

26 March 2013

Corero Network Security plc
("Corero", the "Company" or the "Group")

Full year results

Corero Network Security plc, the AIM listed network security and business software provider, is pleased to announce its full year audited results for the year ended 31 December 2012.

Financial highlights

- Consolidated revenue \$20.6 million (2011: \$18.0 million)
- Consolidated EBITDA loss* \$3.1 million (2011: profit \$0.4 million)
- Loss per share 9.7 cents (2011: 5.3 cents)
- Cash of \$4.9 million at 31 December 2012 (2011: \$6.7 million)
- Raised \$6.2 million (£4.1 million) (before costs) on 20 March 2013 by way of a placing

* before depreciation, amortisation, acquisition and restructuring costs and financing

Operating highlights

Corero Network Security division

- Successful launch of "First Line of Defense" offering to leverage its leading DDoS solution
- Ashley Stephenson appointed as CEO of CNS division
- Won 66 important new customers including a leading telecommunication service provider in Asia, Books.com, a Malaysian state ministry and a leading French retail group
- Ranked by Gartner as "a Visionary" in the IPS Magic Quadrant

Corero Business Systems division

- 251 new academy and schools customers driving strong and profitable growth
- Continued investment in software products (Resource Financials and Resource EMS)
- Winner of The UK Business Software Industry Software Satisfaction Awards 2012 ("SSA12") in the category of Accounting & Finance (corporate)

Andrew Miller, Group COO of Corero, commented: "2012 was an important transition year for the Corero Network Security division. We are confident that the progress and investments made in the business, along with the appointment of Ashley Stephenson as Chief Executive Officer to drive forward its sales-led growth strategy, have positioned the business well for the future. We are excited about the market opportunity and the Corero Network Security division's growth prospects."

"The Corero Business Systems division has delivered strong profitable growth in 2012 which is expected to continue in 2013 and beyond, providing very good cash generation on the back of sustained revenue increases."

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About Corero Network Security plc

Corero Network Security plc consists of two businesses: **Corero Network Security** and **Corero**

Business Systems.

Corero Network Security is an international network security company and a leading provider of next generation security solutions. Deployed as a First Line of Defense solution, Corero's products and services sit outside a client's network, effectively stopping unwanted traffic (including Distributed Denial of Service ("DDoS") cyber-attacks) from reaching and overwhelming firewalls and other infrastructure components, such that good customer traffic can flow unimpeded.

Corero's First Line of Defense solution utilises sophisticated techniques and technologies to block malicious traffic to stop DDoS and other advanced cyber-attacks before they enter an organisation's IT infrastructure. This First Line of Defense solution helps customers worldwide, including enterprises, service providers and government organisations safeguard their IT infrastructure and eliminate downtime, ultimately protecting their bottom line.

Corero Business Systems is a leading provider of accounting, human resources, payroll and management information software to the schools (including academies) and further education and commercial sectors in the UK and internationally.

Corero's proprietary software solutions include:

- Resource Financials & HR – a finance and HR management solution delivering web-enabled and workflow controlled business processes.
- Resource EMS – a student record and learner management information solution for the post 16 education sector.

Corero Resource Financials & HR software won The UK Business Software Industry Software Satisfaction Awards 2012 in the category of Accounting & Finance (corporate).

Presentation currency

Subsequent to the acquisition and integration of the US based Corero Network Security division (formerly Top Layer Networks) during 2011, the Group's presentation currency has been changed to US Dollars ("\$\$") which is more closely aligned to the profile of the Group's revenue and cost base. The change is effective from 1 January 2012 and thus the results for the 12 months ended 31 December 2012 are reported in \$. The average \$-GBP sterling ("GBP") exchange rate, used for the conversion of the statement of comprehensive income, for the 12 months ended 31 December 2012 was 1.59 (2011: 1.60). The closing \$-GBP exchange rate, used for the conversion of the Group's assets and liabilities, at 31 December 2012 was 1.63 (2011: 1.55).

Results highlights

In the year ended 31 December 2012, the Group reported revenues of \$20.6 million (2011: \$18.0 million) and an EBITDA loss before depreciation, amortisation, acquisition and restructuring costs and financing of \$3.1 million (2011: profit \$0.4 million).

