Camco International - Interim Results

Camco International Ltd
29 September 2009

Camco International Limited

Interim Financial Report

The Camco Group, a leading climate change and sustainable development business, is pleased to provide an interim financial report for the period to 30 June 2009 and a trading update for the period to 25 September 2009.

FINANCIAL HIGHLIGHTS as at 30 June 2009

- Revenue of €5.3 million (30 June 2008, €8.9 million)
- Lower than expected net loss after tax of €6.6 million (excluding impairments) compared to 30 June 2008, net loss after tax of €8.2 million, reflecting continued development of the carbon credit portfolio and cost reductions of 12%
- Overall net loss after tax of €18.3 million, includes a write down of €11.7 million relating to goodwill arising on the acquisition of ESD Partners Ltd in April 2007
- Strong net cash balance of €18.3 million at 30 June 2009 (30 June 2008, €8.9 million)

OPERATIONAL HIGHLIGHTS as at 30 June 2009

- 63% of CER portfolio registered with 40% having completed at least one independent third party verification
- Tonnes through first independent verification increased almost 100% from 16.1m to 30.9m since 31 December 2008
- Average carbon credit purchase price (excluding VERs) stable at approximately €8 per tonne, well below current market prices
- Continued derisking of the carbon portfolio with the removal of high risk Russian JI projects from the portfolio

HIGHLIGHTS to 25 September 2009

- Deliveries beginning to flow: 1.6m tonnes delivered since 30 June 2009 bringing total deliveries to 8.1m tonnes
- Total Risk Adjusted carbon portfolio stable
- Origination of high quality projects continues with four new wins from existing and new clients added to the Chinese CER portfolio since 30 June 2009
- The company has signed an agreement to place up to US$200 million of external funds into China clean technology investments
- Strong net cash balance of €18.1 million at 31 August 2009

Jeff Kenna, Camco Chief Executive, said:

"This year has been a challenging period for our business. In a difficult market we have managed to keep our risked portfolio stable. Deliveries are beginning to flow from our projects, interest in our projects remains extremely strong and the carbon price has continued to strengthen. We keenly await clarity on the post 2012 policy environment and look forward to the opportunities this presents for our business. Our Advisory business performed below expectations in an extremely testing environment and we are reviewing options to improve the performance of this business unit during the second half of the year."

Notes to editors:

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About Camco

Camco is an international leader in identifying and implementing solutions that help businesses address their climate change risks and opportunities. Camco has a 20-year track record in advisory services and one of the largest and most diversified portfolios of carbon credits, making it a premier climate change and sustainable development company.

Camco brings together the distinct but complementary service areas of Carbon Credits, Advisory and Investments to help its clients manage all aspects of their carbon risk. Camco's businesses collaborate between service groups and countries, sharing technical and commercial expertise to find the best options for its clients.

The Carbon business unit 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 Carbon business unit has also created one of the largest carbon credit portfolios by working closely with companies to identify and develop projects that reduce greenhouse gas (GHG) emissions. The team has structured ground breaking and innovative arrangements for the sale and delivery of carbon credits to compliance and voluntary buyers.

The Advisory business unit combines strategic, commercial, financial and technical expertise accrued over two decades to deliver low carbon energy and sustainable development solutions. Our experience spans emission assessments, carbon management strategies and project delivery, as well as international energy and climate change policy.

Camco's Investment business collaborates with manufacturers, project developers, technology providers and investor groups to turn innovative ideas into commercially viable and applicable solutions that will make a difference in tackling climate change.

Chairman's Report

Camco has had a mixed start to 2009 with the maturing of the carbon portfolio and carbon prices recovering in line with our expectations. The global economic conditions had an impact on our Advisory business leading us to write down the value of this business.

This year will prove pivotal for global climate change policy and our Policy & Strategy Unit (PSU) has ensured that Camco is actively and effectively engaged in the discussions. Further, we continue to participate in and lead working groups for various industry bodies including the International Emissions Trading Association, the Carbon Markets Investment Association, Project Developer Forum and the Carbon Capture and Storage Association.

