7 August 2007

XP Power Limited
("XP" or "the Group")

Interim Results for the six months ended 30 June 2007

XP, one of the world's leading providers of power supply solutions to the electronics industry, today announces its interim results for the six-month period ended 30 June 2007.

	Six months ended 30 June 2007 (Unaudited)	Six months ended 30 June 2006 (Unaudited)
Income and Expenditure		
Revenue	**£34.2m**	£38.8m
Gross profit	**£14.0m**	£13.9m
Gross margin	**40.9%**	35.8%
Profit before tax, amortisation of intangibles £0.1 million (2006: £0.1 million) and reorganisation costs £2.3 million (2006: £0.7 million)	**£4.4m**	£4.3m
Profit before tax	**£2.0m**	£3.5m
Basic earnings per share	**7.4p**	14.0p
Diluted earnings per share	**7.3p**	13.8p
Diluted earnings per share adjusted for the amortisation of intangibles and reorganisation costs (refer to note 6)	**17.3p**	16.9p
Interim dividend per share (refer to note 5)	**9.0p**	8.0p

- Relocation of headquarters to Singapore is complete
- Interim dividend raised 12.5% to 9.0p (2006: 8.0p) per share underlining confidence in future prospects
- Own brand revenue increased by 11%. Third party revenue down 43% due to the decision to terminate a number of third party lines in 2006.
- Gross margin of 40% achieved on target reflecting the focus on own brand business, now representing 73% of total revenues (2006: 58%)

Larry Tracey, Executive Chairman, commented:

"We continue to progress our strategy to capture more value from our sales in challenging market conditions."

Enquiries:

XP Power Limited
Larry Tracey, Executive Chairman **0118 984 5515**
James Peters, Deputy Chairman
Duncan Penny, Chief Executive Officer

Weber Shandwick Financial **020 7067 0700**
Terry Garrett, Nick Dibden, Hannah Marwood

Notes to editors:

XP provides power supply solutions to the electronics industry.

All electronic equipment needs a power supply. Power supplies convert the incoming AC supply into various levels of DC voltages to drive electronic components and sub-assemblies within the end user's equipment. XP segments its business into Communications, Defence and Avionics, Industrial and Medical. By servicing these markets, XP provides investors with access to technology and industrial sectors of the Worldwide electronics market.

The market is highly fragmented and made up of a large number of Original Equipment Manufacturers who source standard and modified standard power supplies from several hundred power supply companies.

The Investor Presentation covering XP's Interim results will be available on the XP website at 7.00am on 7 August 2007.

For further information, please visit www.xppower.com

Embargoed until 7.00am 7 August 2007

XP Power Limited
("XP" or "the Group")

Interim Results for the six months ended 30 June 2007

CHAIRMAN'S STATEMENT

I am pleased to report that XP has completed the relocation of its headquarters to Singapore on schedule and we have exceeded our target 40% gross margin. Our own brand business grew 11% and now represents 73% (2006: 58%) of total revenues. The next step in the Group's development is to make us more Asia centric and expand our manufacturing and supply chain capabilities.

Relocation of Headquarters to Singapore

On 9 November 2006, we announced plans to relocate our headquarters to Asia. Our shareholders approved a Scheme of Arrangement to introduce a new Singapore domiciled company, XP Power Limited, as the holding company of the Group on 23 March 2007 and the reorganisation became effective on 24 April 2007. The Scheme of Arrangement has been accounted for as a reverse acquisition under IFRS 3, Business Combinations and is explained in note 1[1] to this interim financial information.

Given the growing importance of Asia to our target customer base and supply chain, we decided that it was appropriate to move the domicile of the Group holding company to Singapore. We expect more of our customers to migrate their design activities to Asia. We are also expanding our supply chain and manufacturing capabilities to become more competitive and provide better service to our customers. We have moved our centre of operations to Asia to take advantage of the highly educated and well motivated local people.

The costs of making this change of headquarters were £2.3 million and have been disclosed as exceptional reorganisational costs in the income statement. A detailed breakdown of these costs is set out in note 3.

