25 March 2014

REACT Energy plc
("**REACT**" or the "**Group**")

Interim results
for the six months ended 31 December 2013

REACT Energy plc (AIM:REAC), the energy infrastructure developer and operator which focuses on the production of clean energy in the UK and Ireland, announces its unaudited interim results for the six months ended 31 December 2013.

Operational Highlights

- Significant progress made in bringing the 12MW Enfield Biomass CHP project towards financial close and commencement of construction anticipated during second half of 2014. Assisted the Foresight Group in acquiring the site on which the project is located on behalf of a fund managed by the Foresight Group and signed a new lease for the project;

- Successful completion of construction and energisation of the 800kW Pluckanes wind turbine project and the sale of electricity to the national grid since October 2013. The project has operated ahead of management expectations since being commissioned;

- Signed a legal option and agreement for lease with the London & Devonshire Trust ("LDT") regarding a site for a 10MW Biomass CHP project in Plymouth; and

- Secured a grid connection offer for the 500kW Altilow 500kW single wind turbine located in County Donegal, Ireland.

Financial Summary

- Group revenue of €0.1 million (H1 2012: € 1.8 million);

- Administrative costs of €0.74 million (H1 2012: €0.90 million);

- Loss for the period from continuing operations of €1 million (H1 2012: Loss for period €0.9 million); and

- Issue of an unsecured €2 million Convertible Loan Note to Farmer Business Developments plc ("Farmers") the Group's largest shareholder in November 2013

Post-period end events

- Completed the acquisition of the business of GG Eco Systems Limited ("GGES"), an operator and developer of Biomass Heat Energy Plants in the UK;

- Secured a grid connection offer for the 10MW Biomass CHP project in Plymouth;

- Received approval from Ulster Bank Ireland Limited for the funding of Phase Two of its joint venture Biomass Advanced Gasification project located in Newry, Northern Ireland;

- Proposed issue of up to £1.5 million of secured loan notes of which £600,000 is already committed by Farmers and shareholders of GGES;

- Secured a grid connection for the 500kW Moneygorm single wind turbine project, located in Co. Cork, Ireland. This project is now fully consented including the completion of the wind measurement campaign; and

- Received planning permission for a further three single wind turbine projects.

Gerry Madden, CEO of REACT, commented:

"The acquisition of GGES earlier this month has positioned the Group as the leader in Biomass Electricity and Heat generation in the UK in the mid market 100kW to 20 MW generation range.

"With the additions to our management team, the Group now has one of the most highly experienced teams in the sector with the expertise to put in place the finance structures needed for these clean energy plants. Our ability to successfully negotiate and complete long term energy supply contracts with blue chip counterparties is evident. We will build on the progress we have made over that last number of months and expect to further accelerate the growth rate of the enlarged Group."

The Chairman and Chief Executive's Statement and the unaudited interim results for the six months ended 31 December 2013, which are contained below and form part of this announcement, include further important information and disclosures. The announcement should be read in its entirety.

- Ends –

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About REACT

REACT Energy plc is committed to operating clean electricity and heat generation plants in the UK and Ireland.

The Group identifies, builds owns and operates plants and possesses significant knowledge of energy markets, clean technologies, fuel sources, project development, project finance and project delivery.

REACT currently has three operational clean energy plants generating electricity and heat for sale.

The generation of clean electricity and heat from biomass has the potential to address the key energy challenges of energy security and carbon commitment and provide strong returns on capital employed.

The company is listed on AIM and trades as REAC.www.reactenergyplc.com.

CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT

Overview of the period

At its AGM in December the Group changed its name from Kedco to REACT Energy plc. The rationale behind the change of name was to give the business a clearer identity following its strategic shift towards its core business of Renewable Energy And Clean Technology ("REACT"). The aim of REACT is to identify, develop, build, own and operate electricity and heat generating plants. During the period the Group significantly advanced this aim.The Group's operations are divided between Biomass in the UK and Onshore Wind in Ireland.

Biomass UK

During the period the Group invested significant resources into progressing both the Enfield Biomass and Newry Biomass projects, as well as expanding the portfolio of biomass development opportunities. A number of key development milestones were reached in relation to the Enfield Biomass project and progress continues to be made in bringing the project to financial close and starting construction. The Group also worked closely with the Foresight Group, the Group's preferred funding partner for the Enfield project, in acquiring the site on which the project is located on behalf of a fund managed by the Foresight Group. On completion of the acquisition by Foresight the project company Enfield Biomass Limited signed a new long-term lease for the project.

Approval was received from Ulster Bank Ireland Limited for the funding of Phase Two of its joint venture Biomass Advanced Gasification project located in Newry, Northern Ireland after the period end. This plant has already exported electricity to the grid.

Biomass power generation of electricity and heat has the potential to address the UK and Ireland's key energy challenges of energy security and carbon commitment and to provide investors with strong returns on capital employed. With this in mind and in line with the Group's stated objective of acting as a consolidator of the fragmented UK biomass energy infrastructure market, the Group acquired the business of GG Eco Systems Limited ("GGES") earlier this month. In the process, the Group added two further operating biomass heat generating plants to its portfolio and a strong pipeline of heat only biomass projects in the UK.

The Group identified further opportunities in the Biomass sector in the UK and signed a legal option and agreement for a lease with the London & Devonshire Trust regarding a site for a 10MW Biomass CHP project in Plymouth. A grid connection for this project was also secured in the last number of weeks; the Group aims to have this project fully consented by the end of 2014.

