

**Newmarket Investments plc ("the Company")**  
**Interim Results for the six months ended 30 September 2006**

I am pleased to announce your company's unaudited results for the period ended 30th September 2006.

The British Bloodstock Agency (UK) Limited ("BBA (UK)") experienced reduced turnover in the first half in comparison to 2005 whilst the income from BBA Insurance Services Limited was slightly ahead of last year. However, the fall in turnover has been matched by a similar reduction in overheads. BBA (UK) earns most of its revenues in the second half of the financial year and we anticipate an improved contribution for the year end.

Your Board continues to evaluate and has identified investment opportunities that will enhance the existing businesses. Any major initiative will require a re-admission of your company and conscious of the regulatory and statutory requirements of this exercise, your Board is intent on identifying new ventures that will only both substantially and successfully reposition your company. We are confident of reporting on such matters during 2007

**Philip Reid**  
**Chairman**

**Consolidated profit and loss account  
for the six months ended 30 September 2006**

	Half Year Ended 30 September (Unaudited)		Year Ended 31 March (Audited)
	2006 £'000	2005 £'000	2006 £'000
<b>Turnover</b>			
Continuing operations	4	44	164
Discontinued activities	-	398	536
	<u>4</u>	<u>442</u>	<u>700</u>
Cost of sales	-	(131)	(202)
	<u>-</u>	<u>(131)</u>	<u>(202)</u>
<b>Gross profit</b>	4	311	498
Administrative expenses	(181)	(676)	(1,074)
	<u>(181)</u>	<u>(676)</u>	<u>(1,074)</u>
<b>Operating loss</b>			
Continuing operations	(177)	(173)	(240)
Discontinued activities	-	(192)	(336)
	<u>(177)</u>	<u>(365)</u>	<u>(576)</u>
<b>Non operating exceptional items</b>			
Profit on disposal of other investments - continuing operations	-	-	24
Loss on sale of fixed assets - discontinued activities	-	(23)	-
Loss on sale of subsidiary undertaking - discontinued activities	-	-	(1,279)
	<u>-</u>	<u>(23)</u>	<u>(1,255)</u>
Interest receivable	-	5	23
Interest payable	-	(17)	(26)
	<u>-</u>	<u>(12)</u>	<u>(3)</u>
<b>Loss on ordinary activities before taxation</b>	(177)	(400)	(1,834)
Tax on loss on ordinary activities	-	-	-
	<u>(177)</u>	<u>(400)</u>	<u>(1,834)</u>
<b>Loss per share - basic</b>	(2.0p)	(4.7p)	(19.6p)
<b>Loss per share - continuing operations</b>	(2.0p)	(2.3p)	(2.1p)
<b>Loss per share - discontinued activities</b>	-	(2.4p)	(17.5p)

**Consolidated balance sheet  
as at 30 September 2006**

	<b>Half Year Ended 30 September (Unaudited)</b>		<b>Year Ended 31 March (Audited)</b>
	<b>2006 £'000</b>	<b>2005 £'000</b>	<b>2006 £'000</b>
<b>Fixed assets</b>			
Intangible assets	-	1,247	-
Tangible assets	15	493	18
Investments	39	39	39
	<u>54</u>	<u>1,779</u>	<u>57</u>
<b>Current Assets</b>			
Stock	-	93	-
Debtors	193	346	174
Cash at bank and in hand	84	144	58
	<u>277</u>	<u>583</u>	<u>232</u>
<b>Creditors: amounts falling due within one year</b>	<u>(481)</u>	<u>(902)</u>	<u>(262)</u>
<b>Net current liabilities</b>	<u>(204)</u>	<u>(319)</u>	<u>(30)</u>
<b>Total assets less current liabilities</b>	<u>(150)</u>	1,460	27
<b>Capital and reserves</b>			
Called up share capital	2,188	2,375	2,188
Share premium account	117	117	117
Capital redemption reserve	579	392	579
Merger reserve	-	803	-
Profit and loss account	<u>(3,034)</u>	<u>(2,227)</u>	<u>(2,857)</u>
<b>Shareholders Funds</b>	<u>(150)</u>	<u>1,460</u>	<u>27</u>

