RNS Number : 0933D
Camco International Ltd
10 September 2008

Camco International Ltd
10 September 2008

Camco International Limited

Interim Financial Report

The Camco Group, a leading climate change business, is pleased to announce its Interim Financial results for the six months to 30 June 2008.

FINANCIAL HIGHLIGHTS as at 30 June 2008

- Revenue of €8.9m demonstrating continued growth in Carbon and Consulting business segments (30 June 2007, €2.0m)
- Overall net loss after tax of €8.2m reflecting a continued investment in growth (30 June 2007, €5.0m)

HIGHLIGHTS as at 30 June 2008

- Establishment of an in-house commercialisation capability in preparation of appropriating value from our increasingly developed carbon asset portfolio
- Continued focus on strategic acquisitions with the purchase of ClearWorld Energy Ventures in China on 27 May 2008
- Camco voted "Best Project Developer 2008" by Point Carbon

HIGHLIGHTS to 10 September 2008

- Growth in the carbon portfolio since 30 June 2008 moderated by conservative adjustments (155.8m tonnes contracted as at 31 August 2008)
- A major waste gas power generation project in Chinawith an anticipated delivery of 3.6m tonnes was approved for Registration subject to minor corrections on 9 September 2008
- Significant post-balance date transactions reinforce strategic direction and significantly bolster the Group's cash position as at 10 September 2008

- Successful carbon asset transactions on 12 and 28 August 2008. These transactions involved a spot sale of 151,288 issued CERs and the auction of rights in relation to a portfolio of 5.8m CERs

- Profitable sale of our land fill gas site, Dallas Clean Energy, in the USA for US$19.1m on 18 August 2008

Jeff Kenna, Camco Chief Executive, said:

"This is an exciting phase of Camco's development. We are beginning to see the fruits of our labour with carbon asset sales delivering value for both Camco and our partners. I am happy with the long-term outlook and with our ongoing push to transform from a project developer to a multi faceted global climate change business. We remain committed to achieving profitability by the end of 2008 and are on track to meet our target delivery of 127m tonnes of carbon assets during the first Kyoto commitment period."

Enquiries:

The Camco Group	+44 (0)20 7121 6100
Jeff Kenna, Chief Executive Officer	
Scott McGregor, Chief Financial Officer	
KBC Peel Hunt Ltd (Nominated Adviser and Broker)	+44 (0)20 7418 8900
Jonathan Marren	
David Anderson	
Gavin Anderson	+44 (0)20 7554 1400
Ken Cronin	
Kate Hill	
Daniela Stawinoga	
Janine Brewis	

Notes to editors:

About Camco

The Camco Group is a leading climate change business in the growing carbon and sustainable energy markets. We offer a full range of carbon-related services to public and private organisations worldwide. The Group has a 20-year track record and manages one of the world's largest carbon credit portfolios.

The Group consists of three business segments:

The Camco carbon assets business is a leading project developer with one of the world's largest carbon credit portfolios. We partner with companies to identify, develop and manage projects that reduce greenhouse gas emissions, and then arrange the sale and delivery of carbon credits to international compliance buyers and into the voluntary market.

The consulting practice consists of Bradshaw, ECCM, ESD and ESD Sinosphere. It combines specialist technical, strategic and financial expertise and experience accrued over two decades to deliver a sustainable low carbon society. We are positioned to work with our clients to turn climate change liabilities into economic, social and environmental assets.

Camco Ventures works with project and technology developers, early stage businesses and investor Groups to commercialise climate change mitigation technologies, projects and services. Part of this business is the Camco asset management vehicle.

The divisions work closely, both within and between countries, leveraging complimentary skill sets and jointly pursuing business opportunities. The Consulting business is a valuable resource for our Ventures and Carbon divisions providing access to a range of opportunities.

Chairman's Report

For the first six months of 2008 Camco has made significant steps forward. We have built an in-house commercialisation and structuring capability in preparation of realising value from our increasingly developed carbon asset portfolio. We have matured from being a project developer to a global climate change business with comprehensive commercial capabilities across the carbon value chain. The combined business model we have developed and built is proving robust and successful in today's marketplace.

The Group remains on track to meet our target delivery of 127m tonnes of carbon assets during the first Kyoto commitment period. There continues to be a healthy supply of new projects with recent contract wins in relation to wind energy and biomass projects in China.

The Consulting business has increased revenues providing diversification and access to new carbon asset opportunities. Increasingly the position of the Consulting business in assessing greenhouse gas (GHG) footprints is presenting opportunities to leverage carbon expertise to achieve downstream emission reductions. The recently established South African office has been engaged to provide a large manufacturing customer with an assessment of its GHGs and will have an ongoing role helping to reduce the customer's emissions.

Camco's global presence is creating opportunities to work with multi-national businesses across borders. These successes are assisting us to open new markets such as North America. Our US office in Denver is growing rapidly in terms of people and developing carbon partnerships with US enterprises in both the public and private sectors. An example of the former was the appointment of Camco as carbon advisor to the Democratic National Convention which was held in August 2008.

The US market represents a large opportunity for Camco to capitalise on our strengths as a global market leader in climate change solutions. Due to the momentum in the US both at the corporate and political levels Camco is very well positioned.

The Camco Group has a long-standing track record of successful venturing activities and project investments. Camco Ventures leverages this skill set, investing capital directly or on behalf of investors. The continued growth in demand for energy and clean technology capital is producing attractive investment opportunities in all of our markets. The acquisition of Chinese based investment managers ClearWorld Energy Ventures in May 2008 reflects our commitment to making the Ventures business an important value driver for Camco in the medium-term. With our strong presence and team on the ground, China is the natural place to focus on when building our fund management business.

