

CUSTOMVIS

**INTERIM REPORT FOR THE SIX MONTHS
ENDED 31 DECEMBER 2006**

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CustomVis Plc
("CustomVis" or the "Company")

Interim results for the six months ended 31 December 2006

Chairman's Statement

I am delighted to announce the Company's unaudited results for the six months ended 31 December 2006.

Financial Results

The Group incurred a loss after tax of £776,479 for the six months ended 31 December 2006 (2005: £1,225,376 million) on sales of £123,263 (2005: £47,087). This equated to a loss per share of 1.40p (2005: loss of 2.6p).

Group net assets at 31 December 2006 were £1,588,530 million (2005: £3,324,634 million). Net current assets at that date were £1,075,916 (2005: £2,982,143 million), which included cash funds of £550,293 (2005: £2,166,809 million).

The Board is unable to propose an interim dividend (2005 -£Nil).

Operational Review

In the six months ended 31 December 2006, the Group achieved sales of four Pulzar Z1 units and received four further orders which awaited receipt of deposits or letters of credit. In July 2006, the Company was awarded an Aus Industry Commercial Ready Grant to the value of A\$2.3 million payable quarterly over the two and a quarter year period to 30 September 2008 for the research and development of the world's first Solid State Multi-Function laser.

The Company attended the ESCRS Conference in London in September 2006 and had four papers accepted by the committee for presentation. The Company generated strong interest in the CustomVis laser and resulted in a significant number of sales negotiations. However, it was evident to the Directors that the production capacity of its Balcatta, Western Australian premises would be insufficient to cater for the anticipated additional sales.

Consequently, in December 2006, the Company announced that it had raised £1.34 million, net of expenses, by means of a placing of 30.5 million shares at 5p per share, which was completed on 24 January 2007. The net proceeds of the placing are being used primarily to enable the Company to increase its production capabilities to achieve a minimum output of three lasers per month, establish the infrastructure to allow an increase to five units per month and provide working capital generally.

Current Trading

CustomVis has had an excellent start to the 2007 calendar year.

Since the beginning of the calendar year, the Group has achieved confirmed sales of four Pulzar Z1 units and received either signed contracts or deposits for a further six units. Accordingly, at present the Group has received orders which await signed contracts or deposits in respect of a further nine units and is in the final stages of negotiation over several more units. Following delivery of the above four sales, the Group will have a worldwide installed base of eighteen units, all of which are or will be producing clinical data and the total number of eyes treated with CustomVis lasers is expected to pass 10,000 shortly.

The December placing has enabled the Company to complete the ordering of parts and continue the staff recruitment necessary to increase the production capabilities at Balcatta to three lasers per month from April 2007.

Marketing efforts have continued with CustomVis having booths and presenting papers at the Winter European Society of Cataract and Refractive surgery in Athens in early February 2007, the Asia Pacific Congress of Ophthalmology in Lahore in late February 2007 and the All India Ophthalmology Conference in Hyderabad in early February 2007. Interest in the Company's Pulzar Z1 remains strong, particularly in the Middle East, with signed orders or advanced stage negotiations with potential customers in nearly every country in the region. There has also been strong interest in Asia, particularly from potential customers in India.

The Directors believe that the Company can reach its target of building and selling three lasers per month for the next three quarters of the current calendar year and consequently are confident of a satisfactory outcome for the financial year.

"This is an exciting period for CustomVis. The increasing demand for the world's only solid state refractive laser should see us become a major player in the refractive surgery industry in the years to come."

INDEPENDENT REVIEW REPORT TO CUSTOMVIS PLC

Introduction

We have been instructed by the company to review the financial information for the six months ended 31 December 2006 which comprises the Group Profit and Loss Account, the Group Balance Sheet, the Group Cash Flow Statement and the related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the AIM Rules of the London Stock Exchange which require that it must be prepared in a form consistent with that which will be adopted in the next annual accounts having regard to the accounting standards applicable to such annual accounts.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of Group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 December 2006.