The physical relocation of our headquarters to Singapore was completed during April this year and we are starting to build our supply chain group in this location together with certain technical engineering capabilities.

Financial Performance

Total revenue for the six months ended 30 June 2007 was £34.2 million compared with £38.8 million in the same period a year ago. Own brand revenue increased 11% to £24.9 million and third party revenue declined 43% to £9.3 million. As previously reported, in the first half of 2006 we decided to terminate a number of third party lines to focus our resources on our own product lines. The terminated lines represented approximately £12.0 million of annualised revenue. As expected some of the shortfall has been made up for by the continued growth of our own product lines.

Gross margins were 40.9% in the first half of 2007 compared with 35.8% in the same period a year ago. This is a substantial improvement and justifies our strategic decision to focus on our own product lines.

[1] As explained in note 1 the 2006 comparative figures in this statement are those reported in the consolidated information of XP Power plc.

The overall result is that profit before tax and amortisation of intangibles (£0.1 million, 2006: £0.1 million) and reorganisation costs (£2.3 million 2006: £0.7 million) was £4.4 million compared with £4.3 million in the same period a year ago. Basic earnings per share were 7.4 pence compared with 14.0 pence in the same period a year ago. Diluted earnings per share were 7.3 pence compared with 13.8 pence in the same period a year ago. Diluted earnings per share adjusted for the amortisation of intangibles and reorganisation costs set out above were 17.3 pence (2006: 16.9 pence).

Dividend

We are once again able to increase the dividend payable to shareholders. The Group has declared an interim dividend up 12.5% to 9.0 pence per share for the six months ended 30 June 2007 (2006: 8.0 pence per share). The interim dividend will be paid on 3 October 2007 to shareholders on the register at 7 September 2007.

In accordance with International Accounting Standard 10, dividends are not recognised in the financial reporting information until they are declared. The dividend charged to reserves in the interim financial statements in the six months to 30 June 2007 relates to the final dividend of 10.0 pence per share paid in respect of the year ended 31 December 2006 (refer to note 5).

Geographic Markets and Industry Segmentation

Trading conditions have been less positive than we expected during the second quarter of 2007 as many of our customers appear to be seeing some slowing of their business and we expect these conditions to carry over into the second half.

North American revenues for the period were $33.2 million (or £16.8 million) compared with $37.1 million (or £20.8 million) in the same period a year ago. The weakening of the US Dollar versus Sterling has resulted in a reduction of approximately £2.0 million in revenues and approximately £0.2 million on profit before tax versus the same period a year ago. On average the US Dollar to Sterling exchange rate was 1.98 versus 1.78 in the same period a year ago.

Our more mature UK business was most exposed to the termination of the third party lines discussed above. As a result UK revenues in the period declined to £9.1 million from £11.5 million achieved in the same period a year ago.

In contrast our Continental European business grew revenues by 13% to £7.2 million compared to £6.4 million in 2006. This was achieved despite the termination of third party lines as we increased market share.

We continue to focus our resources on the higher value customers in our four market sectors: Communications, Defence & Avionics, Industrial and Medical. This focus will ensure that we devote our engineering resources to the right customers and that our current and future product development is carefully targeted and, above all, customer driven. We believe our move into manufacturing and focus on our own product IP is helping with the penetration of these customers.

For the six months ended 30 June 2007, 21% of our revenues came from Communications (2006: 20%), 49% from Industrial (2006: 51%), 22% from Medical (2006: 21%) and 8% from Defence & Avionics (2006: 8%).

Product Development

In May of this year we launched our second worldwide catalogue containing 200 pages of XP products and introducing 30 new product families. New product releases in the period included the highly efficient MFA350 which is a 350 Watt mechanically flexible unit available in a "hot swap" format. This product was designed in our Anaheim design centre and lends itself to value added applications which can take advantage of flexible mechanics.

