STRONTIUM PLC
(the “Company” or “Strontium”)

Half Yearly Report for the Six Months ended 31 December 2010

Strontium the AIM quoted, professional services group specialising in developing and acquiring small, professional services businesses with the potential for development, announces its interim results for six months to 31 December 2010 (the "Period").

Key Points:

- Loss after tax and exceptional items was £108,568 (six months to 31 December 2009: £97,895 profit);
- Revenue from continuing activities has decreased to £1,097,523 (six months to 31 December 2009: £1,131,092);
- Cash at bank was down to £269,759 (31 December 2009: £358,777); and
- Total assets down to £2,123,164 (31 December 2009: £2,251,447).

Michael Metcalfe, Chairman, commented:

"Strontium has continued to focus on the growth of its existing businesses by expanding its client base during continuing difficult market conditions. Unfortunately, as foreseen in the 2010 Annual Report, uncertainty within the NHS has caused a reduction in the level of revenue from that sector in the Period. This reduction in sales from the NHS has almost entirely been replaced by increased sales to non-NHS clients in the period.

With the combination of Miad and The Learning Eye into a single organisation at one location along with the establishment of the new Learning Eye subsidiary in Switzerland the Board is confident that Strontium is well placed to return to profitable growth.”

Enquiries:

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Chairman's Statement

During the Period, the Company faced the challenge of a decline in NHS sales, especially in the area of training licences. It is encouraging that the loss of sales to the NHS was largely replaced by increased sales in The Learning Eye. However, the net loss of sales, lower margins and increased exceptional costs resulted in a loss in the period.

The Learning Eye Switzerland was formed in September 2010 and has broken even in its first 3 months of operation.

During November 2010, the Company completed a review of costs and the Board decided to restructure the 2 businesses into a single organisation, close the Miad office in Sevenoaks and close The Learning Eye office in Cheltenham. The restructuring was completed and both businesses relocated to Reading by 28 February 2011. It has been a difficult period of change management but the team faced up to the challenge and completed it professionally, on time and to budget.

The Board believes that, with the combination of Miad and The Learning Eye into a single organisation in one location, Strontium has created an agency that will ensure a more efficient and cost effective management of the business.

Share Premium Reduction

In a Letter to Shareholders that accompanied the Notice of the 2010 Annual General Meeting, the Chairman informed shareholders that the Directors proposed that the Company should reduce its share premium account by £1,200,000. At the Company's Annual General Meeting held on 24 November 2010 the shareholders passed all resolutions, including the resolution authorising the proposed reduction of the Company's share premium account.

The High Court sanctioned the Company's share premium reduction at a Court hearing on 15 December 2010. The Court order for the share premium reduction together with the applicable statement of capital has been filed and registered by Companies House on 24 December 2010 and the final advertisement appeared in The Times on 6 January 2011.

The reduction of share premium account itself did not involve any distribution or repayment of capital to shareholders and did not reduce the net assets of the Company

The principal effect of the share premium reduction is to facilitate the payment of dividends by the Company to shareholders and the purchase of shares by the Company out of reserves arising from the reduction of the Company’s share premium account and out of distributable profits generated in the future, which it is the Directors’ intention so to do in appropriate circumstances.

Financial Overview

Revenue during the Period decreased by 3.0% to £1,097,523 (six months to 31 December 2009: £1,131,092).

Gross profit for the Period decreased by 18.3% to £795,409 (six months to 31 December 2009: £973,543).

The increase in administration expenses for the Period was 8.6% to £886,955 (six months to 31 December 2009: £816,589).

Loss after tax and exceptional items was £108,568 (six months to 31 December 2009 was profit of: £97,895);

Cash at Bank was reduced to £269,759 (31 December 2009: £358,777); and Total Assets were down to £2,123,164 (31 December 2009: £2,251,447).

The Company is finding that, since June 2010, clients are paying invoices later and has increased the working capital required.

Extra-operational activities (relocation & reorganisation, the establishment of the company in Switzerland, share premium reduction and foreign exchange hedging) have incurred one-off exceptional costs of about £65,000.