The 15th UNFCCC Conference of the Parties (COP15) is due to take place in Copenhagen during December of this year and key participants remain committed to setting a framework for post-Kyoto cooperation. In the US, the Waxman-Markey legislation represents a landmark along the road to a US initiative to curb GHGs. China has continued to take steps towards participating in a global deal with strong statements by senior public officials and encouraging bilateral engagement with the US. In Europe, regulators continue to push for tougher caps and the expansion of existing cap and trade schemes to incorporate additional sectors. Other significant initiatives, such as the UK's Carbon Reduction Commitment (CRC) will provide opportunities right across our business.

The economic downturn has had an impact on the Company presenting challenges for each of our businesses. Within the Carbon portfolio some industrial projects will produce less emission reductions than first anticipated and financing for other projects has been delayed. However, we are seeing the emergence of a recovery in each of our key operating markets. As our markets recover we emerge stronger and more focussed on the areas of our business that will deliver value to shareholders. Our overall portfolio tonnes have decreased slightly however the projects that we have are of increasingly high quality and command premium prices in the market. Combining our delivery excellence with our strong commercialisation skills, our strategy is to appropriate maximum value for all our shareholders at the right time.

We are beginning to see the benefit of cost control with some major restructuring and cost reduction initiatives now implemented. For example, initiatives within our Advisory business are expected to deliver a further 10% cost reduction in the second half of the year.

Project investment in the US and China continues to be a focus with a number of attractive investments emerging. Camco is continuing to evaluate these investment opportunities and to work with potential capital partners seeking to deploy capital through our network.

Throughout the remainder of 2009 we will work hard to return our Advisory business to profitability and our team will continue to drive the carbon portfolio through the carbon development pipeline.

I would like to thank all shareholders for their support through this period of difficult economic times and turbulent carbon prices. In summary our business remains robust and well placed to benefit from essential efforts to combat climate change.

David Potter
Chairman

September 2009

Financial Review

The Company made a net loss after tax of €18.3 million, including a €11.7 million impairment of goodwill arising on the acquisition of ESD Partners Ltd in April 2007. Total revenues for the six months to 30 June 2009 were €5.3 million compared with €8.9 million for the year to 30 June 2009.

Camco recognises revenue in its Carbon business when projects become CDM Operational. Changes in income are recognised when project risks change or when projects become both registered and operational. Camco anticipates that the majority of its income will come through forward sales of portfolios of carbon credits from CDM operational projects. During the first half of 2009 projects comprising 0.8m tonnes of CERs became both registered and operational. There have been no significant forward sales undertaken in the first half of 2009.

The Carbon business generated €1.8 million revenue for the six months to 30 June 2009 with a segment loss of €3.3 million. Both the quality of the portfolio and the market price for CERs increased during the period providing strong support for future potential forward sales.

The Advisory business delivered €3.5 million in external revenues and a segment loss of €1.4 million in trading conditions that remain difficult.

The Investments business incurred a net loss of €0.5 million with no investments realised during the period.

As at 30 June 2009 the Company had a net cash balance of €18.3 million and no material debt.

On 31 August 2009 the net cash balance remained strong at €18.1 million.

The Directors consider the Company to be in a strong financial position from which to continue its growth and market development strategy.

Segment Operational Review as at 30 June 2009 and trading update to 25 September 2009

Carbon

The period to 30 June 2009 saw Camco's in specie portfolio remain stable. The in specie portfolio has continued to mature with a number of projects progressing through critical stages of the validation process.

During the period to 30 June 2009 the Company enjoyed ongoing success moving projects through the CDM registration process. From the gross portfolio, 31.0m tonnes achieved first independent verification by 30 June 2009. As previously announced, downward revisions to the Russian portfolio of 11.9m tonnes occurred as a result of delays in the issuance of Russian letters of approval (LOAs).