Since the period end there has been two strategic accomplishments which have enabled us to generate substantial value from our portfolio assets. Firstly the sale of our US investment in August 2008, Dallas Clean Energy, at a profit demonstrates our ability to create value in asset investment. Secondly we executed an innovative sale of a portfolio of carbon assets in August 2008. We have been patient in taking this step, waiting until the value of our portfolio increases as the delivery of our carbon assets becomes more certain. Through this sale process we have also been able to strengthen our relationships with large compliance buyers of carbon assets. This enabled us to learn more about their needs and improve our structured products. Moreover, we are happy to offer the benefits of our strong commercialisation and structuring capability to our clients and enhance our offering.

We see the growing awareness of climate change as reinforcing our vision of creating a sustainable, low-carbon society while securing high returns for our shareholders. Consistent with our strategy since admission to AIM, achieving profitability in 2008 remains a clear and achievable goal for the whole company.

David Potter
Chairman

September 2008

Results as at 30 June 2008 and trading update to 31 August 2008

Revenue grew to €8.9m in the six months to 30 June 2008. An expansion in costs reflecting an ongoing investment in growth resulted in an overall net loss for the period of €8.2m after tax and a net cash outflow from operating activities of €9.2m.

Included in the income statement for the six months to 30 June 2008 is an unrealised foreign exchange loss of €1.0m. Approximately €670,000 of this loss related to a US dollar exposure which has reversed as at 31 August 2008

Carbon

Camco is a leading carbon asset developer with one of the world's largest carbon credit portfolios. Revenue from Carbon grew to €3.7m due to the sale of Certified Emission Reduction certificates (CERs) and Voluntary Emission Reduction certificates (VERs) in the period to 30 June 2008. This revenue figure excludes significant post-balance date forward and spot sales of carbon assets discussed further below.

Our origination teams continue to generate new opportunities. High quality projects were contracted over the period including development rights in relation to wind energy and biomass projects in China, diversifying the portfolio into renewable energy projects. Overall, the net growth in the contracted portfolio slowed with additions being mostly offset by write-downs. We continue to review our portfolio reducing our expectations if we do not anticipate projects producing carbon assets at forecast levels.

Delivery expectations are a key value driver for the business and we continue to implement initiatives to improve the level of certainty around the delivery of our portfolio of carbon assets. The reported contracted portfolio figure will continue to move up and down over time depending on the balance between new project wins and delivery expectations. Management remains firmly committed to its long held target of delivering 127m tonnes of carbon during the first Kyoto commitment period.

Progress through stage*	**31 Aug 08**	**30 Jun 08**	**31 Dec 07**

	(m tonnes)	(m tonnes)	(m tonnes)
Contracted	155.9	151.0	149.3
PDD complete	109.3	111.2	107.0
Host LoA	82.1	79.1	88.8
Validated	77.1	79.5	56.6
Submitted for registration	72.0	73.4	41.8
Registered	41.7	43.2	30.2
1st verification**	16.4	16.2	12.3
Issued	4.1	3.2	2.7
Financed	127.8	127.1	126.8
Under construction	120.5	114.7	98.6
Operational	86.1	87.0	45.3

* CDM stage or equivalent for JI and VER projects
** Projects that have been through at least 1 verification process or equivalent

Contract Structures	**31 Aug 08**	**30 Jun 08**	**31 Dec 07**
	(m tonnes)	(m tonnes)	(m tonnes)
Carbon share	107.5	105.3	101.9
(of which, held in specie)	41.9	41.7	37.3
Cash share	39.8	37.5	39.1
VERs	8.6	8.2	8.3

The growth in the portfolio since 31 December 2007 has been moderated by conservative adjustments in the period to 31 August 2008. These include small declines in the delivery expectation of Validated, Submitted for Registration and Registered projects since 30 June 2008. These declines are a result of slower than anticipated commissioning of a Registered project.

The possibility of an adverse Clean Development Mechanism (CDM) Executive Board review means that there are near term risks to the carbon assets submitted for registration since 31 December 2007. Adjustments to the portfolio will be made once discussions with the CDM Executive Board are complete. Management anticipates that further clarity in relation to approximately 9m tonnes of carbon assets will be available by 31 December 2008. If this adjustment occurs it will not impact volumes of Registered, 1st Verification or Issued carbon assets in the table above.

Carbon share contracts totaled 107.5m tonnes as at 31 August 2008 of which Camco's 'in specie' amount is 41.9m tonnes. The average purchase prices for Camco's new 'in specie' amounts added to the portfolio are increasing reflecting increases in market prices. At 31 August 2008 the average price per tonne for the "in specie" portfolio is €7.94 (up from €7.50 at 30 June 2008).

The increasing maturity of the portfolio creates opportunities to commercialise and monetise Camco's carbon assets. Camco is exploring a number of innovative structures aimed at maximising the value of the portfolio. A key part of this is establishing preferred and strategic relationships with compliance buyers and demonstrating the high quality of the portfolio to those buyers.

Consulting

The Consulting business continued to grow and to generate opportunities for the Carbon and Ventures businesses. Revenues of €5.4m were offset by increased staff and business development costs as the business pushes into new markets. The net profit for the period to 30 June 2008 was €338,000. Given current market conditions for consulting services and our investment in the Consulting business supporting our Carbon business, we anticipate the Consulting business revenue growth to slow towards year end.

One rationale for acquiring the consulting business was to expand our range of services and enhance our ability to identify and execute transactions for our carbon business. We are now seeing tangible examples of this emerging across our business with projects underway in South Africa and China. The Consulting business also continues to build on its external client base winning new contracts with a combined future value of approximately €3.0m in the six months to 30 June 2008.

Ventures

The Ventures business continued to develop its capacity and track record for deploying, managing and realising private equity and specific project investments. The acquisition of ClearWorld Energy Ventures, announced on 27 May 2008, strengthens Camco's ability to deploy investment capital in China. The team brings a wealth of experience to Camco having invested US$350m over 10 years in China's energy sector. The acquisition will allow Camco to establish and grow a funds management business in China over the next 12 months.