Business Review

The Company is currently organised into two units:

- Miad UK Ltd ("Miad"), a leading NHS-dedicated non-clinical training, development and education consultancy; and

- The Learning Eye Holdings Ltd ("The Learning Eye"), a research, education and communications agency.

The revenue for Miad has fallen during this period especially in the previously buoyant online licensing business. However traditional training workshop business is broadly in line with the previous period and e-learning has been expanded into non-NHS clients.

The Learning Eye Switzerland added to the sales figures for The Learning Eye and contributed to its growth over the period.

Strategy

Strontium is a professional services group founded with the objective of growing by developing existing businesses and by acquiring small, professional services businesses with the potential for development. This strategy was designed to grow Strontium and create a return for its shareholders.

The focus of management for the next 6 months is to restore growth following the restructuring and the move to a single location.

The Board is aware that the poor performance of the Company's shares on AIM is thwarting its ambition to grow through intelligent acquisition, merger and expansion. As a consequence, the Board is considering how Strontium can best provide shareholder value in the future.

Outlook

The focus of management for the next 6 months is to restore growth, following the restructuring and the move to a single location, by:

- growing the client base of the new combined business;

- introducing new products (particularly e-learning);

- expanding the Swiss operation

Following the creation of a leaner and more efficient agency, Strontium is in a strong position to grow and the Board remains cautiously optimistic on future performance.

I would like to thank our Managing Director David Barker, the management team and all of our staff for their contributions.

M W Metcalfe

Consolidated Interim Statement of Comprehensive Income

	6 months to 31 December 2010 (unaudited) £	6 months to 31 December 2009 (unaudited) £	Year to 30 June 2010 (audited) £
Revenue	1,097,523	1,131,092	2,369,178
Cost of sale	(302,114)	(157,549)	(485,186)
Gross Profit	795,409	973,543	1,883,992
Administrative expenses	(886,955)	(816,589)	(1,742,804)
Other operating expenses	(25,832)	-	-
Other operating income	-	-	33,000
Operating profit / (loss)	(117,378)	156,954	174,188
Tax (expense) / net credit	8,810	(47,375)	24,273
Profit /(loss) for the period	**(108,568)**	**109,579**	**198,461**
Discontinued operations			
Loss attributable to discontinued operations	-	(11,684)	63,491
Attributable to:			
Equity holders of the Company	(108,568)	97,895	261,952
Earnings per share from continuing operations - basic and diluted	(.80)p	.82p	1.48p
Earnings per share from discontinued operations - basic and diluted	-	(.09)p	.47p
Earnings per share from continuing and discontinued operations - basic and diluted	(.80)p	.73p	1.96p

Consolidated Statement of changes in equity

	Share Capital (unaudited) £	Share Premium (unaudited) £	Retained Earnings (unaudited) £	Total (unaudited) £
Balance at 1 July 2009	267,394	1,995,463	(949,423)	1,313,434
Total comprehensive income	-	-	97,895	97,895
Cost of share based awards	-	-	18,000	18,000
Balance at 31 December 2009	267,394	1,995,463	(833,528)	1,429,329
Total comprehensive income	-	-	164,057	164,057
Cost of share based awards	-	-	14,500	14,500
Shares issued in the period in respect of services	1,087	5,163	-	6,250
Shares issued in the period in respect of acquisitions	3,433	24,108	-	27,541
Balance at 30 June 2010	271,914	2,024,734	(654,971)	1,641,677
Total comprehensive income	-	-	(108,568)	(108,568)
Cost of share based awards	-	-	5,000	5,000
Court Approved Reduction in Share Premium	-	(1,200,000)	1,200,000	-
	271,914	824,734	441,461	1,538,109