REACT now believes that it is positioned as the leader in the mid-market (150kW – 20MW) biomass power generation sector in the UK.

Onshore Wind

REACT had a number of key achievements in the build out of its onshore wind portfolio during the period. Of particular note was the successful financing and commissioning of the 800kW Pluckanes wind turbine project in County Cork. The project has exceeded management expectations since commissioning and continues to perform well.

The Group also secured grid connections for both the Altilow 500kW wind turbine project in County Donegal and post period for the Moneygorm 500kW wind turbine project in County Cork. In addition to this, the wind measurement campaign on both sites has also been completed. These projects are now fully consented and can move to construction during 2014. Further planning permissions have also been received for two further single wind turbine projects in Ireland during the period and another three planning permissions have been received since the period end.

The planning application for the 12.5MW Altilow wind project, part of a 52MW wind farm co-development agreement, has been completed and submitted. Additional survey work continues on the other wind farms in the co-development agreement.

Portfolio Overview

The Group has a total operating and development portfolio of 166 MW. The key projects and status as at 24 March 2014 are detailed in the following table:

Project Name	Sub-Sector	Size MW's	Status	REACT Equity %
Culford School	Biomass	1	Operational	30%
Kimbolton School	Biomass	0.2	Operational	100%
Pluckanes Windfarm	Onshore wind	0.8	Operational	100%
Newry Biomass	Biomass	4	Under construction	50% with 92% economic interest
Old Buckenham Hall School	Biomass	0.4	Fully consented / ready to construct	30%
Enfield Biomass	Biomass	12	Fully consented / ready to construct	100%
Altilow Wind	Onshore wind	0.5	Fully consented / ready to construct	100%
Staffordshire County Council	Biomass	0.4	Fully consented / ready to construct	30%
Moneygorm	Onshore wind	0.5	Fully consented / ready to construct	100%
Knocksaxon Wind	Onshore wind	0.5	Planning approved	100%
Killuagh Wind	Onshore wind	0.5	Planning approved	100%
Knockavadra Wind	Onshore wind	0.5	Planning approved	100%
Knockafreaghaun Wind	Onshore wind	0.5	Planning approved	100%
Claycross Biomass	Biomass	10	In planning	90%
Plymouth Biomass	Biomass	10	In planning	100%
Altilow Large Windfarm	Onshore wind	12.5	In planning	50%
Runnaboll Wind	Onshore wind	0.5	In planning	100%

Operating projects

GGES is operating the Culford School Heating plant in Suffolk, which has a 15 year Heat Supply Agreement ("HSA"). The plant has been in operation for almost two years. It has also recently brought into operation the Kimbolton School Heating plant in Cambridgeshire, which also has a 15 year HSA.

As previously mentioned, in Ireland the Group is currently operating an 800kW wind turbine in County Cork. This plant was part financed by AIB Bank plc and has a 15 year Power Purchase Agreement ("PPA") with Viridian Energy Limited.

Under construction

REACT, in conjunction with its partner and major shareholder, Farmers, has completed phase 1 of a £15 million 4MW advanced gasification Biomass CHP power plant in Newry, Northern Ireland. Having completed phase 1, the Group recently received approval from its funding partner Ulster Bank Limited to proceed to phase 2 of the development. The operating company, Newry Biomass Limited, has signed a seven year PPA with Bord Gais Eireann, an all island utility company owned by the state.

Fully consented and ready to construct
The Group is in the final stages of completing financial close on a 12MW biomass CHP gasification plant in Enfield in London with its funding partner Foresight Group.

In November 2013, GGES signed a 20-year HSA with Old Buckenham Hall School in Suffolk, with the heating plant expected to be commissioned during Q2 2014.

Both the Altilow and Moneygorm 500kW single wind turbine projects are now fully consented and expected to start construction during 2014.

Planning approved
The Group has received planning permission to construct six additional single wind turbine projects in Ireland. These will continue to be brought forward and are expected to be fully consented and ready to construct during 2015.

In planning for approval
In Derbyshire, the Group, together with its partner Larkfleet Energy, is seeking approval to construct and operate a 10MW biomass conversion power plant, which will cost approximately £40 million.

The Group, in conjunction with the London and Devonshire Trust, is also seeking approval to construct and operate a 10MW biomass conversion power plant in Plymouth, which will also cost in the region of £40 million.

The funding structure for both of these projects is intended to be similar to that currently being finalized for the Enfield Biomass Plant.

GGES also has five other Biomass Heat projects in development, which are expected to be built and operational over the next 12 months.

In conjunction with its co-development partner, REACT is currently seeking approval to construct a number of wind farms totalling over 50MW in north west Ireland. The Group is in ongoing discussion with a select number of landowners in the UK and Ireland regarding sites for the future development of energy infrastructure projects.

Financial Review
Revenue in the period amounted to €0.1 million (H1 2012: €1.8million). Turnover in the period related to the commencement of the sale of electricity from the Pluckanes wind turbine. The turnover from the sale of electricity from Newry Biomass is not consolidated as it is accounted for as a joint venture. Turnover in the comparative period related to the sale of equipment to complete Phase One of the Newry joint venture project.

The Group reported a loss for the period of €1 million (H1 2012: €0.9 million).