Impact of post balance date transactions

A number of material events occurred between 30 June 2008 and 10 September 2008 including:

First, the spot sale of CERs on 12 August 2008 evidences how the use of spot sales can deliver compelling pricing for carbon assets.

On 18 August 2008, the sale of our US investment, Dallas Clean Energy, at a profit demonstrates our ability to create value in our ventures activities. The business was acquired on 3 December 2007 for US$13.1m and sold approximately 9 months later for US$19.1m. Camco will continue to leverage the specialist expertise in our Consulting and Carbon businesses to generate attractive investment opportunities globally.

Further, the Group held an auction for the rights to a portfolio of 5.8 million CERs from 9 specific projects which was finalised in August 2008. The rights were placed with leading international compliance buyers. Camco received €15.0m income in cash from the sale of the rights. It will also receive further income as and when CERs are delivered. As a result of the success of this transaction Camco may undertake a similar smaller transaction prior to year end.

Finally, a major waste gas power generation project was approved for Registration subject to minor corrections in China on 9 September 2008. Registration is expected to be completed by year end and the project is anticipated to deliver 3.6m tonnes in the first Kyoto compliance period.

The success of these transactions reinforces Camco's strategic direction and significantly bolsters the Group's cash position as at 5 September 2008 to €32.1m.

Consolidated income statement

for the 6 months to 30 June 2008

		Continuing operations		
		6 months to30 June 2008 (unaudited)	**6 months to 30 June 2007 (unaudited)**	**12 months to 31 December 2007 (audited)**
	Notes	**€'000**	**€'000**	**€'000**

Revenue		**8,936**	1,968	10,444
Cost of sales		**(4,207)**	(568)	(4,365)
Gross profit		**4,729**	1,400	6,079
Other administration expenses		**(11,284)**	(5,477)	(14,872)
Share-based payments	3	**(460)**	(1,299)	(2,028)
Total administration expenses	2	**(11,744)**	(6,776)	(16,900)
Loss from operations		**(7,015)**	(5,376)	(10,821)
Finance income	4	**389**	605	1,171
Finance expense	4	**(1,499)**	(176)	(2,582)
Other operating income	5	**173**	-	-
Loss from equity accounted investments		**-**	(22)	-
Loss before tax		**(7,952)**	(4,969)	(12,232)
Taxation		**(38)**	(52)	126
Loss after tax		**(7,990)**	(5,021)	(12,106)
(Loss)/profit from discontinued operation (net of tax)		**(202)**	-	16
Loss for the period		**(8,192)**	(5,021)	(12,090)
Attributable to:				
Equity shareholders of the Company		**(8,207)**	(5,059)	(12,131)
Minority shareholders		**15**	38	41
Loss for the period		**(8,192)**	(5,021)	(12,090)
Basic and diluted loss per share in € cents				
Continuing operations	6	**(4.87)**	(3.76)	(8.19)
Loss for the period	6	**(4.99)**	(3.76)	(8.18)

Consolidated statement of recognised income and expense
for the 6 months to 30 June 2008

	Notes	6 months to 30 June 2008 (unaudited)	6 months to 30 June 2007 (unaudited)	12 months to 31 December 2007 (audited)
		€'000	**€'000**	**€'000**
Loss for the period		**(8,192)**	(5,021)	(12,090)
Exchange differences on translation of foreign operations		**(225)**	(4)	337
Total recognised income and expense for the period		**(8,417)**	(5,025)	(11,753)
Analysed to:				
Equity shareholders of the Company		**(8,432)**	(5,063)	(11,794)
Minority interest in subsidiary companies		**15**	38	41
		(8,417)	(5,025)	(11,753)

Consolidated balance sheet
as at 30 June 2008

	Notes	30 June 2008 (unaudited)	30 June 2007 (unaudited)	31 December 2007(audited)
		€'000	**€'000**	**€'000**
Assets				
Non-current assets				
Property, plant and equipment		**2,100**	569	1,606

Goodwill on acquisition	7	**14,572**	14,957	14,413
Other intangible assets	7	**2,177**	1,646	1,463
Carbon development contracts	8	**14,380**	11,929	13,302
Other investments		**270**	118	275
Deferred tax assets		**414**	-	414
Total non-current assets		**33,913**	29,219	31,473
Current assets				
Prepayments and accrued income		**5,097**	1,693	3,277
Trade and other receivables		**4,078**	4,660	5,678
Cash and cash equivalents	10	**10,042**	22,126	20,552
Assets classified as held for sale		**8,415**	-	8,512
Total current assets		**27,632**	28,479	38,019
Total assets		**61,545**	57,698	69,492
Liabilities				
Current liabilities				
Current tax liability		**(934)**	-	(917)
Trade and other payables		**(5,453)**	(5,194)	(5,759)
Loans and borrowing	10	**(1,421)**	(1,185)	(1,293)
Deferred consideration	11	**(1,671)**	(141)	(1,861)
Liabilities classified as held for sale		**(614)**	-	(143)
Total current liabilities		**(10,093)**	(6,520)	(9,973)
Non-current liabilities				
Loans and borrowing		**(207)**	(288)	(297)
Provisions		**-**	(207)	(203)
Deferred tax liabilities		**(362)**	(472)	(409)
Deferred consideration	11	**(180)**	(2,388)	(375)
Total non-current liabilities		**(749)**	(3,355)	(1,284)
Total liabilities		**(10,842)**	(9,875)	(11,257)
Net assets		**50,703**	47,823	58,235
Equity				
Share capital	12	**1,675**	1,511	1,662
Share premium	13	**71,619**	54,747	70,997
Share-based payment reserve	13	**2,496**	1,838	2,567
Retained earnings	13	**(24,313)**	(9,034)	(16,106)
Translation reserve	13	**90**	(26)	315
Own shares	13	**(1,170)**	(1,281)	(1,271)
Total equity attributable to shareholders of the Company		**50,397**	47,755	58,164
Minority interest	13	**306**	68	71
Total equity	13	**50,703**	47,823	58,235