Also of note are the much lower power ECL and JCA ranges which are the first products to emerge from our Asian design centre. The ECL family is a range of 10 and 15 Watt AC-DC units available as either board mount or encapsulated. The size of the units are industry leading. The JCA family is a range of 2 to 6 Watt industrial DC-DC converters available in a metal case with industry standard pin configuration but smaller package.

Generally, the products we are introducing are designed to be highly flexible in terms of the applications they will work in.

Manufacturing

Our manufacturing 50:50 Joint Venture with Fortron Source, located close to Shanghai in China, which opened in May 2006 is continuing to perform well. The facility has been producing our ECM40, 60 and 100 product families as well as our flagship fleXPower configurable range of power supplies. During the first half of the year we have been concentrating on transferring two new product lines into the facility as well as starting to use lower cost component providers which are local to the facility. This should have the benefit of reducing our lead times and inventory levels.

The new facility has been instrumental in allowing us to win business with some of our larger target customers. Against this background we are in discussions with Fortron Source to purchase their 50% ownership in this venture by the end of this year.

People

As a result of our move to Singapore we have reviewed the make up of our Board of Directors. On the Scheme of Arrangement becoming effective Roger Bartlett and Paul Dolan stepped down from the Board of XP Power plc. Roger and Paul had served our company admirably in their positions as non-executive directors and we are grateful to them for the advice they have given us.

On 24 April 2007 Michael Hafferty was appointed as a non-executive director of XP. Michael has been the founder and CEO of several technology companies, including Tricom, Vegastream and Arkstream. He was a director of Case Communications plc and played a significant role in its IPO on the London Stock Exchange and as its Sales and Marketing Director built a worldwide sales and service organisation. Michael is the founder of the consulting company Arkbridge Pte. Limited based in Singapore and as a result of that position was appointed Vice President, Asia PAC for the international software company iTRACS Corporation.

We are also pleased that Andy Sng has been promoted to our Board of Directors as General Manager for Asia. Andy joined us in July 2005 to start and head up our Shanghai operations. Over that time Andy has built a strong and capable team around him, which has enabled us to accelerate the building of our supply chain, quality and technical operations in Asia. Andy has worked in the power supply industry for eight years in various technical and commercial roles with companies such as Silicon Systems (Singapore) and Advanced Micro Devices (Singapore).

We are delighted to welcome Michael and Andy to the Board and anticipate further Asian board appointments.

Auditors

Following the relocation of the Group's headquarters to Singapore in April this year we considered that the audit of the Group should take place from Singapore rather than the United Kingdom. A number of Singapore audit firms were contacted and asked to make a proposal for the position of Auditor of the Company. After review and careful consideration of the proposals received, the Audit Committee proposes and recommends that the Group changes its Auditor and accordingly seek Shareholders' approval for the appointment of PricewaterhouseCoopers, Singapore as the new Auditor of the Group.

Under Singapore Law shareholders are required to approve the change of Auditor in a General Meeting. Consequently we will today issue a notice to shareholders of an Extraordinary General Meeting to be held on 5 September 2007 for the purpose of appointing PricewaterhouseCoopers, Singapore as the new Auditor of the Group.

These interim results have not been audited or reviewed by auditors.

Outlook

Further vertical integration of our business is anticipated from both expansion of existing resources and from further acquisitions.

Given the weakness of the US Dollar and recent softness in our end markets we expect our revenues for 2007 to be below those achieved in 2006 however our gross margins as a percent of revenue should show significant improvement for the year.

We continue to progress our strategy to capture more value from our sales in challenging market conditions.