Administrative costs decreased to €0.7 million (H1 2012: €0.9 million) primarily as a result of a a slight gain on foreign exchange in the period versus a loss in the previous period.

The financial information is prepared on a going concern basis, as discussed in more detail in Note 2 to those financial statements. The validity of the going concern concept is dependent upon additional finance being available for the Group's working capital and planned development program. In the absence of new funds being raised from new investors, the Group will be reliant on the financial support of its existing shareholders and creditors to enable it to continue to trade.

The Group announced in August 2013 that its wholly owned subsidiary, Reforce Energy Limited, had raised €215,000 in loan notes from private investors and that Ulster Bank Ireland Limited had made available working capital and other facilities totaling £750,000 to be used to fund working capital requirements and the continued build out of the Newry Biomass Limited Biomass Gasification project located in Newry, Northern Ireland.

In November 2013, the Group announced that it had issued an unsecured €2 million Convertible Loan Note ("Loan Note") to fund its ongoing development and working capital requirements. The Loan Note was issued to its 26.79% shareholder, Farmers. Previous amounts owing under previous facilities including capital and interest of €1,016,250 formed the consideration for the initial subscription for the new loan note. The balance being subscribed for on a monthly basis with a minimum cash subscription of €150,000. As at 31 December 2013 €1,329,541 has been utilised (30 June 2013: €479,772).

As part of the acquisition of GGES the Group also announced on 6 March 2014 that it proposed to raise up to £1.5 million (before expenses) through the issue of secured loan notes ("SLNs"). The SLNs are intended to fund the ongoing development of the enlarged Group through organic and acquisitive growth, which includes GGES. It is the intention that the issue of the SLNs will be by way of subscription for an initial tranche of £600,000 already committed by Farmers and shareholders of GGES followed by subscription for a further tranche of £900,000.

Outlook

The Group will continue to develop and review its project pipeline and focus on its funding requirements including raising additional project debt and project equity in 2014 as well as securing additional funds to continue with its activities and its planned development program. The Group has strong relationships with its funding partners and will use these relationships to further its development programme and add further operating electricity and heat generating plants to its portfolio.

Looking ahead, the Board is focused on consolidating REACT's position as the leader in the mid-market Biomass power generation sector in the UK.

Dermot O' Connell
Chairman

Gerry Madden
CEO

REACT Energy plc (formerly Kedco plc)
Condensed Consolidated Income Statement
for the six months ended 31 December 2013

	Notes	6 months ended 31 Dec 2013 €	6 months ended 31 Dec 2012 €
Continuing operations:			
Revenue	5	142,241	1,764,791
Cost of sales		(105,974)	(1,764,791)
Gross profit		36,267	-
Operating expenses			
Administrative expenses		(775,674)	(760,313)
Gains/(losses) on foreign exchange		18,505	(144,728)
Other operating income		11,500	9,000
Operating (loss)/profit		(709,402)	(896,041)
Finance costs		(132,784)	(125,933)
Share of losses on joint ventures after tax	9	(168,526)	(20,208)
Finance income		-	-
Loss before taxation	5	(1,010,712)	(1,042,182)
Income tax expense	6	-	-
Loss for the period from continuing operations		(1,010,712)	(1,042,182)
Discontinued operations			
Profit for the period from discontinued operations	14	-	164,322
Loss recognised on disposal of subsidiary	14	-	(8,866)
		-	155,456
Loss for the period		(1,010,712)	(886,726)
(Loss)/Profit attributable to:			
Owners of the Company		(1,010,712)	(919,591)
Non-controlling interest		-	32,865
		(1,010,712)	(886,726)

		6 months ended 31 Dec 2013 € Euro per share	6 months ended 31 Dec 2012 (restated) € Euro per share
Basic loss per share:			
From continuing and discontinued operations	7	(0.045)	(0.080)
From continuing operations	7	(0.045)	(0.094)
Diluted loss per share:			
From continuing and discontinued operations	7	(0.045)	(0.080)
From continuing operations	7	(0.045)	(0.094)

REACT Energy plc (formerly Kedco plc)
Condensed Consolidated Statement of Comprehensive Income
for the six months ended 31 December 2013

	6 months ended 31 Dec 2013 €	(Restated) 6 months ended 31 Dec 2012 €
Loss for the financial period	(1,010,712)	(886,726)
Other comprehensive income and expense		
Exchange differences arising on retranslation of foreign operations	(74,913)	51,185
Total comprehensive income and expense for the period	(1,085,625)	(835,541)
Attributable to:		
Owners of the company	(1,085,625)	(868,406)
Non-controlling interests	-	32,865
	(1,085,625)	(835,541)

REACT Energy plc (formerly Kedco plc)
Condensed Consolidated Statement of Financial Position
As at 31 December 2013