Consolidated cash flow

for the 6 months to 30 June 2008

		Continuing operations		
		6 months to 30 June 2008 (unaudited)	**6 months to 30 June 2007 (unaudited)**	**12 months to 31 December 2007(audited)**
	Notes	**€'000**	**€'000**	**€'000**

	Note			
Cash flow from operating activities				
Revenue and deferred income received		**9,688**	2,626	8,573
Cash paid to suppliers and employees *		**(19,170)**	(7,939)	(20,766)
Interest received		**394**	591	1,254
Interest paid		**(55)**	(12)	(72)
Income tax paid		**(45)**	(44)	(72)
Net cash flow from operating activities		**(9,188)**	(4,778)	(11,083)
Cash flow from investing activities				
Payment for acquisition of subsidiaries	9	**(27)**	(5,295)	(5,295)
Net cash/(overdraft) acquired with subsidiaries	9	**55**	(985)	(985)
Settlement of deferred consideration	11	**(127)**	-	-
Payment for purchase of property, plant and equipment		**(807)**	(126)	(1,187)
Payment for asset held for sale		**-**	-	(8,369)
Net cash flow from investing activities		**(906)**	(6,406)	(15,836)
Cash flow from financing activities				
Payment of finance lease liabilities		**(97)**	-	(201)
Proceeds from issuance of shares		**-**	7,522	24,280
Costs of raising capital		**-**	-	(357)
Net cash flow from financing activities		**(97)**	7,522	23,722
Change in cash and cash equivalents and bank overdraft		**(10,191)**	(3,662)	(3,197)
Opening cash and cash equivalents		**19,613**	24,719	24,719
Effect of exchange rate fluctuations		**(572)**	(116)	(1,909)
Closing cash and cash equivalents and bank overdraft	10	**8,850**	20,941	19,613

* Cash paid to suppliers by Group was €13,579,000 (12 months 2007: €12,298,000) and employees €5,591,000 (12 months 2007: €8,468,000)

Notes to the interim financial report

Significant accounting policies

Camco International Limited (the "Company") is a public company incorporated in Jersey under Companies (Jersey) Law 1991. The address of its registered office is Channel House, Green Street, St Helier, Jersey JE2 4UH. The consolidated interim financial report of the Company for the period from 1 January 2008 to 30 June 2008 comprises the Company and its subsidiaries (together the "Group").

Basis of preparation

The annual financial statements of the group for the year ended 31 December 2007 have been prepared in accordance with IFRSs as adopted by the EU ("Adopted IFRSs"). The interim set of financial statements included in this half-yearly report has been prepared in accordance with the recognition and measurement requirements of IFRSs as adopted by the EU. The interim set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 31 December 2007. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2007.

This interim financial information has been prepared on the historical cost basis. The accounting policies applied are consistent with those adopted and disclosed in the annual financial statements for the period ended 31 December 2007. The accounting polices have been consistently applied across all Group entities for the purpose of producing this interim financial report.

The financial information included in this document does not comprise statutory accounts within the meaning of Companies (Jersey) Law 1991. The comparative figures for the financial year ended 31 December 2007 are not the company's statutory accounts for that financial year within the meaning of Companies (Jersey) Law 1991. Those accounts have been reported on by the company's auditors and delivered to the Jersey Financial Services Commission. The report of the auditors was unqualified.

Estimates

The preparation of the interim financial report in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1 Segmental reporting

Segment information is presented in respect of the Group's business segments. These business segments are based on the Group's management and internal reporting structure.

Business Segments
The Group comprises the following main business segments:
1. Consulting: The Consulting practice provides clients with low carbon energy and sustainable development solutions.
2. Ventures: The Ventures business invests capital for the Group or external investors in clean technology companies and projects that have a strategic impact on creating a low carbon society.
3. Carbon: The Carbon business undertakes carbon asset development, commercialisation and portfolio management.

Business Segments	**Consulting**	**Ventures**	**Carbon**	**Eliminations**	**Total**
	6 months to 30 June 2008	**6 months to 30 June 2008**	**6 months to 30 June 2008**	**6 months to 30 June 2008**	**6 months to 30 June 2008**
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
External revenues	**5,133**	**114**	**3,689**	**-**	**8,936**
Inter-segment revenue	**259**	**-**	**-**	**(259)**	**-**
Total segment revenue	**5,392**	**114**	**3,689**	**(259)**	**8,936**
Segment gross margin	**3,916**	**63**	**750**	**-**	**4,729**
Segment result	**338**	**(377)**	**(2,687)**	**-**	**(2,726)**
Unallocated expenses					**(3,829)**
Share-based payments					**(460)**
Results from operating activities					**(7,015)**
Net finance expense					**(1,110)**
Other operating income					**173**
Taxation					**(38)**
Profit from discontinued operation (net of tax)					**(202)**
Loss for the period					**(8,192)**

	Consulting	**Ventures**	**Carbon**	**Eliminations**	**Total**
	6 months to 30 June 2007	**6 months to 30 June 2007**	**6 months to 30 June 2007**	**6 months to 30 June 2007**	**6 months to 30 June 2007**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
External revenues	**1,461**	**158**	**349**	**-**	**1,968**
Inter-segment revenue	**124**	**-**	**-**	**(124)**	**-**
Total segment revenue	**1,585**	**158**	**349**	**(124)**	**1,968**
Segment gross margin	**1,264**	**158**	**(22)**	**-**	**1,400**
Segment result	**373**	**(182)**	**(3,070)**	**-**	**(2,879)**
Unallocated expenses					**(1,198)**
Share-based payments					**(1,299)**
Results from operating activities					**(5,376)**
Net finance income					**407**
Other operating income					**-**
Taxation					**(52)**