Further, the economic slowdown, particularly in China, impacted the delivery of CERs in the first half of 2009. Reduced industrial production resulted in lower than anticipated emission reductions and certain projects had financing withdrawn. In 2008 the Company had identified the exposure to a downturn in industrial production and had commenced origination in non-cyclical sectors such as wind and biomass power generation. These efforts resulted in an additional 6.0m tonnes from new projects originated in China for the period to 30 June 2009.

The period between 30 June 2009 and 25 September 2009 has seen a significant increase in carbon deliveries. Deliveries between 30 June 2009 and 25 September totalled 1.6m tonnes for the gross portfolio and 0.3m tonnes for the in specie portfolio, bringing total deliveries to 8.1m tonnes for the gross portfolio and 0.7m for the in specie portfolio.

Total verified tonnes continued to expand with 31.0m tonnes of the gross portfolio and 6.0m tonnes from the in specie portfolio now through at least one independent verification.

In Russia uncertainty around the issuance of Russian Letters of Approval (LOAs) continues to impact the portfolio with further write-downs of up to 1m tonnes possible by 31 December 2009. No new information has emerged regarding the likelihood of Russian LOAs being issued in the near term.

The deep restructuring of the Carbon business unit, which commenced in January, has created significant operational improvements ranging from improved operational efficiency and information quality to significant cost reductions of 39% compared to the prior 6 months. The business unit's management structure has been redesigned to create regional hubs. At the same time, a project management system for monitoring carbon portfolio project progress has been developed and rolled out.

Camco continues to pursue a number of initiatives to commercialise the high quality carbon portfolio.

Table 1 - Summary of Camco's carbon credit portfolio by stage

Progress through stage[1]	**25-Sep-09**	**30-Jun-09**	**25-Sep-09**	**30-Jun-09**
	PDD Volume[3]	PDD Volume[3]	Risked Volume	Risked Volume
	(m tonnes)	(m tonnes)	(m tonnes)	(m tonnes)
Contracted	145.0	145.3	91.6	92.7
PDD complete	130.3	129.8	81.6	82.2
Host LoA	115.2	114.3	70.8	71.6
Validated	91.5	90.3	55.4	56.6
Submitted for registration	83.7	81.7	50.0	50.9
Registered	82.5	80.0	49.3	49.8
1st verification[2]	44.4	43.8	31.0	30.9
Issued	8.1	6.5	8.1	6.5
Financed	119.3	119.9	80.0	80.9
Under construction	116.8	117.6	77.8	79.0
Operational	93.0	92.3	62.2	62.4

1 CDM stage or equivalent for JI and VER projects

2 Projects that have been through a minimum of one verification process or equivalent

3 Prior to validation or determination, PDD numbers reflect Camco's current anticipated project delivery

Table 2 - Summary of Camco's In specie carbon credit portfolio[1]

Progress through stage[2]	**25-Sep -09**	**30-Jun-09**	**25-Sep -09**	**30-Jun-09**
	PDD Volume[4]	PDD Volume [4]	Risked Volume	Risked Volume

	(m tonnes)	(m tones)	(m tonnes)	(m tonnes)
Contracted	51.3	51.5	30.6	30.6
PDD complete	44.4	43.7	25.6	25.2
Host LoA	39.1	38.6	21.7	22.0
Validated	27.3	27.7	14.3	15.7
Submitted for registration	23.9	24.2	12.0	13.3
Registered	23.7	23.7	11.9	13.0
1st verification[3]	8.7	8.7	6.0	6.0
Issued	0.7	0.5	0.7	0.5

1 Camco's in specie portfolio excludes VERs

2 CDM stage or equivalent for JI and VER projects

3 Projects that have been through a minimum of one verification process or equivalent

4 Prior to validation or determination, PDD numbers reflect Camco's current anticipated project delivery

Table 3 - Overview of Camco's carbon credit portfolio by contract type

Contract structure	**25-Sep -09**	**30-Jun-09**	**25-Sep -09**	**30-Jun-09**
	PDD Volume	PDD Volume	Risked Volume	Risked Volume
	(m tonnes) [2]	(m tonnes)[2]	(m tonnes)	(m tonnes)
Carbon share	109.9	110.1	67.0	68.1
Held in specie[1]	51.3	51.5	30.6	30.6
Cash share	25.9	26.6	16.9	16.8
VERs	9.2	8.5	7.7	7.8

1 Carbon share held in specie refers to the portion of the carbon asset portfolio over which Camco has an interest.

2 Prior to validation or determination of official PDD forecasts, PDD numbers reflect Camco's current anticipated project delivery.