Corero Network Security division review

CNS reported revenue of \$11.4 million (2011: \$11.0 million) and an EBITDA loss before depreciation, amortisation, acquisition and restructuring costs and financing of \$5.0 million (2011: \$0.9 million).

In September 2012, CNS launched its "First Line of Defense" solution to leverage its industry leading Distributed Denial of Service ("DDoS") protection and intrusion prevention technology. Sales order intake (bookings as opposed to amounts recognised as revenue) in the 12 month period ended 31 December 2012 was \$10.4 million (2011: \$12.0 million). Sales order intake was impacted by the repositioning of the CNS division around its new First Line of Defense solution in the second half of the year.

In 2012, 44 new partners were recruited bringing the total number of partners at 31 December 2012 to over 80. The First Line of Defense positioning has been well received by important new customers and partners as a compelling and differentiated offering.

Ashley Stephenson, who joined CNS in March 2012 as Executive Vice President Product Marketing and Strategy, was appointed Chief Executive Officer of the CNS division in January 2013 as a result of a leadership reconfiguration to position the business for a sales led growth strategy and to build upon the progress made in the product development, marketing and operational aspects of the business in 2012.

Highlights of 2012 include:

- Business continues to win important new customers
- Investment in the commercialisation of SecureWatch and SecureWatchPLUS services
- Launched "ReputationWatch" which blocks known malicious entities in real-time to dynamically prevent DDoS-cyber attacks
- Ranked by Gartner as "a Visionary" in the IPS Magic Quadrant

New customer wins in 2012 included significant orders from: Agarik (a leading French web hosting and managed service provider); a leading telecommunication service provider in Asia; Books.com; a Malaysian state ministry; Hyve (a UK based cloud hosting provider); a leading French retail group; and a leading international provider of financial technology to banks and corporations.

Material orders (upgrades and support contract renewals) in 2012 from existing customers included: the world's leading online gaming company; a Swiss based telecommunication service provider; a leading international credit card processing company; one of the largest telecommunication service providers in Europe and South America; City Index; a leading price comparison web site; a leading UK based on-line gaming company; a leading international energy group; and one of the largest insurers in the US.

The security market dynamics and opportunity for Corero Network Security

The market demand for security products and services continues to be driven by the growing threat landscape and increasingly influenced by more widespread attack patterns. Organisations globally have to face constant threats originating from economically, criminally and politically motivated cyber attackers, with an increasing business impact as organisations become commercially more reliant on the internet. The huge growth in online business and internet financial transactions has created an explosion of cyber-attack entrepreneurs looking to cash in on the burgeoning digital marketplace.

- According to a PriceWaterhouseCoopers survey published in April 2012, most companies had a security breach in 2011 with the level of attacks double that in 2010 (organisations had an average of 54 significant attacks by an unauthorised outsider in 2011).
- Research published by the Ponemon Institute found that occurrences of cyber-attacks is mounting, with a 42% increase in the number of cyber-attacks in 2011. The research reported an average annualised cost of cyber crime incurred by a benchmark sample of U.S. organisations of \$8.9 million. It also noted that organisations experienced an average of 102 successful attacks per week, compared to 72 attacks per week in 2010. It cited DDoS as a common attack type and one of the most costly cyber crimes.
- Forrester research shows DDoS protection is one of the top five security technology growth opportunities for the next three years given the increase in hactivism.
- A December 2012 Ponemon Institute survey of 350 retail banks revealed that 64% of banks were hit by at least one DDoS attack in the past 12 months (48% hit by multiple DDoS attacks) and that 78% of banks expect that attacks will continue or significantly increase.

There is heightened awareness in governments to the increasing cyber security challenge which is driving awareness in both commercial and government organisations:

- UK Cabinet Office minister Francis Maude commented in his December 2012 Cabinet office statement *"The internet has revolutionised the way we do business and is driving growth – the UK's Internet-related market is now worth £82bn a year and this is set to rise. Cyber-attacks are one of the top four threats to our national security and cyber crime is costing our economy billions of pounds a year. And as businesses and government move more of their operations online, the scope of potential targets will continue to grow. It's a race: to build sufficient cyber defences to match the growing volume and dependence of our online economic, security and social interests"*.
- The Obama administration has recently urged organisations to implement stronger firewalls and other systems to provide a first line of defence for better resiliency to cyber-attacks.