PKF (UK) LLP

PKF (UK) LLP
Glasgow, UK

30 MARCH 2007

Group Profit and Loss Account
For the six months ended 31 December 2006

	Notes	Six months to 31 December 2006 (Unaudited) £	Six months to 31 December 2005 (Unaudited) £	Year to 30 June 2006 (Audited) £
Turnover		123,263	47,087	89,088
Cost of sales		(54,451)	(7,299)	(32,318)
Gross profit		68,812	39,788	56,770
Administrative expenses		(1,016,089)	(1,307,047)	(2,452,072)
Other operating income		144,198	4,436	166,246
Operating loss		(803,079)	(1,262,823)	(2,229,056)
Interest receivable and similar income		26,600	37,447	72,680
Loss on ordinary activities before taxation		(776,479)	(1,225,376)	(2,156,376)
Tax on loss on ordinary activities		-	-	-
Loss on ordinary activities after taxation transferred to reserves	7	(776,479)	(1,225,376)	(2,156,376)
Loss per Ordinary Share				
Basic	3	(1.40p)	(2.6p)	(3.9p)
Diluted	3	(1.40p)	(2.6p)	(3.9p)

Group Statement of Total Recognised Gains and Losses
For the six month ended 31 December 2006

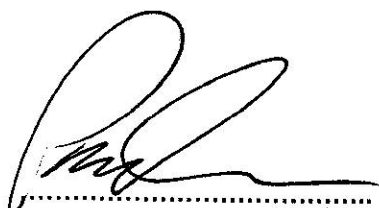
	Six months to 31 December 2006 (Unaudited) £	Six months to 31 December 2005 (Unaudited) £	Year to 30 June 2006 (Audited) £
Loss for the financial period	(776,479)	(1,225,376)	(2,156,376)
Currency translation differences on foreign currency net investments	1,773	22,309	(14,800)
Total recognised gains and losses relating to the period	(774,706)	(1,203,067)	(2,171,176)

All the above figures relate to continuing activities.

**Group Balance Sheet
As at 31 December 2006**

	Notes	Six months to 31 December 2006 (Unaudited) £	Six months to 31 December 2005 (Unaudited) £	Year to 30 June 2006 (Audited) £
Fixed assets				
Intangible assets	4	-	-	-
Tangible assets	5	512,614	342,491	296,471
		<u>512,614</u>	<u>342,491</u>	<u>296,471</u>
Current assets				
Stock		799,296	1,065,869	945,589
Debtors		102,158	115,351	71,382
Cash at bank and in hand		550,293	2,166,809	1,237,786
		<u>1,451,747</u>	<u>3,348,029</u>	<u>2,254,757</u>
Creditors: amounts falling due within one year (including convertible debt)		<u>(375,831)</u>	<u>(365,886)</u>	<u>(187,992)</u>
Net current assets		<u>1,075,916</u>	<u>2,982,143</u>	<u>2,066,765</u>
Net assets less current liabilities		<u>1,588,530</u>	<u>3,324,634</u>	<u>2,363,236</u>
Capital and reserves				
Called up share capital	6	3,240,957	3,240,957	3,240,957
Share premium account	7	10,442,369	10,435,658	10,442,369
Foreign currency translation reserve	7	146,739	182,075	144,966
Profit & loss account	7	(12,241,535)	(10,534,056)	(11,465,056)
Equity shareholders funds		<u>1,588,530</u>	<u>3,324,634</u>	<u>2,363,236</u>

The Financial Statements were approved by the Board on 30 March, 2007, and signed on its behalf by



Paul Van Saarloos

DIRECTOR

Group Cash Flow Statement
For the six months ended 31 December 2006

Notes	Six months to 31 December 2006 (Unaudited) £	Six months to 31 December 2005 (Unaudited) £	Year to 30 June 2006 (Audited) £
Reconciliation of operating loss to net cash outflow from operating activities			
Operating loss	(803,079)	(1,262,823)	(2,229,056)
Depreciation and amortisation	64,585	53,920	100,493
Loss on sale of fixed assets	-	981	13,028
(Increase) / Decrease in debtors	(30,776)	63,264	107,233
(Increase) / Decrease in stock	146,293	(90,491)	96,604
Increase / (Decrease) in creditors	187,839	(92,082)	(269,976)
Exchange rate differences arising on cash balances	3,393	20,788	2,618
	<u>(431,745)</u>	<u>(1,306,443)</u>	<u>(2,179,056)</u>
Net cash outflow from operating activities			
Cash Flow Statement			
	8		
Net cash outflow from operating activities	(431,745)	(1,306,443)	(2,179,056)
Return on investments and servicing of finance	26,600	37,447	72,680
Capital expenditure	(282,348)	(6,685)	(105,039)
	<u>(687,493)</u>	<u>(1,275,681)</u>	<u>(2,211,415)</u>
Financing	-	1,477,492	1,484,203
	<u>(687,493)</u>	<u>201,811</u>	<u>(727,212)</u>
(Decrease) / Increase in cash in the period			
Reconciliation of net cash flow to movement in net funds			
	9		
(Decrease)/increase in cash in the period	(687,493)	201,811	(727,212)
	<u>(687,493)</u>	<u>201,811</u>	<u>(727,212)</u>
Net funds at 30 June 2006	1,237,786	1,964,998	1,964,998
	<u>550,293</u>	<u>2,166,809</u>	<u>1,237,786</u>
Net funds at 31 December 2006			

Notes to the Financial Statements
For the six months ended 31 December 2006

1. Basis of preparation

These accounts are unaudited and do not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The interim results have been prepared in accordance with the accounting policies set out in the annual report and financial statements for the year ended 30 June 2006.