Profit from discontinued operation (net of tax)	-
Loss for the period	**(5,021)**

	Consulting	Ventures	Carbon	Eliminations	Total
	12 months to 31 December 2007	12 months to 31 December 2007	12 months to 31 December 2007	12 months to 31 December 2007	12 months to 31 December 2007
	€'000	€'000	€'000	€'000	€'000
External revenues	**6,924**	**645**	**2,875**	**-**	**10,444**
Inter-segment revenue	**496**	**-**	**-**	**(496)**	**-**
Total segment revenue	**7,420**	**645**	**2,875**	**(496)**	**10,444**
Segment gross margin	**5,148**	**337**	**1,090**	**(496)**	**6,079**
Segment result	**406**	**(776)**	**(6,026)**	**-**	**(6,396)**
Unallocated expenses					**(2,397)**
Share-based payments					**(2,028)**
Results from operating activities					**(10,821)**
Net finance expense					**(1,411)**
Other operating income					**-**
Taxation					**126**
Profit from discontinued operation (net of tax)					**16**
Loss for the period					**(12,090)**

2 Total administration expenses

Total administration expenses are analysed below.

	30 June 2008 (unaudited)	30 June 2007 (unaudited)	31 December 2007 (audited)
	€'000	€'000	€'000
Depreciation of property, plant and equipment - owned assets	**204**	60	232
Depreciation of property, plant and equipment - leased assets	**119**	12	147
Share-based payments	**460**	1,299	2,028
Other administration expenses	**10,961**	5,405	14,493
Total administration expenses	**11,744**	6,776	16,900

3 Share-based payments

The Group operates two share-based incentive plans for its employees, the Camco International Limited 2006 Executive Share Plan (the "Plan") and the Long-Term Incentive Plan (the "LTIP"). The charge for each scheme for the period is as follows:

	30 June 2008 (unaudited)	30 June 2007 (unaudited)	31 December 2007 (audited)
	€'000	€'000	€'000
Camco International Limited 2006 Executive Share Plan	**189**	309	473
Long-Term Incentive Plan	**249**	282	294
Employee bonus paid in shares	**22**	-	553
Ordinary shares issued	**-**	708	708
	460	1,299	2,028

Camco International Limited 2006 Executive Share Plan

Under the Plan the Company, or the trustee of the Camco International Limited Employee Benefit Trust ("EBT"), can make awards of share options or conditional rights to receive shares to selected Directors or key employees of the Company or its subsidiaries.
Purpose The purpose of the Plan is to reward Directors and key employees for services provided pre-admission to AIM and to retain their services over the vesting period. The past services resulted in the successful flotation of the Company on the AIM market.
Service condition The service condition stipulates that the Director or key employee must provide continuous service over the vesting period.

The number of awards made to Directors and key employees of the Company and amounts payable per share are set out below.

	At 31 December 2006		At 31 December 2007		At 30 June 2008	
	Share awards outstanding Number	Vested and exercised in year Number	Share awards outstanding Number	Vested and exercised in 6 month period Number	Share awards outstanding Number	Price payable (per share) €
Directors	642,858	(642,858)	-	**-**	**-**	0.05
Key employees	3,015,000	(955,000)	2,060,000	**(2,060,000)**	**-**	0.01
Total	3,657,858	(1,597,858)	2,060,000	**(2,060,000)**	**-**	

Options were granted to individual Directors and key employees at various dates between 10 February and 14 March 2006. No new options were granted in the period and no options lapsed in the period. The options have an expiry date 10 years following date of grant. All outstanding options vested and were exercised in the period. The weighted average share price at date of exercise was €0.59.

The fair value of each share option at grant was determined based on the Black-Scholes formula. The inputs to this model are the same as outlined in the Group's last financial statements.

Long-Term Incentive Plan

The Board has approved the LTIP under which Directors and employees are entitled to equity-settled payment following vesting periods after 31 December 2008, 2009 & 2010 and upon certain market and non-market performance conditions being met for the reporting periods ending 31 December 2008, 2009 & 2010.

Purpose The purpose of the LTIP is to incentivise Directors and employees to ensure profit and share price performance targets are met over the vesting periods, the first of which ends on 31 December 2008. The LTIP will align management's objectives with those of the shareholders.

Market-based performance condition The LTIP will vest at different levels depending on the Company's share price performance as compared with comparator groups over the vesting period. The comparator groups consist of a basket of SmallCap companies at the grant date (adjusted for mergers, demergers and delistings during the performance period). The Company's percentage rank is its rank in a comparator group divided by the number of companies in the group at the end of the performance period expressed as a percentage. If the Company's percentage rank is less than 50% none of the shares vest. At a percentage rank of 50-70% half of the shares will vest, 70-85% three quarters of the shares will vest and 85-100% all the shares will vest.
Non-market performance conditions The LTIP will vest at differing levels depending on the achievement of profit targets over the vesting period.

	2008 Number of shares	**2007 Number of shares**
Outstanding at start of the period	**8,454,785**	**6,506,759**
Granted	**2,008,474**	**4,155,000**
Forfeited	**(321,000)**	**(2,206,974)**
Outstanding at end of the period	**10,142,259**	**8,454,785**

	2008	**2007**
Weighted average share price at grant (€ cents)	**82.9**	**52.0**
Weighted average fair value of option (€ cents)	**58.6**	**17.0**
Exercise price (€ cents)	**1.0**	**1.0**
Weighted average life at grant (years)	**2.3**	**2.1**

4 Net finance income

	30 June 2008 (unaudited) €'000	30 June 2007 (unaudited) €'000	31 December 2007 (audited) €'000
Finance income			
Interest on bank deposits	**357**	605	1,171
Exchange movements	**32**	-	-
	389	605	1,171
Finance expense			
Unwinding of discount	**(69)**	(31)	(97)
Interest on overdraft and borrowings	**(42)**	(11)	(72)
Interest on finance lease creditor	**(12)**	(1)	(22)
Exchange movements - realised	**(342)**	(133)	(135)
Exchange movements - unrealised	**(1,034)**	-	(2,256)
	(1,499)	(176)	(2,582)
Net finance income	**(1,110)**	429	(1,411)

5 Other operating income

	30 June 2008 (unaudited) €'000	30 June 2007 (unaudited) €'000	31 December 2007 (audited) €'000
Negative goodwill arising on acquisition	**159**	-	-
Profit on disposal of investment	**14**	-	-
	173	-	-

Other operating income includes negative goodwill arising on the acquisition of Re-Fuel Tech (note 9) and a profit on disposal of the Group's investment in Heliodynamics Ltd.