Table 4 - Additional information on Camco's portfolio

	25-Sep -09	**30-Jun-09**
	Risked Volume	Risked Volume
	(m tonnes)	(m tonnes)
Contract portfolio breakdown (m tonnes)		
CERs	69.5	70.6
ERUs	14.4	14.4
VERs	7.7	7.8
Total	**91.6**	92.7

	25-Sep -09	**30-Jun-09**
	Risked Volume	Risked Volume
	(m tonnes)	(m tonnes)
Carbon share in specie (m tonnes)		
CERs	26.0	26.0
ERUs	4.6	4.6
VERs	-	-
Total	**30.6**	**30.6**
Camco in specie portfolio and forward sales[1]		
Carbon share	30.6	30.6
Carbon share sold	3.3	3.4
Cash share	16.9	16.8
Cash share forward sold	9.8	9.9
VERs	7.7	7.8
VERs forward sold	2.6	2.6
Price – in specie portfolio		
Average purchase price	7.80	7.92

1 For a small number of forward sales some percentage of Camco's sale price remains linked to market prices. For example, Camco may receive a percentage of the market price in addition to a guaranteed floor price

Advisory

Camco's Advisory business has been subject to difficult trading conditions in the UK market. These conditions include a reduced volume and increasing price competition across key business areas. The challenging conditions have resulted in gross profit of €2.6 million for the six months and a segment loss of €1.4 million. This performance was significantly below management's expectation.

The challenging environment has led to a goodwill impairment of €11.7 million (from €12.9 million to €1.2million) arising on the acquisition of ESD Partners Ltd in April 2007.

The Advisory team continues to win large contracts with high quality clients and retain key accounts. Many of these clients are using Camco for the first time with their need for services driven by recent changes in regulation. For example, Camco has been appointed by British Land PLC, one of the UK's largest real estate investment trusts, to undertake an extensive assessment of the impact of the UK's Carbon Reduction Commitment (CRC) on British Land's business.

Significant growth has also continued in public sector advisory mandates with Camco leading the development of important policy proposals. A range of initiatives targeting the greening of the existing housing stock were recently announced by the Department of Energy and Climate Change (DECC) including a policy to undertake 'whole house makeovers' for 7 million homes by 2020 including piloting of an important new financing mechanism. Camco, on behalf of the UK Green Building Council, established and coordinated the project that led to this policy initiative. More generally, the public sector is continuing to establish detailed policies and strategies to achieve high level, long-dated carbon reduction targets. Camco expects a number of other sustainable energy and climate change policies will be implemented by government over the next 12 months, including some informed by Camco's advisory work.

In China, the Advisory business has expanded its range of services and clients. Key projects include providing advisory support to a UK-China clean technology venture and the development of the first carbon labels in China that use the UK PAS2050 standard. The Chinese Advisory team is bringing the Company's energy management services to China, with one new project and several in the pipeline. Camco is well-placed to benefit from the increased focus on energy efficiency as economic conditions continue to improve.

Investments

The Investment business continues to pursue project and clean technology investment in China and the United States of America.

The company has signed an agreement to place up to $200 million external funds into China clean technology investments. The exact commercial arrangements are bound by confidentiality.

Current economic conditions have led to a number of attractive project opportunities requiring project finance which the Company is currently developing.