Consolidated Interim statement of financial position

	31 December 2010 (unaudited) £	31 December 2009 (unaudited) £	30 June 2010 (audited) £
Non-current assets			
Goodwill	1,170,974	1,195,974	1,170,974
Tangible fixed assets	61,576	59,144	67,920
Deferred tax asset	53,769	-	59,668
Total non-current assets	**1,286,319**	**1,255,118**	**1,298,562**
Current assets			
Trade receivables	559,918	637,552	307,179
Derivative financial instruments	7,168	-	33,000
Cash at bank	269,759	358,777	657,755
Total current assets	**836,845**	**996,329**	**997,934**
Total assets	**2,123,164**	**2,251,447**	**2,296,496**
Equity			
Issued share capital	271,914	267,702	271,914
Share Premium	824,734	1,997,696	2,024,734
Retained Earnings	441,461	(833,528)	(654,971)
Total equity	**1,538,109**	**1,431,870**	**1,641,677**
Liabilities			
Non-current liabilities			
Deferred tax	4,317	13,042	10,216
	4,317	13,042	10,216
Current liabilities			
Current tax liabilities	20,404	40,113	28,867
Trade and other payables	560,334	766,422	615,736
	580,738	806,535	644,603
Total liabilities	**585,055**	**819,577**	**654,819**
Total equity and liabilities	**2,123,164**	**2,251,447**	**2,296,496**

Consolidated Interim statement of cash flows

	Note	6 months to 31 December 2010 (unaudited) £	6 months to 31 December 2009 (unaudited) £	Year to 30 June 2010 (audited) £
Cash flows from operating activities				
Cash generated from / (absorbed by) continuing operations	4	(382,653)	216,879	278,060
Cash generated from / (absorbed by) discontinued operations	4	-	(87,660)	112,938
Taxation paid		-	(7,834)	(1,848)
Net cash generated from operating activities		**(382,653)**	**121,385**	**389,150**
Cash flows from investing activities				
Payments to acquire subsidiary		-	(27,541)	(42,600)
Payments to acquire tangible fixed assets		(5,343)	(26,092)	(47,620)
Proceeds from sale of subsidiary		-	-	67,800
Net cash used in investing activities		**(5,343)**	**(53,633)**	**(22,420)**
Net movement in cash and bank balances		(387,996)	67,752	366,730
Cash at bank at beginning of period		657,755	291,025	291,025
Cash at bank at end of period		**269,759**	**358,777**	**657,755**

1 GENERAL INFORMATION

STRONTIUM PLC (the “Company”) is a company domiciled in England whose registered office address is Estate House, Pembroke Road, Sevenoaks, Kent, TN13 1XR. The condensed consolidated interim financial statements of the Company for the six months ended 31 December 2010 comprise the Company and its subsidiaries.

The condensed consolidated interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

The financial information for the year ended 30 June 2010 has been extracted from the statutory accounts. The auditors’ report on the statutory accounts was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. A copy of those financial statements has been filed with the Registrar of Companies.

The condensed consolidated interim financial statements were authorised for issue on 2 March 2011.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The condensed consolidated financial statements are unaudited and have been prepared on the historical cost basis in accordance with IFRS adopted by the EU using the same accounting policies and methods of computation as were used in the annual financial statements for the year ended 30 June 2010. The condensed interim financial statements do not include all the information required for full annual financial statements and hence cannot be construed as in full compliance with IFRS.

3 EARNINGS (LOSS) PER SHARE

The profit / (loss) per share is based on a profit/(loss) for the period from continuing and discontinued activities as disclosed in the income statement and the weighted average of ordinary shares in issue for the period of 13,595,684 (2009: 13,374,316, year ended 30 June 2010: 13,374,432).

4 CASH GENERATED FROM (ABSORBED BY) OPERATIONS

	6 months to 31 December 2010 (unaudited) £	6 months to 31 December 2009 (unaudited) £	Year to 30 June 2010 (audited) £
Continuing activities			
Operating profit / (loss)	(117,378)	156,954	174,188
Depreciation of tangible fixed assets	11,687	8,403	21,155
Share Based Awards	5,000	18,000	32,500
(Increase) decrease in receivables	(226,907)	(88,987)	47,697
Increase (decrease) in payables	(55,055)	122,509	(31,271)
Liabilities discharged by share issue	-	-	33,791
Cash generated from (absorbed by) continuing operations	(382,653)	216,879	278,060
Discontinued activities			
Operating (loss)	-	(11,684)	(20,953)
Profit / (loss) on disposals	-	-	84,444
(Increase) decrease in receivables	-	(105,699)	47,156
Increase (decrease) in payables	-	29,723	2,291
Cash generated from (absorbed by) discontinued operations	-	(87,660)	112,938