	Notes	As at 31 Dec 2013 €	As at 30 June 2013 €
ASSETS			
Non-current assets			
Goodwill	10	2,249,200	2,249,200
Property, plant and equipment	11	3,145,535	1,638,352
Share of net assets of jointly controlled entities	9	23,090	187,068
Financial assets	8	6,384,826	6,233,268
Total non-current assets		11,802,651	10,307,888
Current assets			
Amounts due from customers under construction contracts		390,785	293,637
Trade and other receivables		1,873,463	2,219,305
Cash and cash equivalents		139,734	22,150
Total current assets		2,403,982	2,535,092
Total assets		**14,206,633**	**12,842,980**
EQUITY AND LIABILITIES			
Equity			
Share capital	12	12,176,200	12,176,200
Share premium		19,090,865	19,090,865
Deferred consideration		600,000	600,000
Retained earnings – deficit		(28,968,826)	(27,883,201)
Total equity attributable to equity holders of the parent		2,898,239	3,983,864
Non-current liabilities			
Borrowings	13	2,098,753	1,344,523
Total non-current liabilities		2,098,753	1,344,523
Current liabilities			
Amounts due to customers under construction contracts		938,117	1,019,307
Trade and other payables		3,458,312	3,228,557
Borrowings	13	4,813,212	3,266,729
Total current liabilities		9,209,641	7,514,593
Total equity and liabilities		**14,206,633**	**12,842,980**

REACT Energy plc (formerly Kedco plc)
Condensed Consolidated Statement of Changes in Equity
for the six months ended 31 December 2013 and the six months ended 31 December 2012

	Share capital	Share premium	Retained earnings	Contingent equity consideration	Attributable to equity holders of the parent	Non-controlling interest	Total
	€	€	€	€	€	€	€
Balance at 1 July 2012	4,106,808	19,375,525	(25,207,673)	-	(1,725,340)	898,010	(827,330)
Issue of ordinary shares in Kedco plc	951,296	4,959	-	-	956,255	-	956,255
Conversion of debt into equity	5,724,229	44,046	-	-	5,768,275	-	5,768,275
Issue of ordinary shares and contingent equity consideration on acquisition of subsidiary	1,393,867	6,133	-	600,000	2,000,000	-	2,000,000
Share issue costs	-	(333,191)	-	-	(333,191)	-	(333,191)
(Loss)/Profit for the financial period	-	-	(919,591)	-	(919,591)	32,865	(886,726)
Disposal of non-controlling interest in subsidiary	-	-	-	-	-	(930,875)	(930,875)
Unrealised foreign exchange gain	-	-	51,185	-	51,185	-	51,185
Balance at 31 December 2012 (restated)	12,176,200	19,097,472	(26,076,079)	600,000	5,797,593	-	5,797,593
Balance at 1 July 2013	12,176,200	19,090,865	(27,883,201)	600,000	3,983,864	-	3,983,864
(Loss) for the financial period	-	-	(1,010,712)	-	(1,010,712)	-	(1,010,712)
Unrealised foreign exchange loss	-	-	(74,913)	-	(74,913)	-	(74,913)
Balance at 31 December 2013	12,176,200	19,090,865	(28,968,826)	600,000	2,898,239	-	2,898,239

REACT Energy plc (formerly Kedco plc)
Condensed Consolidated Statement of Cash Flows
for the six months ended 31 December 2013

	Notes	6 months ended 31 Dec 2013	6 months ended 31 Dec 2012
Cash flows from operating activities		€	€
Loss before taxation		(1,010,712)	(886,726)
Adjustments for:			
Depreciation of property, plant and equipment		9,650	256,890
Impairment of amounts due from customers under construction contracts		11,665	-
Profit on disposal of property, plant and equipment		-	(83,537)
Loss on disposal of subsidiary		-	8,866
Unrealised foreign exchange (loss)/gain		(252,273)	146,260
Share of losses of jointly controlled entities after tax		168,526	20,208
Increase in impairment of inventories		-	(177,571)
Decrease in deferred income		-	(4,293)
Interest expense		132,784	183,820
Operating cash flows before working capital changes		(940,360)	(536,083)
Decrease/(increase) in:			
Amounts due from customers under construction contracts		(108,813)	843,212
Trade and other receivables		345,842	(801,606)
Inventories		-	656,403
(Decrease)/increase in:			
Amounts due to customers under construction contracts		(81,190)	(110,090)
Trade and other payables		232,737	(426,694)
		(551,784)	(374,858)
Income taxes paid		-	-
Net cash (used in)/from operating activities		**(551,784)**	**(374,858)**
Cash flows from investing activities			
Payments for property, plant and equipment		(1,474,499)	(146,701)
Proceeds from sale of property, plant and equipment		-	109,584
Net cash inflow on acquisition of subsidiaries	15	-	156,781
Net cash inflow on disposal of subsidiary	14	-	226,094
Net cash from/(used in) investing activities		**(1,474,499)**	**345,758**
Cash flows from financing activities			
Proceeds from borrowings		2,208,822	292,308
Repayments of borrowings		-	(182,925)
Proceeds from issue of equity		-	902,993
Payments for share issue costs		(500)	(178,916)
Payments of finance leases		-	(31,424)
Interest paid		(72,141)	(149,488)
Net cash from financing activities		**2,136,181**	**652,548**
Net increase in cash and cash equivalents		**109,898**	**623,448**
Cash and cash equivalents at the beginning of the financial period		(144,223)	(344,095)
Cash and cash equivalents at the end of the financial period		**(34,325)**	**279,353**

1. GENERAL INFORMATION

REACT Energy plc (formerly Kedco plc) ("the Group") was incorporated in Ireland on 2 October 2008. The address of its registered office and principal place of business is Building 4600, Cork Airport Business Park, Kinsale Road, Cork, Ireland. The Group's shares are listed on the London stock Exchange's AIM market.