Outlook

The Carbon and Investment businesses continue to trade in line with management expectations. Through the remainder of 2009 a number of Carbon projects are expected to pass important hurdles in the regulatory process further reducing the risk of the portfolio. Issuances are expected to increase through the second half of 2009 with a number of projects currently undergoing first verifications.

For the Advisory business the remainder of 2009 is likely to be challenging with the expectation of an improvement in 2010. The Advisory business is expected to continue to be loss making for the remainder of 2009. Significant initiatives are being considered to improve the performance of the business.

As noted in the trading update on 6 August 2009, in the absence of CDM operational forward sales this year, the Company anticipates a loss for the period to 31 December 2009.

The profitability of the Carbon business for the year to 31 December 2009 will be driven if a forward sale of a portfolio of carbon projects is executed. The company has made considerable progress preparing portfolio structures and will only execute if the right terms are met.

Camco International Limited

Consolidated statement of comprehensive income
for the 6 months to 30 June 2009

Continuing operations	Notes	6 months to 30 June 2009 (unaudited) €'000	6 months to 30 June 2008 (unaudited) €'000	12 months to 31 December 2008 (audited) €'000
Revenue		**5,349**	8,936	41,463
Cost of sales		**(1,826)**	(4,409)	(16,486)
Gross profit		**3,523**	4,527	24,977
Other income - net gain on disposal of investment	2	**-**	14	3,766
Other income - negative goodwill arising on acquisition	2	**303**	159	267
Administration expenses		**(10,283)**	(11,744)	(24,832)
Impairment of goodwill arising on the acquisition of ESD Partners Limited	4	**(11,690)**	-	-
Other expense - net loss on fund establishment costs		**-**	-	(1,614)
Results from operating activities		**(18,147)**	(7,044)	2,564
Finance income		**716**	389	1,070
Finance expense		**(765)**	(1,499)	(1,408)
(Loss)/profit before income tax		**(18,196)**	(8,154)	2,226
Income tax expense		**(55)**	(38)	(1,203)
(Loss)/profit for the period		**(18,251)**	(8,192)	1,023
Other comprehensive income				
Exchange differences on translation of foreign operations		**457**	(225)	(741)
Total comprehensive income for the period		**(17,794)**	(8,417)	282
(Loss)/profit for the period attributable to:				
Equity shareholders of the Company		**(18,286)**	(8,207)	1,134
Minority shareholders		**35**	15	(111)
(Loss)/profit for the period		**(18,251)**	(8,192)	1,023
Total comprehensive income for the period attributable to:				
Equity shareholders of the Company		**(17,829)**	(8,432)	393
Minority shareholders		**35**	15	(111)
Total comprehensive income for the period		**(17,794)**	(8,417)	282
Basic and diluted (loss)/profit per share in € cents				
Basic	3	**(10.84)**	(4.99)	0.62
Diluted	3	**(10.84)**	(4.99)	0.60

Camco International Limited

Consolidated statement of financial position
as at 30 June 2009

	Notes	30 June 2009 (unaudited) €'000	30 June 2008 (unaudited) €'000	31 December 2008 (audited) €'000
Assets				
Non-current assets				
Property, plant and equipment		1,090	2,100	1,282
Goodwill on acquisition	4	2,459	14,572	14,120
Other intangible assets	4	5,043	2,177	1,794
Other investments		233	270	209
Deferred tax assets		334	414	292
Total non-current assets		9,159	19,533	17,697
Current assets				
Work in progress - carbon development contracts		8,722	14,380	8,490
Prepayments and accrued income		28,339	5,097	28,545
Trade and other receivables		4,589	4,078	5,529
Cash and cash equivalents		18,578	10,042	27,064
Assets classified as held for sale		-	8,415	-
Total current assets		60,228	42,012	69,628
Total assets		69,387	61,545	87,325
Liabilities				
Current liabilities				
Current tax liability		(1,388)	(934)	(1,413)
Trade and other payables		(24,631)	(5,453)	(23,767)
Loans and borrowing		(771)	(1,421)	(1,426)
Deferred consideration		(93)	(1,671)	(702)
Liabilities classified as held for sale		-	(614)	-
Total current liabilities		(26,883)	(10,093)	(27,308)
Non-current liabilities				
Loans and borrowing		-	(207)	(75)
Deferred tax liabilities		(268)	(362)	(315)
Deferred consideration		-	(180)	(48)
Total non-current liabilities		(268)	(749)	(438)
Total liabilities		(27,151)	(10,842)	(27,746)
Net assets		42,236	50,703	59,579
Equity				
Share capital		1,730	1,675	1,675
Share premium		72,277	71,619	71,619
Share-based payment reserve		1,886	2,496	2,751
Retained earnings		(33,258)	(24,313)	(14,972)
Translation reserve		31	90	(426)
Own shares		(567)	(1,170)	(1,170)
Minority interest		137	306	102
Total equity		42,236	50,703	59,579