6 Loss per share

Loss per share attributable to equity holders of the Company is calculated as follows.	30 June 2008 (unaudited) Cents per share	30 June 2007 (unaudited) Cents per share	31 December 2007 (audited) Cents per share
Basic and diluted loss per share - loss for the period	**(4.99)**	(3.76)	(8.18)
			€'000
Loss used in calculation of basic and diluted loss per share	**(8,207)**	(5,059)	(12,131)
Weighted average number of shares used in calculation	**164,521,670**	134,381,030	147,762,389

	Cents per share	**Cents per share**	**Cents per share**
Basic and diluted loss per share - continuing operations	**(4.87)**	(3.76)	(8.19)

			€000
Loss used in calculation of basic and diluted loss per share	**(8,005)**	(5,059)	(12,147)
Weighted average number of shares used in calculation	**164,521,670**	134,381,030	147,762,389

Weighted average number of shares used in calculation

	2008	2007	2007
	Number	**Number**	**Number**
Number in issue at 1 January 2008 & 1 January 2007	**162,680,592**	**129,898,733**	**129,898,733**
Effect of own shares held	**(5,068,334)**	**(4,132,790)**	**(4,604,407)**
Effect of share options exercised	**3,034,506**	**931,125**	**1,255,607**
Effect of shares issued in the period	**3,874,905**	**7,683,962**	**21,212,456**
Weighted average number of issued shares at 30 June & 31 December	**164,521,670**	**134,381,030**	**147,762,389**

7 Goodwill on acquisition and other intangible assets

	Goodwill on acquisition	Other intangible assets	Total
	€'000	**€'000**	**€'000**
Cost at 31 December 2007	**14,413**	**1,685**	**16,098**
Acquisitions	**636**	**882**	**1,518**
Revision to original purchase consideration (note 9)	**(477)**	**-**	**(477)**
Cost at 30 June 2008	**14,572**	**2,567**	**17,139**
Impairment & amortisation at 31 December 2007	**-**	**(222)**	**(222)**
Impairment & amortisation charge	**-**	**(168)**	**(168)**
Impairment & amortisation at 30 June 2008	**-**	**(390)**	**(390)**
Net book value at 31 December 2007	**14,413**	**1,463**	**15,876**
Net book value at 30 June 2008	**14,572**	**2,177**	**16,749**

Goodwill and other intangibles assets in the period arose on the acquisition of ClearWorld Energy Ventures Limited and Re-Fuel Tech Limited (note 9).

8 Carbon development contracts

	Total
	€'000
Cost at 31 December 2007	**13,702**
Carbon development contract costs capitalised	**1,317**
Cost at 30 June 2008	**15,019**
Utilisation and write-down at 31 December 2007	**(400)**
Amount charged to cost of sales in the period	**(148)**
Write-down of CDC costs previously capitalised	**(91)**
Utilisation and write-down at 30 June 2008	**(639)**
Net book value at 31 December 2007	**13,302**
Net book value at 30 June 2008	**14,380**

The write-down was recognised following a review of the carrying amounts of CDCs. Where the discounted future cash flows on the contract were deemed insufficient to support the recoverability of the asset, a write-down to the lower value was made.

9 Business combinations

ClearWorld Energy Ventures Limited

On 27 May 2008, the Group completed the acquisition of ClearWorld Energy Ventures Limited ("CWEV"). The company is primarily engaged in sourcing, developing and financing clean and renewable energy projects in China. The total purchase consideration consisted of 420,125 new ordinary shares of €0.01 each and deferred elements dependent on the company achieving performance targets.

Fair value of identifiable net liabilities of CWEV at date of acquisition	Acquiree's book values €'000	Provisional fair value adjustments €'000	Provisional acquisition amounts €'000
Property, plant and equipment	16	-	16
Cash and cash equivalents	57	-	57
Trade and other payables	(319)	-	(319)
Net identifiable liabilities acquired	**(246)**	**-**	**(246)**

Net cash out flow to acquire CWEV	€'000
Cash consideration	-
Acquisition costs	27
Cash and cash equivalents acquired	(57)
Net cash (in) flow	**(30)**

Goodwill recognised on acquisition	€'000
Cash consideration	-
Shares issued (420,125 at 35p per share)	185
Deferred consideration	178
Acquisition costs	27
Total purchase consideration	390
Less fair value of identifiable net liabilities acquired	246
Goodwill recognised on acquisition	**636**

The value placed by the Directors on CWEV's personnel, reputation and synergies gave rise to the goodwill on acquisition. CWEV was established by ClearWorld Energy Limited to source finance for clean energy projects and technology companies. CWEV and its experienced management team will strengthen the Camco brand in the Chinese market enabling the Group to generate substantial value through the development of a funds management business in clean technology. Goodwill acquired has an indefinite useful economic life.

In the period from date of acquisition on 27 May 2008 to 30 June 2008, CWEV recorded a loss of €27,000. If CWEV had been part of the Group from 1 January 2008, management estimates that the recorded loss would have been €162,000 with additional revenue of €nil.