In the last year there has been a significant increase in unwanted, suspicious and malicious traffic arriving via the Internet, breaching enterprise networks and compromising the performance of online services. With the number of successful attacks on the rise it is evident that existing firewall, intrusion prevention systems, and traditional security infrastructure are not equipped to combat them. These technologies were not built to stop many of today's attacks and are being overwhelmed by DDoS attacks, advanced evasion techniques, server side exploits and other unwanted traffic. As a result, a market is emerging for new security solutions that are deployed in front of the traditional firewalls, with the primary business driver being DDoS protection.

Corero has a first mover advantage in this market and plans to reinforce this advantage through its investment in a next generation product to establish a leadership position. With the increase in the prevalence of malicious activity - particularly DDoS attacks - organisations, most notably in financial services and ecommerce verticals, are starting to include DDoS protection investment in their IT security budgets. Research by Forrester confirms that 42% of organisations expect to increase network security spend in 2013 with 24% of security budgets allocated to network security. The DDoS prevention appliance market is forecast by Infonetics to grow from \$270 million in 2012 to \$485 million in 2016.

Corero Business Systems review

Revenues for the CBS division increased by 30% in 2012 to \$9.2 million (2011: \$7.0 million). CBS sales order intake in the year to 31 December 2012 was \$10.5 million (2011: \$8.1 million).

CBS reported an EBITDA profit before depreciation, amortisation, acquisition and restructuring costs and financing of \$3.1 million (2011: \$2.6 million).

The CBS division won new contracts from 251 academies and schools in the 12 months ended 31 December 2012 (2011: 192) for its Resource Financials & HR software solution, underlying its strong position in this growth market. In addition, despite the tight Public Sector spending environment, CBS won 3 new contracts (2011: 3) from sixth form colleges in the 12 months ended 2012 for its Resource EMS learner management system.

Key achievements in 2012 include:

- Expansion of schools managed by Multi Academy Trust customers: The Kemnal Academies Trust adding 24 schools and the School Partnership Trust adding 15 schools.

- New academy trust groups signed including: REACH 2, Outwood Grange Academy Trust and London Diocesan Board for Schools.
- Appointment of Mike Stansfield as Product Development Director who brings 25 years' IT industry experience with leading companies such as Taxsoft, Sage, QSA and Pitney Bowes.
- CBS' Resource Financials product was announced as the winner of The UK Business Software Industry Software Satisfaction Awards 2012 ("SSA12") in its category.
- Achieved full ISO9001 Accreditation status.

The UK education market dynamics and opportunity for Corero Business Systems

The key growth market for Corero Business Systems is the schools market (including academies and free schools). The academy conversion programme is a key part of the Government's education policy. As of 1 January 2013, only 12% of the 21,000 schools in England were academies.

There continues to be strong interest from Local Education Authority controlled schools to convert to academies, encouraged by The Department of Education, coupled with the emergence of academy group's including CBS customers, the School Partnership Trust (based in Leeds) and The Kernnal Academies Trust (based in Kent), each with 30 and 32 academies respectively at 31 December 2012.

Business strategy

The Corero Network Security division's strategy is aimed at exploiting the opportunity to provide cyber security attack mitigation defences in a rapidly growing market, including DDoS protection products configured for either on-premise or cloud solutions. If CNS can capitalise on this exploding opportunity, with its recently launched and differentiated First Line of Defense offering, we would expect to see strong revenue growth emerging from 2013 and beyond.

CNS is also investing in a next generation product to increase its addressable market. This product, the initial release of which is anticipated for later in 2013, is aimed at extended deployments in cloud infrastructure, virtual environments, and in very large scale networks.

The strategy for the Corero Business Systems division is to continue to invest for growth and remain focused on the education sector where the business has a strong market position, particularly in the further education college and academy and schools markets in England. The potential also exists to consider expansion into international markets. The CBS division plans to make further investment in its existing products, including plans for a Software-as-a-Service (SaaS) enabled finance software product. These plans will be funded from existing resources and the on-going profitable trading of the division.

The Group will continue to manage and operate as two separate divisions with a small central head office overhead.

Financial performance

For the year ended 31 December 2012, the Group reported an EBITDA loss before depreciation, amortisation, acquisition and restructuring costs and financing of \$3.1 million (2011: profit \$0.4 million) and a loss after taxation of \$5.9 million (2011: \$2.0 million). This included an unrealised exchange loss of \$0.3 million (2011: \$0.1 million) arising on an intercompany loan.