**Consolidated cash flow statement  
for the six months ended 30 September 2006**

	<b>Half Year Ended 30 September (Unaudited)</b>		<b>Year Ended 31 March (Audited)</b>
	<b>2006 £'000</b>	2005 £'000	<b>2006 £'000</b>
<b>Cash inflow/(outflow) from operating activities</b>	26	(213)	(74)
<b>Returns on investments and servicing of finance</b>			
Interest received	-	5	23
Interest paid	-	(17)	(26)
<b>Net cash outflow from returns on investments and servicing of finance</b>	-	(12)	(3)
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets	-	(44)	(119)
Receipt from sale of fixed asset	-	10	15
Receipt from sale of investments	-	69	93
<b>Net cash outflow for capital expenditure</b>	-	35	(11)
Sale of subsidiary undertakings (net of cash)	-	-	(39)
<b>Net cash outflow before management of liquid resources and financing</b>	26	(190)	(127)
<b>Financing</b>			
Repayment of loan	-	135	-
<b>Decrease in cash in the year</b>	26	(55)	(127)
<b>Reconciliation of operating loss to net cash outflow from operating activities</b>	<b>2006 £'000</b>	2005 £'000	2006 £'000
Operating loss	(177)	(366)	(576)
Depreciation of tangible fixed assets	3	116	168
Loss on sale/fixed assets transferred to stock	-	-	43
Increase in stock	-	(56)	(35)
(Increase)/decrease in debtors	(19)	101	127
Increase/(decrease) in creditors	219	(8)	199
	<b>26</b>	<b>(213)</b>	<b>(74)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Movement in net funds in the year	26	(55)	(127)
On disposal of subsidiary	-	-	190
	26	(55)	63
Net funds at 1 April 2006	58	(5)	(5)
<b>Net funds at 30 September 2006</b>	<b>84</b>	<b>(60)</b>	<b>58</b>

## Notes to the interim accounts

1. The interim accounts have been prepared in accordance with the accounting policies set out in the annual accounts for the year ended 31 March 2006, but they have not been audited nor reviewed by the auditors.
2. The financial information in this report does not constitute full accounts as defined by Section 240 of the Companies Act 1985. Full accounts for the year ended 31 May 2005, which contained an unqualified Audit Report and did not contain a statement under Section 237 of the Companies Act 1985, have been delivered to the Registrar of Companies.
3. The Directors continually monitor the financial position of the Group, taking into account the latest cash flow forecasts and the ability of the Group to generate cash. The Directors have prepared the financial statements on a going concern basis having had regard to the cash flow projections which include additional funding in the form of a placing which is currently being arranged, and which will be subject to shareholder approval.

The financial statements do not include any adjustments that would result if the going concern basis of preparation became no longer appropriate.

4. The loss and number of shares used in the calculation of loss per share are set out below:

	<b>Half Year Ended 30 September (Unaudited)</b>		<b>Year Ended 31 March (Audited)</b>
<b>Basic:</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>
Loss for the financial period	(177,000)	(400,000)	(1,834,000)
Weighted average number of ordinary shares	8,750,000	9,500,000	9,352,054
Loss per share	(2.0)p	(4.2)p	(19.6)p
There was no dilutive effect from the warrants or options outstanding during the period.			
<b>Continuing operations:</b>			
Loss for the financial period	(177,000)	(232,000)	(193,000)
Weighted average number of ordinary shares	8,750,000	9,500,000	9,352,054
Loss per share	(2.0)p	(2.4)p	(2.1)p
<b>Discontinued activities:</b>			
Loss for the financial period	-	(168,000)	(1,641,000)
Weighted average number of ordinary shares	8,750,000	9,500,000	9,352,054
Loss per share	-p	(1.8)p	(17.5)p

5. Copies of this announcement are available from the Company Secretary at 25 Manchester Square, London W1U 3PY.