

**13 August 2007**

**Inspicio plc**  
**( "Inspicio" or the "Company" or the "Group" )**

**Trading update**

Inspicio plc (INP.L), the international inspection and testing business, today issues a trading update for the six months ended 30 June 2007.

The Company is pleased to report that all parts of the Group have progressed as expected throughout the first half of 2007 and the Group is trading in line with market expectations. Sales for the six months to 30 June 2007 are expected to be approximately £100m (2006: £67.8m). The comparative six month period to 30 June 2006 included six months trading of Inspectorate and two months trading of the Environmental Services Group ("ESG"). Both the Eclipse Scientific Group ("Eclipse") and the Scientifics Group ("Scientifics") were acquired after 30 June 2006 and consequently there was no trading from those businesses in the six months to 30 June 2006. The Group's business remains oriented towards the second half of its financial year.

The turnaround of Inspectorate is on track to meet the expectations of the management as outlined in the Admission Document at the time of the acquisition (6 October 2005), in particular with respect to its margin targets for the second half of 2007.

During the first half of the year the Group acquired Scientifics for £22.0m. Three small infill acquisitions in the environmental, and metals and minerals testing sectors are, subject to due diligence, due to be completed in the second half of 2007.

**Inspectorate**

Sales in Inspectorate for the six months to 30 June 2007 are expected to be approximately £69m (2006: £60.2m) representing organic growth of 19.7% at comparable exchange rates (11.6% at actual exchange rates, reflecting the weakness of the US dollar). During the first half of the year, Inspectorate acquired two small businesses in South Africa, which are both trading well.

At the end of the period, Inspectorate secured a five year contract with BHP Billiton for the testing of upwards of 80 million tonnes of Traded Energy Coal for the Atlantic market, over the duration of the contract. TES, part of the Environmental Services Group, will provide the testing capability in the UK demonstrating the ability of our divisions to work effectively with each other.

Oil prices have remained strong during the period generating high refining margins. This, together with US oil refineries operating at near maximum capacity, has resulted in a strong Oil & Petroleum ("O&P") testing and inspection market and consequent high growth. Similar conditions have prevailed in the Metals and Minerals ("M&M") sector where strong gold and base metal prices have encouraged exploration and trading.

New laboratories in St Petersburg and Lagos commenced operations in the first half of the year, whilst a new geochemical facility, currently under construction in Medellin, Colombia, is already handling some 2,500 samples a month. In addition, laboratory outsourcing continues to expand, especially in biofuels and refinery support projects.

#### Environmental Services Group (“ESG”) and Scientifics Ltd (“Scientifics”)

The combined sales of ESG and Scientifics are expected to be approximately £22m (2006: £7.5m) for the period. Scientifics was acquired on 5 June 2007 and therefore contributed one month of trading in the period.

Trading has been strong and full year revenues will be underpinned by a number of new contract wins. In particular, ESG has been awarded, by Tier 1 Contractor Edmund Nuttall Ltd, the major Tier 2 contract for all on and off site chemical and geotechnical testing, and water monitoring, in both the North and South Olympic Park sites.

Soil Mechanics has seen a number of business wins, including the ground investigation contract for the new Tyne Tunnel crossing. With the contract valued at £1.8m, it will bring together Soil Mechanics' total technical capability in both land and over water investigation.

In addition, ESG is working with Inspectorate to develop a range of environmental services to the Indian market. Further international opportunities are being pursued in the Huainan coalfield in China to support a consultancy in establishing opportunities to provide gas monitoring systems to Chinese coal mines.

Since its acquisition, Scientifics has traded as expected, and integration initiatives with ESG are underway to realise synergies between the two groups. Planning will be completed by September.

#### Eclipse Scientific Group (“Eclipse”)

Sales in Eclipse are expected to be approximately £9m (2006: £nil) for the six months to 30 June 2007. The business is second half oriented, with the busiest period being prior to Christmas.

During the first half, contract wins included the outsourced testing business of a major food producer in Ireland. We estimate that there is still some £65-70m of work in the UK that could potentially be outsourced.

The acquisition of Envirolab was completed in December 2006 and therefore its first financial impact was in the first half of 2007. Envirolab, which is based in Waterford in Ireland and provides food and water microbiology as well as water and waste water chemical testing services, has been integrated into the existing business. This has given increased geographic coverage in the Republic of Ireland.

Eclipse's procurement company, Hypergraph, has been developed during the period to expand its purchasing capabilities for the benefit of the wider Inspicio group.

**Mark Silver, CEO of Inspicio, said:**

“We are very pleased with the performance of the Group in the first half of 2007, with all businesses performing well. Despite the weaker dollar, Inspectorate has continued to move forward and we expect its margin targets to be achieved in the second half of the year. The integration between Scientifics and ESG is continuing and we will start to see tangible benefits before the end of 2007. Eclipse is tendering for bigger contracts and is continuing to see real traction in its market. We see opportunities to increase margins in 2008 above those targeted for the current year. Our full year expectations remain unchanged.”

Inspicio will announce its Interim results for the six months ended 30 June 2007 on 21 September 2007.

**- Ends -**