The principal activity of the Group is to identify, develop, build, own and operate renewable energy electricity and heat generating power plants in the UK and Ireland. The Group focuses on both large and small scale projects, providing flexibility to maximise existing land positions while diversifying development and technology risks.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements are for the six months ended 31 December 2013 and are presented in Euro, which is the functional currency of the parent company. They have been prepared in accordance International Accounting Standard (IAS) 34 *Interim Financial Reporting*. They do not include all the information and disclosures required in the annual financial statements in accordance with International Financial Reporting Standards (IFRSs), and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2013.

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses together with disclosure of contingent assets and liabilities. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions of accounting estimates are recognised in the period in which the estimate is revised.

The Group continues to invest capital in developing and expanding its portfolio of renewable energy projects. The nature of the Group's development programme means that the timing of funds generated from developments is difficult to predict. Management have prepared financial forecasts to estimate the likely cash requirements of the Group over the next eighteen months. The forecasts include certain assumptions with regard to the costs of ongoing development projects, overheads and the timing and amount of any funds generated from developments. The forecasts indicate that the Group will require additional funds to continue with its activities and its planned development program.

The interim financial statements have been prepared on a going concern basis. The Directors have given careful consideration to the appropriateness of the going concern concept in the preparation of the interim financial statements. The validity of the going concern concept is dependent upon finance being available for the Group's working capital requirements and for the continued investment in the Group's strategy of identifying, developing, building and operating power generating plants so that the Group can continue to realise its assets and discharge its liabilities in the normal course of business.

After making enquiries and considering the items referred to above, the Directors believe that progress towards securing finance has being made. The Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. For these reasons the Directors continue to adopt the going concern basis of accounting in preparing the interim financial statements. The interim financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

2. BASIS OF PREPARATION - continued

The interim financial information for both the six months ended 31 December 2013 and the comparative six months ended 31 December 2012 are unaudited and have not been reviewed by the auditors. The financial information for the year ended 30 June 2013 represents an abbreviated version of the Group's financial statements for that year. Those financial statements contained an unqualified audit report and have been filed with the Registrar of Companies. The interim condensed consolidated financial statements has neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board.

3. BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements include the financial statements of the Group and all subsidiaries. The financial period ends of all entities in the Group are coterminous.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used in preparing the interim condensed consolidated financial information are unchanged from those disclosed in the Annual Report and Accounts of REACT Energy plc (formerly Kedco plc) for the year ended 30 June 2013.

5. SEGMENT REPORTING

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the products sold to customers. The Group's reportable segments under IFRS8 *Operating Segments* are as follows:

Power Generation: Being the development and operation of renewable energy electricity and heat generation plants; and

Renewable Energy Solutions: Being the supply of domestic boilers, solar panels and other related products. The Group is no longer acting in this segment.

The Chief Operating Decision maker is defined as the Board of Directors.

Information regarding the Group's reportable segments is presented below.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

5. SEGMENT REPORTING - continued

	Segment Revenue		Segment (Loss)/Profit	
	6 Months ended 31 Dec 2013	**6 Months ended 31 Dec 2012**	**6 Months ended 31 Dec 2013**	**6 Months ended 31 Dec 2012**
	€	€	€	€
Power Generation	142,241	1,764,791	(298,779)	(496,919)
Renewable Energy Solutions	-	-	(8,192)	(10,051)
Total from continuing operations	142,241	1,764,791	(306,971)	(506,970)
Central administration costs and directors' salaries			(413,931)	(398,071)
Other operating income			11,500	9,000
Share of losses on joint ventures			(168,526)	(20,208)
Interest costs			(132,784)	(125,933)
Loss before taxation (continuing operations)			(1,010,712)	(1,042,182)

Revenue reported above represents revenue generated from external customers. Inter-segment sales for the six months ended 31 December 2013 amounted to € Nil (2012: €Nil). Included in revenues arising from sales in the Power Generation segment is €105,974 (2012: €1,764,791) arising from the sale to a jointly controlled entity, Newry Biomass Limited and €36,267 (2012: €nil) arising from the sale of electricity to Viridian Energy Limited.

Segment profit or loss represents the profit or loss earned by each segment without allocation of central administration costs and directors' salaries, other operating income, share of losses of jointly controlled entities, investment revenue and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Other segment information:	Depreciation and amortisation		Additions to non-current assets	
	6 months ended 31 Dec 2013	**6 months ended 31 Dec 2012**	**6 months ended 31 Dec 2013**	**6 months ended 31 Dec 2012**
	€	€	€	€
Power Generation	5,302	7,666	1,474,499	2,338,391
Renewable energy solutions	4,348	7,812	-	-
	9,650	15,478	1,474,499	2,338,391

5. SEGMENT REPORTING - continued

The Group operates in two principal geographical areas: Republic of Ireland (country of domicile), and the United Kingdom. The Group's revenue from continuing operations from external customers and information about its non-current assets* by geographical location are detailed below:

	Revenue from Jointly Controlled Entities and External Customers		Non-current assets*	
	6 Months to 31 Dec 2013	6 Months to 31 Dec 2012	As at 31 Dec 2013	As at 30 Jun 2013
	€	€	€	€
Republic of Ireland	36,267	-	1,841,437	623,345
United Kingdom	105,974	1,764,791	1,304,098	1,015,007
	142,241	1,764,791	3,145,535	1,638,352

* Non-current assets excluding financial instruments and investment in jointly controlled entities.