Camco International Limited

Consolidated statement of cash flows
for the 6 months to 30 June 2009

	Notes	6 months to 30 June 2009 (unaudited) €'000	Continuing operations 6 months to 30 June 2008 (unaudited) €'000	12 months to 31 December 2008 (audited) €'000
Cash flow from operating activities				
Revenue, payments on account and deferred income received		**5,448**	9,688	30,539
Cash paid to suppliers		**(7,303)**	(13,579)	(20,664)
Cash paid to employees		**(5,640)**	(5,591)	(13,257)
Interest received		**98**	394	935
Interest paid		**(11)**	(55)	(83)
Income tax paid		**(155)**	(45)	(790)
Net cash flow from operating activities		**(7,564)**	(9,188)	(3,320)
Cash flow from investing activities				
Net cash on disposal of investment		**-**	-	11,182
Payment for acquisition of subsidiaries		**-**	(27)	(348)
Net cash/(overdraft) acquired with subsidiaries		**-**	55	55
Settlement of deferred consideration		**(163)**	(127)	-
Payment for purchase of property, plant and equipment		**(69)**	(807)	(621)
Net cash flow from investing activities		**(232)**	(906)	10,268
Cash flow used in financing activities				
Proceeds from issuance of shares		**15**	-	-
Payment of finance lease liabilities		**(130)**	(97)	(242)
Repayment of loans and borrowings		**(10)**	-	(163)
Net cash flow from financing activities		**(125)**	(97)	(405)
Change in cash and cash equivalents		**(7,921)**	(10,191)	6,543
Opening cash and cash equivalents		**26,155**	19,613	19,613
Effect of exchange rate fluctuations		**26**	(572)	(1)
Closing cash and cash equivalents		**18,260**	8,850	26,155

Camco International Limited

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 2009 to 30 June 2009 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 2008 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 2008. 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 2008.

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 2008. 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 2008 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 judgments, 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 judgments 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.

Camco International Limited

Notes to the interim financial report (continued)

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 of the following main business segments:

1. Advisory: The Advisory practice provides clients with low carbon energy and sustainable development solutions
2. Investments: The Investments business invests capital for the Group or external investors in clean technology companies and projects that have a Strat impact on creating a low carbon society
3. Carbon: The Carbon business undertakes carbon asset development, commercialisation and portfolio management

Business Segments	Carbon 6 months to 30 June 2009 (unaudited)	Advisory 6 months to 30 June 2009 (unaudited)	Investments 6 months to 30 June 2009 (unaudited)	Eliminations 6 months to 30 June 2009 (unaudited)	Total 6 months to 30 June 2009 (unaudited)
	€'000	€'000	€'000	€'000	€'000
External revenues	1,789	3,498	62	-	5,349
Inter-segment revenue	-	404	-	(404)	-
Total segment revenue	1,789	3,902	62	(404)	5,349
Segment gross profit	888	2,583	52	-	3,523
Segment result	(3,305)	(1,426)	(510)	-	(5,241)
Unallocated expenses					(1,364)
Other income - negative goodwill arising on acquisition					303
Share-based payments					(155)
Impairment of goodwill arising on the acquisition of ESD Partners Limited					(11,690)
Results from operating activities					(18,147)
Net finance expense					(49)
Taxation					(55)
Loss for the period					(18,251)