Larry Tracey
Executive Chairman
7 August 2007

XP Power Limited
Consolidated Income and Expenditure Statement
For the six months ended 30 June 2007

£ Millions	Note	Six months ended 30 June 2007 (Unaudited)	Six months ended 30 June 2006 (Unaudited)
Revenue	2	**34.2**	38.8
Cost of sales		(20.2)	(24.9)
Gross profit		**14.0**	13.9
Reorganisation costs	3	(2.3)	(0.7)
Operating expenses		(8.9)	(9.1)
Operating profit		**2.8**	4.1
Finance cost		(0.8)	(0.6)
Profit on ordinary activities before taxation	2	**2.0**	3.5
Tax on profit on ordinary activities	4	(0.6)	(0.9)
Profit for the period		**1.4**	2.6
Attributable to:			
- equity holders of the company		1.4	2.6
- minority interest		-	-
		1.4	2.6
Basic earnings per share	6	7.4p	14.0p
Diluted earnings per share	6	7.3p	13.8p
Consolidated statement of recognised income and expense			
Exchange differences on translation of foreign operations		(0.3)	(0.9)
Net income recognised directly in equity		(0.3)	(0.9)
Profit for the period		1.4	2.6
Total recognised income and expense for the period		**1.1**	1.7

All activities derive from continuing operations.

XP Power Limited
Consolidated Balance Sheet
At 30 June 2007

£ Millions	Note	At 30 June 2007 (unaudited)	At 31 December 2006	At 30 June 2006 (unaudited)
Non-current assets				
Goodwill		29.9	30.1	27.8
Other intangible assets	7	2.9	2.6	2.6
Property, plant and equipment		3.3	3.2	3.4
Interests in associates		0.2	0.1	0.3
Deferred tax asset		0.6	0.6	0.3
Total non-current assets		**36.9**	36.6	34.4
Current assets				
Inventories		10.5	11.1	8.7
Trade and other receivables		15.6	17.2	18.6
Cash		3.8	4.2	2.6
Derivative financial instruments		-	0.1	-
Total current assets		**29.9**	32.6	29.9
Current liabilities		(13.1)	(21.5)	(32.0)
Net current assets (liabilities)		**16.8**	11.1	(2.1)
Total assets less current liabilities		**53.7**	47.7	32.3
Non-current liabilities		(24.6)	(18.3)	(4.7)
Net assets		**29.1**	29.4	27.6
Capital and reserves				
Called up share capital	12	0.2	0.2	0.2
Share premium account	12	27.0	27.0	27.0
Merger reserve	12	0.2	0.2	0.2
Retained earnings	12	1.5	7.5	5.7
Translation reserve	12	0.2	0.4	0.6
Own shares	12	-	(5.9)	(6.1)
Total shareholders' funds	12	**29.1**	29.4	27.6
Minority interest		**-**	-	-
Total equity		**29.1**	29.4	27.6

These financial statements were approved by the Board of Directors on 6 August 2007.

XP Power Limited
Consolidated Cash Flow Statement
For the six months ended 30 June 2007

£ Millions	Note	**Six months ended 30 June 2007 (unaudited)**	Six months ended 30 June 2006 (unaudited)
Net cash inflow from operating activities	8	2.7	1.0
Investing activities			
Capitalised expenditure on product development		(0.4)	(0.5)
Purchases of property, plant and equipment		(0.4)	(0.6)
Acquisition of associate/subsidiary	11	(1.4)	(0.8)
Net cash used in investing activities		(2.2)	(1.9)
Financing activities			
Interest paid		(0.8)	(0.6)
Dividends paid to XP Power shareholders		(1.9)	(1.7)
Proceeds from sale of own shares		0.4	0.4
Increase in bank loans		5.9	-
(Decrease)/increase in bank overdrafts		(4.5)	0.6
Net cash used in financing activities		(0.9)	(1.3)
Net decrease in cash		(0.4)	(2.2)
Cash at beginning of the period		4.2	4.8
Cash at the end of the period		3.8	2.6

XP Power Limited
Notes to the Interim Results for the six months ended 30 June 2007

1. Basis of preparation

The interim condensed consolidated financial statements for the six months to 30 June 2007 have been prepared on the basis of the accounting policies set out in the Group's latest annual financial statements for the year ended 31 December 2006. These accounting policies are drawn up in accordance with the Listing Rules of the Financial Services Authority and with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board with the exception of IAS 34 Interim Financial Reporting which has not been applied in these interim condensed consolidated financial statements.