Central costs were \$1.2 million (2011: \$1.2 million) which relate to the Group's finance and administration functions as well as the costs associated with the Company's listing on AIM.

Interest costs were \$0.5 million (2011: \$0.4 million) comprising interest on the Loan Notes issued by Top Layer Networks, Inc ("Top Layer" subsequently renamed Corero Network Security, Inc) as part of the purchase consideration for Top Layer and the Corero Network Security working capital facility.

Interest received was \$0.1 million (2011: \$0.1 million).

The loss per share was 9.7 cents (2011: 5.3 cents).

The Group's net assets at the year end were \$19.3 million (2011: \$17.8 million).

The closing cash balance was \$4.9 million (2011: \$6.7 million). The net reduction in cash from operating activities was \$5.1 million (2011: \$1.6 million).

In 2012 the Company raised \$7.2 million (£4.6 million) (before expenses) of which the directors and

senior management contributed \$2.2 million (£1.4 million).

Post balance sheet event

On 20 March 2013 the Company raised \$6.2 million (£4.1 million) (before costs), of which the directors contributed \$4.3 million (£2.8 million), by way of a placing of 27,000,004 new ordinary shares at a price of 15p per share, to support the investment in the Corero Network Security business' next generation product.

Outlook

Significant progress has been made in the Corero Network Security business. The business and management team have been reorganised and the groundwork laid to drive incremental growth in new international markets. This division is well positioned to deliver growth in 2013. Corero Network Security has had an encouraging start to 2013 with material business wins generated from both new and existing customers. New customer wins include: a US utility, a leading mobile service provider in Brazil, and an internet domain services company. Existing customer renewals include: a leading European lottery operator, one of the largest insurers in the United States, and a leading price comparison web site.

The Corero Business Systems division performed strongly in 2012 with this growth expected to continue. The division plans to make further self-funded investments in its products and to consider adjacent market opportunities. Corero Business Systems has had an encouraging start to 2013.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2012

	Total 2012	Total 2011 Restated
	\$'000	\$'000
Revenue	20,565	18,034
Cost of sales	<u>(5,116)</u>	<u>(4,090)</u>
Gross profit	15,449	13,944
Operating expenses before highlighted items	(18,554)	(13,501)
- Depreciation and amortisation of intangible assets	(2,767)	(1,521)
- Acquisition and restructuring costs	-	(975)
Operating expenses	<u>(21,321)</u>	<u>(15,997)</u>
Operating loss	(5,872)	(2,053)
Finance income	119	98
Finance costs	<u>(507)</u>	<u>(359)</u>
Loss before taxation	(6,260)	(2,314)
Taxation	<u>371</u>	<u>308</u>
Loss for the year	(5,889)	(2,006)
Other comprehensive income / (expense)		
Difference on translation of UK functional currency entities	<u>537</u>	<u>(358)</u>
Total comprehensive expense for the year	<u>(5,352)</u>	<u>(2,364)</u>
Total loss for the year attributable to:		
Equity holders of the parent	(6,055)	(2,051)
Non-controlling interest	<u>166</u>	<u>45</u>
	<u>(5,889)</u>	<u>(2,006)</u>
Total comprehensive expense for the year attributable to:		
Equity holders of the parent	(5,495)	(2,400)
Non-controlling interest	<u>143</u>	<u>36</u>
Total	<u>(5,352)</u>	<u>(2,364)</u>
Basic and diluted loss per share		
	2012	2011
	Cents	Restated Cents
Basic and diluted loss per share	<u>(9.7)</u>	<u>(5.3)</u>