The management information provided to the chief operating decision maker does not include an analysis by reportable segment of assets and liabilities and accordingly no analysis by reportable segment of total assets or total liabilities is disclosed.

6. INCOME TAX EXPENSE

	6 months ended 31 Dec 2013	6 months ended 31 Dec 2012
Income tax expense comprises:	€	€
Current tax	-	-
Deferred tax	-	-
Income tax expense recognised in profit or loss	-	-

An income tax charge does not arise for the six months ended 31 December 2013 or 31 December 2012 as the effective tax rate applicable to expected total annual earnings is Nil as the Group has sufficient tax losses coming forward to offset against any taxable profits. A deferred tax asset has not been recognised for the losses coming forward.

7. LOSS PER SHARE

	6 months ended 31 Dec 2013 €	(Restated) 6 months ended 31 Dec 2012 €
Basic and diluted (loss)/earnings per share		
From continuing operations	(0.045)	(0.094)
From discontinued operations	-	0.014
Total basic loss per share	(0.045)	(0.080)

The loss and weighted average number of ordinary shares used in the calculation of the basic and diluted (loss)/earnings per share are as follows:

	6 months ended 31 Dec 2013 €	6 months ended 31 Dec 2012 €
Loss for period attributable to equity holders of the parent	(1,010,712)	(886,726)
Profit for period from discontinued operations used in the calculation of basic earnings per share from discontinued operations	-	155,456
Losses used in the calculation of basic loss per share from continuing operations	(1,010,712)	(1,042,182)
		Restated
Weighted average number of ordinary shares for the purposes of basic loss per share	22,370,041	11,038,387

The calculation of the weighted average number of shares has been restated in 2012 to reflect the share consolidation that took place in December 2013. Further details of this consolidation are set out in note 12.

Anti-dilutive Potential Ordinary Shares

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted loss per share:

	6 months ended 31 Dec 2013	6 months ended 31 Dec 2012 Restated
Ordinary shares to be issued as part of the purchase of Reforce Energy Limited on the satisfaction of certain conditions.	1,194,743	199,124
Share warrants in issue	1,582,106	750,233
Convertible preference shares in issue	62,500	62,500
Convertible loans in issue	3,813,043	-

7. LOSS PER SHARE – continued

As noted in note 14 below, 6,052,632 ordinary shares were issued after the period end. If these shares were in issue prior to 31 December 2013, they would have affected the calculation of the weighted average number of shares in issue for the purposes of calculating both the basic loss per share and diluted loss per share by 1,008,772 (assuming the shares were issued in December 2013)

8. FINANCIAL ASSETS

	31 Dec 2013	30 June 2013
	€	€
Loans advanced to Jointly Controlled Entities		
Balance at start of period	6,233,268	6,517,534
Foreign currency exchange movement	151,558	(284,266)
Balance at end of period	6,384,826	6,233,268

9. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

Details of the Group's interests in jointly controlled entities at 31 December 2013 are as follows:

Name of jointly controlled entity	*Country of incorporation*	*Shareholding*	*Principal activity*
Newry Biomass Limited	Northern Ireland	50%*	Energy utility company
Asdee Renewables Limited	Republic of Ireland	50%	Energy utility company
Bridegreen Energy Limited	Republic of Ireland	50%	Energy utility company

* Under the terms of the joint venture agreement for Newry Biomass Limited, the split of the share of profits in the company are on the basis of (1) the aggregate amount of called up share capital in the company and (2) the nominal holdings of loan notes issued by the company. As a result of the loan notes issued by Newry Biomass Limited in the period ended 31 December 2011, the share of the profits/losses to which the Group is entitled to is 92%.

Summarised financial information in respect of the group's interests in jointly controlled entities is as follows:

	31 Dec 2013	30 Jun 2013
	€	€
Non-current assets	14,957,858	14,347,412
Current Assets	42,455	71,142
Non-current liabilities	(6,649,204)	(6,491,371)
Current liabilities	(8,052,076)	(7,456,417)
Net assets/(liabilities)	299,033	470,766
Group's share of net assets/liabilities of jointly controlled entities	23,090	187,068

9. INVESTMENT IN JOINTLY CONTROLLED ENTITIES - continued

	6 months ended 31 Dec 2013	6 months ended 31 Dec 2012
	€	€
Total revenue	18,855	6,513
Total expenses	(202,035)	(97,414)
Total loss for the period	(183,180)	(90,901)
Group's share of losses of jointly controlled entities	(168,526)	(20,208)

10. GOODWILL

	6 months ended 31 Dec 2013	Year ended 30 June 2012
Gross	€	€
At start of period	2,249,200	-
Additional amounts recognised from business combinations occurring during the period	-	2,249,200
At end of period	2,249,200	2,249,200
Accumulated impairment losses		
At start and at end of period	-	-
Net book value	2,249,200	2,249,200

11. PROPERTY, PLANT AND EQUIPMENT

During the six month period ended 31 December 2013, the group's wholly owned subsidiary, Pluckanes Windfarm Limited, incurred expenditure totalling €1,225,221 with respect to the construction of an 800kW wind turbine project in Co. Cork. At 31 December 2013, the total cost of the wind turbine project amounted to €1,442,999 (30 June 2013: €217,778).