The accounting policies used are consistent with those set out on pages 32 to 55 of the Annual Report for XP Power plc for the year ended 31 December 2006, together with the accounting policies for the reverse acquisition set out below, following the Scheme of Arrangement. There has been no material impact during the period of new IFRS standards effective for periods beginning on or after 1 January 2007.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the group's annual financial statements as at 31 December 2006.

Reverse acquisition

XP Power Limited ('the Company') was incorporated on 12 February 2007. On 24 April 2007 the Company became the holding company of XP Power plc pursuant to a scheme of arrangement under section 425 of the Companies Act 1985 ('the Scheme of Arrangement').

Under IFRS 3, Business Combinations, this Group reconstruction effected by the Scheme of Arrangement has been accounted for as a reverse acquisition of the Company by XP Power plc. This consolidated financial information issued in the name of the legal parent, the Company, accordingly has been prepared and presented in substance as a continuation of the financial information of the legal subsidiary, XP Power plc. The following accounting treatment has been applied in respect of the reverse acquisition:

a) the assets and liabilities of the legal subsidiary, XP Power plc, are recognised and measured in the consolidated financial information at the pre–combination carrying amounts, without restatement to fair value;

b) the retained earnings and other equity balances recognised in the consolidated financial information reflect the retained earnings and other equity balances of XP Power plc immediately before the business combination. The results of the period from 1 January 2007 to the date of the business combination are those of XP Power plc, as the Company did not trade prior to the transaction. However, the equity structure appearing in the consolidated financial information reflects the equity structure of the legal parent, XP Power Limited, including the equity instruments issued under the Scheme to effect the business combination; and

c) comparative numbers presented in the consolidated financial information are those reported in the consolidated financial information of the legal subsidiary, XP Power plc, for the six months ended 30 June 2006 and the year ended 31 December 2006.

The Company had no significant assets, liabilities or contingent liabilities of its own at the time that the Scheme of Arrangement took effect, and no cash consideration was paid in respect of the business combination. Under the Scheme of Arrangement the Company issued to the same shareholders the same number of shares in place of their shareholdings in XP Power plc. Therefore no additional shares were deemed to be issued by XP Power plc, the legal subsidiary, for the reverse acquisition. Hence the cost of combination is deemed to be nil. Transaction costs relating to the Scheme of Arrangement are included as exceptional reorganisational costs in the consolidated income statement (see note 3).

2. Segmental analysis

The Group operates substantially in one class of business, the provision of power supply solutions to the electronics industry. Analysis of total Group operating profit, net assets, turnover and total Group profit before taxation by geographical region is set out below.

£ Millions	**Six months ended 30 June 2007 (unaudited)**	Six months ended 30 June 2006 (unaudited)
Revenue		
Europe	16.4	17.9
USA	16.8	20.8
Asia	1.0	0.1
Total revenue	**34.2**	38.8
Profit on ordinary activities before taxation		
Europe	2.7	2.7
USA	2.7	2.2
Asia	0.4	-
Interest, corporate operating costs and amortisation of intangible assets	(3.9)	(1.4)
Profit on ordinary activities before taxation	**2.0**	3.5

	At 30 June 2007 (Unaudited)				At 30 June 2006 (Unaudited)			
	Europe	**USA**	**Far East**	**Total**	Europe	USA	Far East	Total
Operating net assets								
Goodwill	**10.0**	**19.3**	**0.6**	**29.9**	8.5	19.3	-	27.8
Other intangible assets	**0.8**	**2.1**	**-**	**2.9**	1.1	1.5	-	2.6
Property, plant and equipment	**2.6**	**0.5**	**0.2**	**3.3**	2.7	0.7	-	3.4
Interests in associates	**0.2**	**-**	**-**	**0.2**	0.3	-	-	0.3
Deferred tax	**0.4**	**0.2**	**-**	**0.6**	0.3	-	-	0.3
Inventories	**5.3**	**5.0**	**0.2**	**10.5**	4.1	4.6	-	8.7
Trade and other receivables	**9.8**	**5.2**	**0.6**	**15.6**	11.9	6.7	-	18.6
Current liabilities	**(3.9)**	**(5.1)**	**(1.0)**	**(10.0)**	(5.3)	(6.2)	-	(11.5)
Non-current liabilities	**(4.3)**	**-**	**-**	**(4.3)**	(4.7)	-	-	(4.7)
Total operating net assets	**20.9**	**27.2**	**0.6**	**48.7**	18.9	26.6	-	45.5

Operating net assets are defined as net assets adjusted for net borrowings.