Consolidated Statement of Financial Position

as at 31 December 2012

	2012	2011	2010
		Restated	Restated
	\$'000	\$'000	\$'000
Assets			
Non-current assets			
Goodwill	18,811	18,772	790
Acquired intangible assets	3,739	4,659	8
Capitalised development expenditure	4,528	2,325	917
Property, plant and equipment	1,241	1,015	56
	<u>28,319</u>	<u>26,771</u>	<u>1,771</u>
Current assets			
Inventories	622	373	-
Trade and other receivables – due in less than one year	4,442	5,059	1,271
Trade and other receivables – due in more than one year	1,123	245	3
Cash and cash equivalents	4,861	6,680	11,155
	<u>11,048</u>	<u>12,357</u>	<u>12,429</u>
Liabilities			
Current Liabilities			
Trade and other payables	(3,972)	(4,375)	(1,148)
Borrowings	(182)	(273)	-
Deferred income	(7,592)	(8,390)	(2,306)
	<u>(11,746)</u>	<u>(13,038)</u>	<u>(3,454)</u>
Net current (liabilities)/assets	(698)	(681)	8,975
Non-current liabilities			
Borrowings	(5,984)	(5,510)	-
Deferred income	(1,146)	(1,252)	-
Deferred taxation	(1,196)	(1,567)	-
	<u>(8,326)</u>	<u>(8,329)</u>	<u>-</u>
Net assets	<u>19,295</u>	<u>17,761</u>	<u>10,746</u>
Total equity attributable to owners of the parent			
Ordinary share capital	925	752	496
Deferred share capital	7,051	7,051	7,051
Shares to be issued	-	124	-
Share premium	38,046	31,228	22,262
Merger reserve	-	-	1,588
Share options reserve	268	259	226
Translation reserve	211	(349)	-
Retained earnings	(27,395)	(21,340)	(20,877)
	<u>19,106</u>	<u>17,725</u>	<u>10,746</u>
Non-controlling interest	189	36	-
Total equity	<u>19,295</u>	<u>17,761</u>	<u>10,746</u>

Consolidated Statement of Cash Flow

for the year ended 31 December 2012

Cash flows from operating activities	2012	2011
	\$'000	Restated \$'000
(Loss)/profit before taxation	(6,260)	(2,314)
Adjustments for:		
Amortisation of acquired intangible assets	1,157	924
Amortisation of capitalised development expenditure	1,044	322
Depreciation	566	275
Finance income	(119)	(98)
Finance expense	507	359
Decrease in provisions	-	(7)
Share based payment charge	9	32
Changes in working capital		
Increase in inventories	(233)	(151)
(Increase)/decrease in trade and other receivables	-	(2,776)
(Decrease)/increase in payables	(1,802)	1,864
Net cash from operating activities	(5,131)	(1,570)
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	-	(3,649)
Purchase of intangible assets	(237)	(61)
Capitalised development expenditure	(3,174)	(1,754)
Purchase of property, plant and equipment	(802)	(976)
Repayments from subsidiaries	-	-
Payments made to subsidiaries	-	-
Net cash used in investing activities	(4,213)	(6,440)
Cash flows from financing activities		
Net proceeds from issue of ordinary share capital	6,989	3,403
Term loan received	250	250
Finance income	119	98
Finance expense	(64)	(17)
Repayment of term loans	(121)	-
Capital element of finance lease repayments	(27)	(22)
Repayment of credit facility	(189)	(300)
Net cash from financing activities	6,957	3,412
Effects of exchange rates on cash and cash equivalents	568	123
Net decrease in cash and cash equivalents	(1,819)	(4,475)
Cash and cash equivalents at 1 January	6,680	11,155
Cash and cash equivalents at 31 December	<u>4,861</u>	<u>6,680</u>