12. SHARE CAPITAL

On 20 December 2013, shareholders passed a resolution to reorganise REACT Energy plc's ("the Company") share capital. Under this re-organisation, the Existing Ordinary Shares of €0.01 each were consolidated into New Consolidated Ordinary Shares of €0.50 each on the basis of 1 New Consolidated Ordinary Share for each 50 Existing Ordinary Shares. To facilitate the proposals and avoid the creation of a fraction of a consolidated share on consolidation, it was necessary to allot a further 42 Ordinary Shares of €0.01 prior to the Consolidation taking effect. These Ordinary Shares are being allotted to the Company Secretary for cash at par. Each New Consolidated Ordinary Share was then sub-divided into 1 New Ordinary Share of €0.10 each and 1 Deferred Share of €0.40 each.

12. SHARE CAPITAL - continued

Following the reorganisation, the Company's issued share capital comprises 22,370,042 Ordinary Shares of €0.10 each, 22,370,042 Deferred Shares of €0.40 each and 99,117,952 "A" Shares of €0.01 each. The Ordinary shares have equal voting rights. The Deferred shares and "A" Shares have no voting rights and are not entitled to any dividends and have no other right or participation in the profits of the Company.

13. BORROWINGS

On 20 August 2013, the Group entered into a rolling, monthly working capital facility with Farmer Business Developments plc ("FBD"), who holds 26.79% of the ordinary share capital of the Company. The facility, which has no maturity date and is repayable on demand, is unsecured and any drawdowns will accrue interest at a rate of 5% per annum. The facility is capped at €500,000 but may be increased by agreement between the parties. The full facility had been drawn down by 27 November 2013.

On 20 August 2013, the Group announced that its wholly owned subsidiary, Reforce Energy Limited, had raised loan notes from private investors. The proceeds from these loan notes was used to fund development costs and equity related to single wing turbine projects. The first tranche of loan notes, totaling €135,000 has no maturity date and is repayable on demand. The loan notes will accrue interest at a rate of 15% per annum and is unsecured. The second tranche of loan notes, totaling €83,000 are repayable five years from the granting of the loan notes i.e. 7 August 2013. These loans are secured over a loan Reforce Energy Limited has given to its subsidiary, Pluckanes Windfarm Limited, and accrue interest at a rate of 12% per annum.

On 20 August 2013, the Group announced that its wholly owned subsidiary, Pluckanes Windfarm Limited, reached financial close with Allied Irish Banks plc for the funding of the 800kW Pluckanes Windfarm Project, totaling €1.15m in senior term loans. As of 31 December 2013, €1,118,735 was drawn down with respect to this facility. The loan is secured over the property, assets and undertaking of Pluckanes Windfarm Limited. The loan is repayable in 60 quarterly instalments, the first instalment payable three months after the later of the date of the Purchase Power Agreement ("PPA") entered between Pluckanes Windfarm Limited and Viridian Energy and the date when the conditions precedent contained in the PPA have been satisfied or waived, as the case may be. The interest rate on the loan is the Bank's market related rate plus a margin of 3.95% per annum.

On 29 November 2013, the Group announced that it had issued an unsecured €2 million Convertible Loan Note to fund its ongoing development and working capital requirements. This loan note was issued to FBD. As part of this issue, the above working capital facility and an existing £400,000 unsecured three year loan was transferred into the loan note to form the initial subscription of €1,016,250 into the loan note. The loan note, which has no maturity date and is repayable on demand, is unsecured and any drawdowns will accrue interest at a rate of 5% per annum. The loan is convertible at the discretion of the holder at any time after 1 January 2014, with the conversion price being the average of the closing mid-market price of the ten working days prior to conversion or the placing price achieved under any future equity fundraising.

14. DISPOSAL OF SUBSIDIARIES

Disposal of subsidiaries (discontinued operation)

On 27 November 2012, the group disposed of Kedco Block Limited, a holding company registered in England and Wales; and SIA Vudlande, a company registered in Latvia and a 100% subsidiary of Kedco Block Limited, which carried out all of its Wood Products operations, being the production of sawn timber, realisation of wood and the supply of wood chips. The proceeds on disposal of €3,000,000 were satisfied by the settlement of borrowings. The profit for the period from the discontinued operation is analysed as follows:

	6 months ended 31 Dec 2013 €	6 months ended 31 Dec 2012 €
Profit of Wood Products operation for the period	-	164,322
Loss on disposal of Wood Products operation	-	(8,866)
Total profit for the period	-	155,456

The results of the Wood Products operation for the relevant periods were as follows:

	6 months ended 31 Dec 2013 €	6 months ended 31 Dec 2012 €
Revenue	-	4,554,862
Operating costs	-	(4,332,653)
Finance costs	-	(57,887)
Profit before tax	-	164,322
Income tax charge	-	-
Profit after tax	-	164,322

Further details of the disposal of Vudlande are disclosed in the Group’s financial statements for the year ended 30 June 2013.

There was no other disposal of subsidiaries in the six months to 31 December 2013.

15. ACQUISITION OF SUBSIDIARIES

On 27 November 2012, as part of the restructuring process undertaken by Kedco plc, the Group acquired the remaining 50% of the share capital of Enfield Biomass Limited (Enfield), which previously was accounted for as a jointly controlled entity. Enfield is the special purpose vehicle for developing the 12MW CHP project in Enfield, London.