£ Millions	**At 30 June 2007 (unaudited)**	At 30 June 2006 (unaudited)
Net assets	**29.1**	27.6
Net debt	**19.6**	17.9
Total operating net assets	**48.7**	45.5

3. Reorganisational Costs

The reorganisation costs associated with the Scheme of Arrangement and move of the parent company and headquarters to Singapore are analysed as follows:

	£ Millions
Relocation	1.0
Legal fees	0.3
Financial advice	0.3
Broker fees	0.3
Reporting accountants	0.2
Stock Exchange, Registrars, printing and other costs	0.1
Systems configuration and set up	0.1
Total reorganisational costs	**2.3**

In consideration of relocating themselves and the parent company to Singapore a payment of £500,000 was made to Duncan Penny and payments of £250,000 made to James Peters and Larry Tracey. Part of the terms of these payments are that the individuals concerned have to repay the total amount paid to them should they leave the Company within one year of the date the Scheme of Arrangement became effective or repay half of the amount paid to them should they leave the Company within one to two years of the date the Scheme of Arrangement became effective. Full details of these arrangements are set out in the Circular to Shareholders and Prospectus both dated 21 February 2007.

Reorganisational costs of £0.7 million in the six month period ended 30 June 2006 relate to the termination of the third party lines discussed in the Chairman's statement.

4. Taxation

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for 2007 is 25% (2006: 25%)

£ Millions	**Six months ended 30 June 2007 (unaudited)**	Six months ended 30 June 2006 (unaudited)
Singapore	**-**	-
UK taxation	**-**	0.2
Other overseas taxation	**0.6**	0.7
Total taxation	**0.6**	0.9

5. Dividends

Amounts recognised as distributions to equity holders of the parent in the period:

	Six months ended 30 June 2007 (unaudited)		Six months ended 30 June 2006 (unaudited)	
Earnings	**Pence per share**	**£ Millions**	Pence per share	£ Millions
Prior year final dividend	**10.0**	**1.9**	9.0	1.7

The dividend payable recognised in the interim financial statements relates to the 2006 year-end dividend.

Proposed interim dividend	**9.0**	**1.7**	8.0	1.5

The interim dividend of 9.0 pence per share (2006: 8.0 pence per share) will be paid on 3 October 2007 to shareholders on the register of members on 7 September 2007.

6. Earnings per share

The calculation of the earnings per share is based on the following data:

	Six months ended 30 June 2007 (unaudited)	Six months ended 30 June 2006 (unaudited)
Earnings	**£ Millions**	£ Millions
Earnings for the purposes of basic and diluted earnings per share (profit for the financial period)	**1.4**	2.6
Amortisation of intangibles	**0.1**	0.1
Reorganisation costs	**2.3**	0.7
Tax effect from reorganisation	**(0.5)**	(0.2)
Earnings for adjusted earnings per share	**3.3**	3.2
Number of shares	**Number**	Number.
Weighted average number of shares (thousands) (basic)	**18,869**	18,590
Impact of share options (thousands)	**221**	298
Weighted average number of shares (thousands) (diluted)	**19,090**	18,888
Earnings per share from continuing operations	**Pence per share**	Pence per share
Basic	**7.4p**	14.0p
Diluted	**7.3p**	13.8p
Diluted adjusted for amortisation of intangibles and reorganisation costs	**17.3p**	16.9p

The weighted average number of shares excludes 322,904 ESOP (employee share ownership plan) shares (2006: 350,239) and 930,840 (2006: 1,763,862) treasury shares.