	Carbon 6 months to 30 June 2008	Advisory 6 months to 30 June 2008	Investments 6 months to 30 June 2008	Eliminations 6 months to 30 June 2008	Total 6 months to 30 June 2008
	€'000	€'000	€'000	€'000	€'000
External revenues	3,689	5,133	114	-	8,936
Inter-segment revenue	-	259	-	(259)	-
Total segment revenue	3,689	5,392	114	(259)	8,936
Segment gross margin	750	3,916	(139)	-	4,527
Segment result	(2,687)	338	(579)	-	(2,928)
Unallocated expenses					(3,829)
Other operating income					173
Share-based payments					(460)
Results from operating activities					(7,044)
Net finance income					(1,110)
Taxation					(38)
Loss for the period					(8,192)

	Carbon 12 months to 31 December 2008	Advisory 12 months to 31 December 2008	Investments 12 months to 31 December 2008	Eliminations 12 months to 31 December 2008	Total 12 months to 31 December 2008
	€'000	€'000	€'000	€'000	€'000
External revenues	31,340	8,027	2,096	-	41,463
Inter-segment revenue	-	809	-	(809)	-
Total segment revenue	31,340	8,836	2,096	(809)	41,463
Segment gross margin	17,372	7,389	1,025	(809)	24,977
Segment result	7,884	(437)	1,279	-	8,726
Unallocated expenses					(5,487)
Other operating income					-
Share-based payments					(675)
Results from operating activities					2,564
Net finance expense					(338)
Taxation					(1,203)

Loss for the period	**1,023**

Camco International Limited

Notes to the interim financial report (continued)

2 Other operating income

	30 June 2009 (unaudited)	30 June 2008 (unaudited)	31 December 2008 (audited)
	€'000	€'000	€'000
Negative goodwill arising on acquisition - MCF Finance and Consulting Co. Ltd	303	159	267
Net gain on disposal of investment	-	14	3,766
	303	173	4,033

During the period negative goodwill arose on a business combination.

3 (Loss)/profit per share

(Loss)/profit per share attributable to equity holders of the Company is calculated as follows.	30 June 2009 (unaudited)	30 June 2008 (unaudited)	31 December 2008 (audited)
	€ cents per share	€ cents per share	€ cents per share
Basic (loss)/profit per share	(10.84)	(4.99)	0.62
Diluted (loss)/profit per share	(10.84)	(4.99)	0.60

(Loss)/profit used in calculation of basic and diluted (loss)/profit per share - no dilutive effects (€'000)	(18,251)	(8,192)	1,023
Weighted average number of shares used in calculation - basic	168,353,359	164,521,670	165,314,890
Weighted average number of shares used in calculation - diluted	168,353,359	164,521,670	171,061,611

Weighted average number of shares used in calculation - basic	Company	Company	Company
	Number	Number	Number
Number in issue at 1 January 2009 & 2008	167,509,965	166,151,068	166,151,068
Effect of own shares held	(3,032,592)	(3,470,476)	(3,470,476)
Effect of share options exercised	777,827	1,841,078	1,750,027
Effect of shares issued in the period	3,098,159	-	884,271
Weighted average number of basic shares at the end of the periods	168,353,359	164,521,670	165,314,890

Weighted average number of shares used in calculation - diluted	Company	Company	Company
	Number	Number	Number
Number in issue at 1 January 2009 & 2008	167,509,965	166,151,068	166,151,068
Effect of own shares held	(3,032,592)	(3,470,476)	(3,470,476)
Effect of share options exercised	777,827	1,841,078	1,750,027
Effect of shares issued in the period	3,098,159	-	884,271
Dilutive effect of share options granted	-	-	3,016,810
Dilutive effect of deferred consideration expected to settle in shares	-	-	2,729,911
Weighted average number of diluted shares at the end of the periods	168,353,359	164,521,670	171,061,611