15. ACQUISITION OF SUBSIDIARIES – continued

On 21 December 2012, the Group acquired a 100% interest in Reforce Energy Limited and its subsidiaries, Pluckanes Windfarm Limited and Reforce Energy West Limited ("Reforce"). Reforce is a renewable energy development company focussed on small-scale renewable projects across various technologies and was acquired with the objective to increase the Group's pipeline of projects under development and to add depth to the management team.

Further details of the acquisitions of Enfield Biomass Limited and Reforce Energy Limited are disclosed in the Group's financial statements for the year ended 30 June 2013.

There was no other acquisition of subsidiaries in the six months to 31 December 2013.

16. COMMITMENTS AND CONTINGENCIES

There have been no other changes in contingent liabilities since the end of the previous reporting period, 30 June 2013.

17. RELATED PARTY TRANSACTIONS

During the period ended 31 December 2013, the Group realised €105,974 (2012: €1,764,791) from its jointly controlled entity, Newry Biomass Limited, on the sale of the construction of a 4MW gasification plant in Newry, Northern Ireland. Included in trade and other receivables at 31 December 2013 is €1,556,071 due from Newry Biomass Limited (2012: €238,871).

During the period ended 31 December 2013, the group received funding totalling €810,066 from Farmer Business Developments plc ("FBD"), who holds 26.79% of the ordinary share capital of the Company, through various facilities as laid out in Note 13 to these financial statements. Total interest accruing on these facilities totalled €30,193 for the six months ended 31 December 2013. At 31 December 2013, the balances due to FBD with respect to the loan facilities, including rolled up interest, totalled €1,335,044 (30 June 2013: €479,772).

18. EVENTS AFTER THE REPORTING DATE

On 27 January 2014, the Group announced that its joint venture company, Newry Biomass Limited, had received approval from Ulster Bank Ireland Limited for the funding of Phase Two of its Biomass Gasification project located in Newry, Northern Ireland. Drawdown of funds can commence once certain conditions are satisfied including the finalising and signing of the various contracts required for the installation of Phase Two of the Project and, if required, the investment of additional equity funding in Newry Biomass Limited.

18. EVENTS AFTER THE REPORTING DATE - continued

On 6 March 2014, the Group announced the acquisition, through a newly incorporated wholly owned UK subsidiary Grass Door Limited, of certain assets and business of GG Eco Solutions Limited (“GGES”), a developer and operator of biomass heat generation projects in the UK. The acquisition will comprise an initial consideration of £2 million for certain of the assets and business of GGES. This consideration is being satisfied through the issue of 5,263,158 ordinary shares of €0.10 each in the capital of REACT Energy plc (“REACT”), to be issued at an effective price of £0.38p per share. An additional maximum deferred consideration of £1.7 million (also to be satisfied through the issue of ordinary shares in REACT), may become payable subject to certain performance criteria being achieved, namely construction and installation of additional biomass heat projects with an approximate Internal Rate of Return of 15%. The deferred consideration amount is linked to projects funded under the Equitix funding line, which GGES already has in place.

As part of the transaction REACT will also issue 789,474 new ordinary shares of €0.10 each to Pinfold Investments Limited (‘Pinfold”) a company controlled by Lyndon Dodd, a shareholder in GGES, which is converting a loan note amounting to £225,000 issued by GGES to Pinfold in relation to the Kimbolton School Heating Plant. The total initial transaction cost for the Acquisition, including the conversion of the Pinfold loan, is £2.3 million. GGES and Pinfold will be subject to a Lock-In agreement in relation to the ordinary shares that it will receive in consideration for the Acquisition or will acquire for a period of twelve months from the date of issue. The assets being acquired include the Kimbolton School Heating Plant, the Old Buckenham Hall School Heating Plant that is in commissioning and GGES’s investment in GG Eco Energy Limited ("GGEco") a company that is 30% owned by GGES and 70% owned by Equitix. The book value of assets acquired totals approximately £855,000. As at 31 March 2013 turnover in relation to the acquired assets was c.£290,000. Although the assets acquired are currently loss making, the Directors expect the acquired business to breakeven in the next 12 months..

The Board of REACT also announced on 6 March 2014 that it is proposing to raise up to £1.5 million (before expenses) through the issue of secured loan notes (“SLNs”). The SLNs are intended to fund the ongoing development of the enlarged Group through organic and acquisitive growth, which includes GGES. It is the intention that the issue of the SLNs will be by way of subscription for an initial tranche of £600,000 (the "Initial Tranche") followed by subscription for a further tranche of £900,000 (the "Additional Tranche"). The Group has received commitments for the Initial Tranche from Farmer Business Developments plc (“Farmers’’), REACT’s largest shareholder, for the total sum of £300,000 and certain shareholders of GGES, including Mr. Goran Nylin and Mr.Lyndon Dodd for the total sum of £300,000. Following subscription for the Initial Tranche by Farmers and GGES shareholders, the Group intends to market the Additional Tranche to independent qualified investors.

The SLNs will be issued at a fixed rate of 10% per annum, the interest on which will be rolled up quarterly in arrears and included as principal to be repaid. The SLN’s will be for a fixed three-year term and together with rolled up interest will be repayable at the end of the term. The SLNs will be secured by a first charge over the shares held by REACT in its project operating and development companies.

19. APPROVAL OF FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six months ended 31 December 2013, which comply with IAS 34, were approved by the Board of Directors on 24 March 2014.