The financial information relating to 30 June 2006 has been extracted from the financial statements which have been delivered to the Registrar of Companies. The independent auditors' report on those accounts was unqualified.

2. Taxation

No corporation tax has been provided for in the period as the projected taxable losses for the period and taxation losses brought forward indicate that the Group will have no tax liability for the period.

Deferred tax assets arising from trading losses have not been recognised on the basis that their future economic benefit is uncertain.

3. Loss per Ordinary Share

	Six months to 31 December 2006 £	Six months to 31 December 2005 £	Year to 30 June 2006 £
Loss for the period attributable to shareholders	(776,479)	(1,225,376)	(2,156,376)
Weighted average number of shares in issue	55,582,984	46,497,409	55,582,984

Diluted loss per share has been calculated using the same figures as the basic calculation. No account has been taken of options, as these potential Ordinary Shares are not considered to be dilutive under the definitions of the applicable accounting standards.

4. Intangible fixed assets

	Patents £	Goodwill £	Total £
Cost			
At 1 July 2006 and 31 December 2006	23,228	1,630,214	1,653,442
Amortisation			
At 1 July 2006 and 31 December 2006	23,228	1,630,214	1,653,442
Net book value			
At 1 July 2006	-	-	-
At 31 December 2006	-	-	-

Notes to the Financial Statements
For the six months ended 31 December 2006

5. Tangible fixed assets

	Plant and Machinery	Furniture, fittings & equipment	Leasehold Improvements	Leased Assets	Total
	£	£	£	£	£
Cost					
At 1 July 2006	305,244	150,211	19,234	108,299	582,988
Exchange differences	-	(1,620)	-	-	(1,620)
Additions	-	4,237	-	278,111	282,348
Disposals	-	-	-	-	-
At 31 December 2006	305,244	152,828	19,234	386,410	863,716
Depreciation/amortisation					
At 1 July 2006	160,982	100,476	6,571	18,488	286,517
Exchange differences	-	-	-	-	-
Charge for the period	12,379	5,666	1,928	44,612	64,585
Disposals	-	-	-	-	-
At 31 December 2006	173,361	106,142	8,499	63,100	351,102
Net book value					
At 1 July 2006	144,262	49,735	12,663	89,811	296,471
At 31 December 2006	131,883	46,686	10,735	323,310	512,614

6. Movement in shareholders' funds

Share capital

	31 December 2006 £	31 December 2005 £	30 June 2006 £
Authorised			
100,000,000 Ordinary Shares of 5p each	5,000,000	5,000,000	5,000,000
Allotted, called up and fully paid			
64,819,148 (31 December 2005: 64,819,148) Ordinary shares of 5p each	3,240,957	3,240,957	3,240,957

Notes to the Financial Statements
For the six months ended 31 December 2006

7. Reserves

	Share premium account £	Foreign Currency Reserve £	Profit and Loss Account £	Total £
At 1 July 2006	10,442,369	144,966	(11,465,056)	(877,721)
Loss for the period	-	-	(776,479)	(776,479)
Foreign currency translation gains arising in the period	-	1,773	-	1,773
At 31 December 2006	10,442,369	146,739	(12,241,535)	(1,652,427)

8. Gross cash flows - Group

	Six months to 31 December 2006 £	Six months to 31 December 2005 £	Year to 30 June 2006 £
Returns on investments and servicing of finance			
Interest received	26,600	37,447	72,680
Capital expenditure			
Proceeds from sale of tangible fixed assets	-	-	7,992
Payments to acquire tangible fixed assets	(282,348)	(6,685)	(113,031)
	(282,348)	(6,685)	(105,039)
Financing			
Issue of ordinary share capital	-	1,477,492	1,484,203
	-	1,477,492	1,484,203

9. Analysis of changes in net funds

	At 1 July 2006 £	Cash Flows £	At 31 December 2006 £
Cash at bank and in hand	1,237,786	(687,493)	550,293

10. Dividends

No dividends were paid or are proposed in respect of the six months ended 31 December 2006.

Notes to the Financial Statements
For the six months ended 31 December 2006

11. Mailing of Interim Results

Copies of the interim results will be sent to shareholders shortly and will be available from the registered office of the Company, 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH.

Further information:

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