4 Goodwill on acquisition and other intangible assets

	Goodwill on acquisition	Other intangible assets	CERs held in specie	Total
	€'000	€'000	€'000	€'000
Cost at 31 December 2008	14,120	2,520	-	16,640
Additions	-	105	3,220	3,325
Revision to original purchase consideration	29	-	-	29
Foreign exchange movement	-	92	-	92
Cost at 30 June 2009	14,149	2,717	3,220	20,086
Impairment & amortisation at 31 December 2008	-	(726)	-	(726)
Impairment of goodwill arising on the acquisition of ESD Partners Limited	(11,690)	-	-	(11,690)
Amortisation charge	-	(168)	-	(168)
Impairment & amortisation at 30 June 2009	(11,690)	(894)	-	(12,584)
Net book value at 31 December 2008	14,120	1,794	-	15,914
Net book value at 30 June 2009	2,459	1,823	3,220	7,502

Camco International Limited

Consolidated statement of changes in equity
for the 6 months to 30 June 2009

for the 6 months to 30 June 2009 **Interim financial report**	**Group 2009 Share capital €'000**	**Group 2009 Share premium €'000**	**Group 2009 Share-based payment reserve €'000**	**Group 2009 Retained earnings €'000**	**Group 2009 Translation reserve €'000**	**Group 2009 Own shares €'000**	**Group 2009 Total equity attributable to shareholders of the Company €'000**	**Group 2009 Minority interest**	**Group 2009 Total equity €'000**
Balance at 1 January 2009	**1,675**	**71,619**	**2,751**	**(14,972)**	**(426)**	**(1,170)**	**59,477**	**102**	**59,579**
Total recognised income and expense	**-**	**-**	**-**	**(18,286)**	**457**	**-**	**(17,829)**	**35**	**(17,794)**
Share-based payments	**-**	**-**	**155**	**-**	**-**	**-**	**155**	**-**	**155**
Issuance of shares	**55**	**658**	**(417)**	**-**	**-**	**-**	**296**	**-**	**296**
Own shares	**-**	**-**	**(603)**	**-**	**-**	**603**	**-**	**-**	**-**
Acquisition of minority interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2009	**1,730**	**72,277**	**1,886**	**(33,258)**	**31**	**(567)**	**42,099**	**137**	**42,236**

for the 6 months to 30 June 2008	**Group 2008 Share capital €'000**	**Group 2008 Share premium €'000**	**Group 2008 Share-based payment reserve €'000**	**Group 2008 Retained earnings €'000**	**Group 2008 Translation reserve €'000**	**Group 2008 Own shares €'000**	**Group 2008 Total equity attributable to shareholders of the Company €'000**	**Group 2008 Minority interest €'000**	**Group 2008 Total equity €'000**
Balance at 1 January 2008	**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**
Costs incurred in the raising of capital	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
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**

for the year ended 31 December 2008	**Group 2008 Share capital €'000**	**Group 2008 Share premium €'000**	**Group 2008 Share-based payment reserve €'000**	**Group 2008 Retained earnings €'000**	**Group 2008 Translation reserve €'000**	**Group 2008 Own shares €'000**	**Group 2008 Total equity attributable to shareholders of the Company €'000**	**Group 2008 Minority interest**	**Group 2008 Total equity €'000**
Balance at 1 January 2008	1,662	70,997	2,567	(16,106)	315	(1,271)	58,164	71	58,235
Total recognised income and expense	-	-	-	1,134	(741)	-	393	(111)	282
Share-based payments	-	-	675	-	-	-	675	-	675
Issuance of shares	13	622	(390)	-	-	-	245	-	245
Own shares	-	-	(101)	-	-	101	-	-	-
Acquisition of minority interest	-	-	-	-	-	-	-	142	142
Balance at 31 December 2008	**1,675**	**71,619**	**2,751**	**(14,972)**	**(426)**	**(1,170)**	**59,477**	**102**	**59,579**