Consolidated Statement of Changes in Equity

for the year ended 31 December 2012

	Share capital \$'000	Shares to be issued \$'000	Share premium account \$'000	Merger reserve \$'000	Share options reserve \$'000	Translation reserve \$'000	Retained earnings \$'000	Total attributable to equity holders of the parent \$'000	Non-controlling interest \$'000	Total equity \$'000
1 January 2011	7,547	-	22,262	1,588	226	-	(20,877)	10,746	-	10,746
Loss for the year	-	-	-	-	-	-	(2,051)	(2,051)	45	(2,006)
Other comprehensive expense	-	-	-	-	-	(349)	-	(349)	(9)	(358)
Total comprehensive expense for the year	-	-	-	-	-	(349)	(2,051)	(2,400)	36	(2,364)
Contributions by and distributions to owners										
Share based payments	-	-	-	-	33	-	-	33	-	33
Issue of share capital	256	-	8,966	-	-	-	-	9,222	-	9,222
Transfer	-	-	-	(1,588)	-	-	1,588	-	-	-
Shares to be issued	-	124	-	-	-	-	-	124	-	124
Total contributions by and distributions to owners	256	124	8,966	(1,588)	33	-	1,588	9,379	-	9,379
31 December 2011	7,803	124	31,228	-	259	(349)	(21,340)	17,725	36	17,761
Loss for the year	-	-	-	-	-	-	(6,055)	(6,055)	166	(5,889)
Other comprehensive income	-	-	-	-	-	560	-	560	(23)	537
Total comprehensive expense for the year	-	-	-	-	-	560	(6,055)	(5,495)	143	(5,352)
Contributions by and distributions to owners										
Share based payments	-	-	-	-	9	-	-	9	-	9
Issue of share capital	173	-	6,818	-	-	-	-	6,991	-	6,991
Shares to be issued	-	(124)	-	-	-	-	-	(124)	-	(124)
Dilution of ownership of subsidiary	-	-	-	-	-	-	-	-	10	10
Total contributions by and distributions to owners	173	(124)	6,818	-	9	-	-	6,876	10	6,886
31 December 2012	7,976	-	38,046	-	268	211	(27,395)	19,106	189	19,295

Notes

1. General information

Presentation currency

Subsequent to the acquisition and integration of the US based Corero Network Security division (formerly Top Layer Networks) during 2011, the Group's reporting currency has been changed to US Dollars ("\$\$") which is more closely aligned to the profile of the Group's revenue and cost base. The change is effective from 1 January 2012 and thus the results for the 12 months ended 31 December 2012 are reported in \$. The average \$-GBP sterling ("GBP") exchange rate, used for the conversion of the statement of comprehensive income, for the 12 months ended 31 December 2012 was 1.59 (2011: 1.60). The closing \$-GBP exchange rate, used for the conversion of the Group's assets and liabilities, at 31 December 2012 was 1.63 (2011: 1.55, 2010: 1.55).

2. Segmental reporting

	Reportable Operating Segments				Unallocated Items		Total	
	Network Security		Business Systems		Central Costs			
	2012	2011	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue to external customers								
Product and licence	4,437	4,845	3,207	1,978	-	-	7,644	6,823
Professional services	215	272	2,545	2,030	-	-	2,760	2,302
Support	6,726	5,871	3,435	3,038	-	-	10,161	8,909
Total	11,378	10,988	9,187	7,046	-	-	20,565	18,034
Cost of sales	(3,171)	(2,716)	(1,945)	(1,374)	-	-	(5,116)	(4,090)
Gross profit	8,207	8,272	7,242	5,672	-	-	15,449	13,944
Operating expenses before depreciation, amortisation, acquisition and restructuring costs	(13,190)	(9,181)	(4,125)	(3,121)	(1,239)	(1,199)	(18,554)	(13,501)
Depreciation and amortisation of intangible assets	(2,399)	(1,171)	(368)	(344)	-	(6)	(2,767)	(1,521)
Acquisition and restructuring costs	-	(485)	-	-	-	(490)	-	(975)
Operating expenses	(15,589)	(10,837)	(4,493)	(3,465)	(1,239)	(1,695)	(21,321)	(15,997)
Operating (loss)/profit	(7,382)	(2,565)	2,749	2,207	(1,239)	(1,695)	(5,872)	(2,053)
Finance income	-	-	3	-	116	98	119	98
Finance costs	(507)	(359)	-	-	-	-	(507)	(359)
(Loss)/profit before taxation	(7,889)	(2,924)	2,752	2,207	(1,123)	(1,597)	(6,260)	(2,314)

3. Sundry information

The financial information set out above does not constitute the Company's Annual Report and Financial Statements for the years ended 31 December 2012 or 2011. The Annual Report and Financial Statements for 2011 have been delivered to the Registrar of Companies and those for 2012 will be delivered following the Company's annual general meeting. The auditor's reports on both the 2012 and 2011 accounts were unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498(2) or (3) of the Companies Act 2006. Whilst the financial information included in this preliminary announcement has been computed in accordance with International Financial Reporting Standards (IFRSs) this announcement does not itself contain sufficient information to comply with IFRSs.

Copies of the Annual Report and Financial Statements for the year to 31 December 2012 will be posted to the Company's website and to shareholders shortly and will be obtainable from the Company's registered offices or www.coreropl.com when published.

The information in this preliminary announcement was approved by the board on 25 March 2013.