June 2010
	£000	£000	£000
Cash flows from operating activities			
Profit for the period before taxation	**337**	191	446
Adjustments for:			
Depreciation	**61**	32	49
Financial income	**-**	-	-
Financial expense	**54**	-	-
Loss on sale of plant, property and equipment	**(1)**	-	-
Equity settled share-based payment expenses	**6**	3	7
	457	226	502
(Increase)/decrease in loans and other receivables	**(1,702)**	(3,747)	(7,316)
Increase/(decrease) in trade and other payables	**142**	(52)	443
(Decrease)/increase in tax payable	**71**	-	37
Tax Paid	**(80)**	3	(18)
Net cash from operating activities	**(1,112)**	(3,570)	(6,352)
Cash flows from investing activities			
Acquisition of subsidiary net of cash acquired	**(6,524)**	-	-
Proceeds from sale of equipment	**4**	-	-
Purchase of property, plant and equipment	**(112)**	(70)	(199)
Net cash from investing activities	**(6,632)**	(70)	(199)
Cash flows from financing activities			
Proceeds from issue of share capital	**2,102**	-	-
Financial expense	**-**	-	(110)
Proceeds from long term borrowings	**1,867**	-	-
Dividends paid	**(60)**	(50)	(110)
Net cash from financing activities	**3,909**	(50)	(110)
Net increase/(decrease) in cash and cash equivalents	**(3,835)**	(3,690)	(6,661)
Cash and cash equivalents at beginning of period	**(22,432)**	(15,771)	(15,771)
Cash and cash equivalents at end of period	**(26,267)**	(19,461)	(22,432)

Notes to the half yearly report

1. Preparation of half yearly report

The financial information in the half yearly report has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively Adopted IFRSs). The principal accounting policies used in preparing the half yearly report are those the group expects to apply in its financial statements for the year ending 30 June 2011 and are unchanged from those disclosed in the group's Director's report and consolidated financial statements for the year ended 30 June 2010. The financial information for the year ended 30 June 2010 does not constitute the group's statutory financial statements for that period. It has, however, been derived from the audited statutory financial statements for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 (2) and (3) of the Companies Act 2006. While the financial figures included in this half-yearly report have been computed in accordance with IFRSs applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

2 Taxation

Taxation has been provided for at 28% (2009: 28%).

3 Earnings per share

The basic earnings per share of 0.80p (31 Dec 2009: 0.69p) has been calculated from the profit after taxation of £243,000 and on the weighted average number of shares in issue during the reporting period. The fully diluted earnings per share of 0.77p (31 Dec 2009: 0.68p), has been calculated from the profit after taxation of £243,000 and on the weighted average number of the shares in issue during the period adjusted for all dilutive potential ordinary shares.

4 Dividends

Ordinary Shares	***2010 £000***	*2009 £000*
Final dividend paid for the prior year of 0.30p (2009: 0.25p per share)	***60***	*50*
Proposed interim dividend of 0.35p (2009:0.30p) per share	***174***	*60*

The proposed interim dividend has not been accrued as the dividend was declared after the balance sheet date.

5 Fair Values

In accordance with IFRS3 (Revised), the Company is required to review the assets and liabilities acquired as part of the acquisition of Ashley Commercial Finance Ltd. At the date of this interim statement the Company's detailed consideration of the identification and allocation of fair values to intangible assets, such as brand names, customer lists and technology assets in addition to any goodwill arising on the acquisition, was ongoing. The allocation of the intangible assets balance of £6,090,000 to the various intangible assets and their associated useful lives will be made during the second half and presented as part of the full year statements for the year ending 30 June 2011.

6 Half Yearly Report

Copies of this report are available to shareholders. Additional copies may be obtained from the Ultimate Finance Group plc registered office: Bradley Pavilions, Pear Tree Road, Bradley Stoke, Bristol BS32 0BQ or on the company's website at www.ultimatefinance.co.uk.

INDEPENDENT REVIEW REPORT TO ULTIMATE FINANCE GROUP PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2010 which comprises of the consolidated statement of comprehensive income, the consolidated statement of financial position, the statement of changes in equity and the consolidated statement of cash flows.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2010 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

BDO LLP
Chartered Accountants and Registered Auditors
Bristol
United Kingdom
28th March 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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