Additional consideration will be paid on an 'earn-out' basis if certain targets are met on fund raising and placement into investments to 2010, up to a maximum of $11,000,000. A further $12,500,000 may be paid, also on an earn-out basis, as a proportion of realised profits from investment exits between 2011 and 2014. The additional consideration is payable in new ordinary shares to be issued at 60p per new ordinary share.

Re-Fuel Tech Ltd

On 1 January 2008, the Group increased its holding in Re-Fuel Tech Ltd ("Re-Fuel") from 43% to 75% through the conversion of a loan to equity and an allotment of new ordinary shares in lieu of payment of trade creditors. The increased holding gave rise to a deemed acquisition. The investment was previously accounted for as an associate. The company is primarily engaged in developing high efficiency fuel cells and energy storage devices. The purchase consideration consisted of conversion of loan (€282,000) and trade creditors (€211,000) owed to the Group.

Fair value of share of identifiable net assets of Re-Fuel at date of acquisition	Acquiree's book values €'000	Provisional fair value adjustments €'000	Provisional acquisition amounts €'000
Intellectual property - fuel cell technology and patents	882	-	882
Trade and other receivables	6	-	6
Overdraft	(2)	-	(2)
Trade and other payables	(14)	-	(14)

Minority interest reserve	**(220)**	**-**	**(220)**
Net identifiable assets acquired	**652**	**-**	**652**

Net cash out flow to acquire Re-Fuel	**€'000**
Cash consideration paid	**-**
Overdraft acquired	**2**
Net cash out flow	**2**

Goodwill recognised on acquisition	**€'000**
Cash consideration paid	**-**
Conversion of loan note	**282**
Payment in lieu of trade debtors	**211**
Total purchase consideration	**493**
Less fair value of share of identifiable net assets acquired	**(652)**
Negative goodwill recognised on acquisition as other operating income	**(159)**

In the period from date of acquisition on 1 January 2008 to 30 June 2008, Re-Fuel recorded a loss of €20,000 with additional revenue of €12,000.

10 Cash and cash equivalents

	2008	**2007**
	€'000	**€'000**
Cash on deposit	**10,042**	**20,552**
Bank overdrafts used for cash management purposes	**(1,192)**	**(939)**
Cash and cash equivalents in the cash flow statements	**8,850**	**19,613**

11 Deferred consideration

	2008	**2007**
	€'000	**€'000**
Balance at 31 December 2007 and 31 December 2006	**2,236**	**1,814**
Arising from acquisition in the period	**178**	**672**
Settled in the period	**(127)**	**-**
Revision to original purchase consideration	**(477)**	**(320)**
Unwinding of discount	**69**	**97**
Exchange movements	**(28)**	**(27)**
Balance at 30 June 2008 and 31 December 2007	**1,851**	**2,236**

At 30 June 2008, management reviewed the estimates for deferred consideration arising on the acquisition of subsidiaries. This review resulted in the reduction in the estimates for deferred consideration on MCF Finance and Consulting Co. Ltd (€347,000) and Bradshaw Consulting Limited (€130,000).

12 Issued capital

	2008 Number '000	**2008 €'000**
Authorised		
Ordinary shares of €0.01	**1,250,000**	**12,500**
Issued and fully paid		
Ordinary shares of €0.01 (all classified in shareholders' funds)	**167,510**	**1,675**

13 Equity

	Group	**Group**	**Group**	**Group**	**Group**	**Group**	**Group**	**Group**	**Group**

for the 6 months to 30 June 2008	2008	2008	2008	2008	2008	2008	2008	2008	2008
Interim financial report	**Share capital €'000**	**Share premium €'000**	**Share-based payment reserve €'000**	**Retained earnings €'000**	**Translation reserve €'000**	**Own shares €'000**	**Total equity attributable to shareholders of the Company €'000**	**Minority interest**	**Total equity €'000**
Balance at 31 December 2007	**1,662**	**70,997**	**2,567**	**(16,106)**	**315**	**(1,271)**	**58,164**	**71**	**58,235**
Total recognised income and expense	**-**	**-**	**-**	**(8,207)**	**(225)**	**-**	**(8,432)**	**15**	**(8,417)**
Share-based payments	**-**	**-**	**460**	**-**	**-**	**-**	**460**	**-**	**460**
Issuance of shares	**13**	**622**	**(451)**	**-**	**-**	**-**	**184**	**-**	**184**
Own shares	**-**	**-**	**(80)**	**-**	**-**	**101**	**21**	**-**	**21**
Acquisition of minority interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**220**	**220**
Balance at 30 June 2008	**1,675**	**71,619**	**2,496**	**(24,313)**	**90**	**(1,170)**	**50,397**	**306**	**50,703**

	Group	**Group**	**Group**	**Group**	**Group**	**Group**	**Group**	**Group**	**Group**
for the year ended 31 December 2007	**2007**	**2007**	**2007**	**2007**	**2007**	**2007**	**2007**	**2007**	**2007**
	Share capital €'000	**Share premium €'000**	**Share-based payment reserve €'000**	**Retained earnings €'000**	**Translation reserve €'000**	**Own shares €'000**	**Total equity attributable to shareholders of the Company €'000**	**Minority interest €'000**	**Total equity €'000**
Balance at 1 January 2007	1,299	36,909	577	(3,975)	(22)	(181)	34,607	-	34,607
Total recognised income and expense	-	-	-	(12,131)	337	-	(11,794)	41	(11,753)
Share-based payments	-	-	2,028	-	-	-	2,028	-	2,028
Issuance of shares	363	34,445	-	-	-	(1,170)	33,638	-	33,638
Costs incurred in the raising of capital	-	(357)	-	-	-	-	(357)	-	(357)
Own shares	-	-	(38)	-	-	80	42	-	42
Acquisition of minority interest	-	-	-	-	-	-	-	30	30
Balance at 31 December 2007	**1,662**	**70,997**	**2,567**	**(16,106)**	**315**	**(1,271)**	**58,164**	**71**	**58,235**

for the 6 months to	**Group 2007**	**Group 2007**	**Group 2007**	**Group 2007**	**Group 2007**	**Group 2007**	**Group 2007**	**Group 2007**	**Group 2007**