On 19 April 2007 all shares remaining in treasury which totalled 1,462,325 were cancelled prior to the Scheme of Arrangement becoming effective.

7. Other intangible assets

Other intangible fixed assets comprises development expenditure capitalised when it meets the criteria laid out in IAS 38 (refer to Accounting Policies), trademarks and non-contractual customer relationships.

8. Reconciliation of operating profit to net cash inflow from operating activities

£ Millions	Six months ended 30 June 2007 (unaudited)	Six months ended 30 June 2006 (unaudited)
Operating profit (excluding associates)	2.8	4.1
Adjustments for:		
Amortisation of intangibles	0.1	0.1
Depreciation	0.3	0.3
Foreign currency differences	(0.3)	(0.3)
Operating cash flows before movements in working capital	2.9	4.2
Decrease/(increase) in inventories	0.5	(0.6)
Decrease/(increase) in receivables	1.6	(1.4)
(Decrease) in payables	(1.8)	(0.2)
Cash generated by operations	3.1	2.0
Tax paid	(0.5)	(1.0)
Net cash inflow from operating activities	**2.7**	1.0

9. Borrowings

In September 2006 the Group renewed its annual working capital facility of £10.0 million. At that time the Group also replaced its £15.0 million multicurrency revolving credit facility with a £10.0 million term loan repayable over 5 years and a £5.0 million revolving credit facility committed for 3 years. Both of these facilities are with Halifax Bank of Scotland and are priced at LIBOR plus a margin linked to certain covenants, which ranges from 1.0% to 1.5%.

The £10.0 million term loan is repayable £2.5 million in year 3, £2.5 million in year 4 and £5.0 million in year 5.

In February 2007 the Group reduced the £10.0 million working capital facility with Halifax Bank of Scotland to £4.0 million at the same time as it increased the committed term loan from £10.0 million to £16.0 million, with the additional £6.0 million to be repaid in year 5, making the total amount of the year 5 repayment £11.0 million. The £5.0 million revolving credit facility remained unchanged.

10. Own shares

Own shares includes 207,131 (December 2006: 393,051; June 2006: 384,331) shares in the Group's employee share ownership plan (ESOP). These shares are carried at the lower of cost and market value.

At 30 June 2006 own shares also included 1,691,375 treasury shares. All treasury shares were cancelled on 19 April 2007 prior to the Scheme of Arrangement becoming effective.

11. Acquisitions

During the period the Group paid £1.4 million representing the outstanding amount due to the shareholders of Powersolve Electronics Limited for an additional 30.3% of the outstanding shares. XP Power Limited now owns 69.7% of the outstanding shares of Powersolve Electronics Limited and is committed to purchasing the remaining 30.3% in 2012.

12. Share capital and reserves

£ Millions	Share capital	Share premium	Merger reserve	Own shares	Translation reserve	Retained earnings	Total
At 1 January 2007 (audited)	**0.2**	**27.0**	**0.2**	**(5.9)**	**0.4**	**7.5**	**29.4**
Cancellation of own shares	-	-	-	5.9	-	(5.9)	-
Gain on disposal of shares	-	-	-	-	-	0.4	0.4
Exchange differences on translation of overseas operations	-	-	-	-	(0.2)	-	(0.2)
Profit for the period to 30 June 2007	-	-	-	-	-	1.4	1.4
Dividends (note 4)	-	-	-	-	-	(1.9)	(1.9)
At 30 June 2007 (unaudited)	**0.2**	**27.0**	**0.2**	**-**	**0.2**	**1.5**	**29.1**

Under the court-approved Scheme of Arrangement effected on 24 April 2007 (see note 1), the Company issued a new ordinary share for every existing ordinary share in XP Power plc. On 19 April 2007, shortly before the Scheme of Arrangement became effective, XP Power plc cancelled the entire 1,462,325 shares it held in treasury which could not participate in the Scheme of Arrangement.

After the Scheme of Arrangement became effective on 24 April 2007 there were 19,242,296 ordinary shares in issue, at a nominal value of 1 pence per ordinary share.