30 June 2007

	Share capital	Share premium	Share-based payment reserve	Retained earnings	Translation reserve	Own shares	Total equity attributable to shareholders of the Company	Minority interest	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000		€'000
Balance at 31 December 2006	1,299	36,909	577	(3,975)	(22)	(181)	34,607	-	34,607
Total recognised income and expense	-	-	-	(5,059)	(4)	-	(5,063)	38	(5,025)
Share-based payments	-	-	1,299	-	-	-	1,299	-	1,299
Issuance of shares	212	17,838	32	-	-	(1,170)	16,912	-	16,912
Own shares	-	-	(70)	-	-	70	-	-	-
Acquisition of minority interest	-	-	-	-	-	-	-	30	30
Balance at 30 June 2007	**1,511**	**54,747**	**1,838**	**(9,034)**	**(26)**	**(1,281)**	**47,755**	**68**	**47,823**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. During the period the Company issued 3,418,897 ordinary shares for a consideration of €635,000 settled in shares in subsidiaries (€185,000) and shares transferred to employees to satisfy share-based payments (€450,000).

As at 30 June 2008, the EBT held 1,410,476 ordinary shares of the Company (2007: 3,470,476), acquired for a total consideration of €1,170,534. Transactions of the EBT are treated as being those of the Company and shares held by the EBT are therefore reflected in the financial statements as a reduction in reserves of €1,170,534. The EBT shares have a nominal value of €14,105 representing 0.84% of the issued share capital of the Company.

The shares held by the EBT had a market value of €819,000 at 30 June 2008 (2007: €2,046,000)

14 Related parties

The Group has various related parties stemming from relationships with shareholders, related business partners and key management personnel.

Acquisition of ClearWorld Energy Ventures Limited "CWEV"

Prior to the acquisition by the Company, the former majority shareholder in ClearWorld Energy Ventures Limited was ClearWorld Energy Limited, a founding partner and continued shareholder in the Company. As a result, the transaction is considered a related party transaction. The directors of the Company consider, having consulted with KBC Peel Hunt Ltd in its capacity as the Company's nominated adviser, that the terms of the acquisition are fair and reasonable insofar as the Company's shareholders are concerned.

Shareholders and related business partners
The founding shareholders who continue to hold a significant interest in the Company and who provide services to the Group are ClearWorld Energy Limited ("CWE") and the shareholders of KWI Consulting AG ("KWI").

CWE provide support, management and environmental services to the Group under a number of separate agreements. KWI provide environmental and accountancy services to the Group. The amounts charged to administration expenses in respect of these services is shown in the table below.

The related business partner is Consortia Partnership Limited ("Consortia") who has been appointed Company Secretary. Michael Farrow, a non-executive Director of the Company, is a Director of Consortia. Consortia also provide accounting services to the Company. The amounts charged to administration expenses in respect of these services is shown in the table below.

Income statement	**30 June 2008 (unaudited)**	**30 June 2007 (unaudited)**	**31 December 2007 (audited)**
Administration expenses	**€'000**	**€'000**	**€'000**
ClearWorld Energy Limited	**45**	**54**	**235**
Consortia Partnership Limited	**51**	**74**	**134**
KWI Consulting AG	**-**	**23**	**23**

Balance sheet	30 June 2008 (unaudited)	30 June 2007 (unaudited)	31 December 2007 (audited)
Trade and other receivables	**€'000**	**€'000**	**€'000**
KWI Consulting AG	**57**	**-**	**93**
Trade and other payables	**€'000**	**€'000**	**€'000**
ClearWorld Energy Limited	**45**	**9**	**-**
Consortia Consulting	**11**	**22**	**4**
KWI Consulting AG	**-**	**-**	**-**

Key management personnel
The Group's key management personnel comprises the Board of Directors whose remuneration is shown below.

Income statement	30 June 2008 (unaudited)	30 June 2007 (unaudited)	31 December 2007 (audited)
	€'000	**€'000**	**€'000**
Salaries, benefits, bonuses and fees	**308**	550	866
Share-based payments - ordinary shares issued	**-**	708	708
Share-based payments - share options under Executive Share Plan	**-**	73	103
Share-based payments - share options under LTIP	**92**	31	44
Total remuneration	**400**	1,362	1,721

Other receivables includes €631,000 recoverable from the former shareholders of ESD Partners Ltd in relation to a tax liability arising in ESD Limited derived from pre-acquisition profits. €119,000 of this amount is receivable from Jeffrey Kenna.

Jeffrey Kenna also has a beneficial interest (50% voting rights) in two companies that receive payments from the Group for use of office premises owned by the companies. The companies are Overmoor Ltd and Overmoor SSAS and they received €9,500 each during the period.

At 30 June 2008, Jeffrey Kenna had provided a personal guarantee to Barclays Bank plc over the overdraft facility in ESD Ltd of £100,000.

15 Post balance sheet events

Significant post balance sheet events relate to new business developments that generated significant cash in flows for the Group.

Dallas Clean Energy LLC
The asset held for sale, Dallas Clean Energy (formerly McCommas Bluff) landfill methane collection and destruction plant, was sold in August 2008 for a total consideration of €13,000,000 in cash to Clean Energy Fuels Corp.

Carbon credit portfolio sale
The Group held an auction for the rights to a portfolio of 5.8 million certified emission reductions ("CERs") from 9 specific projects which was finalised in August 2008. The rights were placed with leading international compliance buyers. The Company received €15,000,000 income in cash from the sale of the rights. It will also receive further income as and when CERs are delivered.