Press release **17 November 2011**

Kedco plc

("Kedco" or the "Company")

Preliminary results for the year ended 30 June 2011

Kedco plc, (AIM:KED) the waste to energy group focusing on the production of clean energy in the UK and Ireland, is pleased to announce today its preliminary results for the year ended 30 June 2011.

Operational Highlights

- Binding facilities agreement signed on 14 November 2011 for up to £9.44 million with Ulster Bank Group to complete the development and commissioning of a 4MW biomass electricity and heat generating plant in Newry, Northern Ireland. Commissioning of the initial 2MW is expected to complete in Q2 2012
- The Company's main shareholder, Farmer Business Developments plc, agreed to become Kedco's joint venture partner in Newry, wholly replacing the Company's previous partner
- Completed strategic review to refocus business portfolio on core activities; the business is now a leaner, more efficient structure with a focus purely on the biomass energy from waste power generation business
- Having received planning permission to build a c. £45 million biomass wood gasification plant in Enfield, North London capable of generating 12MW of electricity and 10MW of heat, tenders currently being prepared to source a suitable EPC Contractor for the proposed construction of the plant
- Continuing to progress potential projects through the pipeline
- Further prospective sites identified for future developments
- The UK Government has emphasised its commitment to biomass electricity and biomass heat and is encouraging gasification and anaerobic digestion as electricity and heat generation technologies through the Renewables Obligation and most recently through the Renewable Heat Incentive scheme

Financial Highlights

- Revenue of €11.1 million, in line with expectations (FY 2010: €9.0 million)
- Loss for the period of €4.5 million an increase on the prior year (FY 2010: €3.2 million)
- Additional equity capital of €2 million raised during the period. Loan notes totalling €4.4 million issued in the year
- Post-period end further loan capital of €1.2 million raised

Gerry Madden CEO of Kedco commented: "The signing of an agreement in relation to bank finance for our Newry project is a significant milestone for the Company. We now have access to the financing to complete the Newry Plant. We estimate that the plant, once commissioned in full, will sell approximately 29 million Kwh per annum of renewable energy to the electricity grid in Northern Ireland.

"The signing of banking facilities for a biomass gasification plant is an endorsement of the Company's strategy to build, own and operate biomass energy plants in the UK and we will now aggressively pursue other opportunities in our project pipeline."

- Ends -

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Chairman's Statement

I am pleased to report the Company's results for the year to 30 June 2011. During this period we have continued to make progress towards our goal of developing biomass electricity and heat generation plants.

I am delighted to have been recently appointed Non-Executive Chairman of the Kedco board. Farmer Business Developments plc, as a long - term shareholder and supporter of Kedco, has always been attracted to the earnings potential within the waste to energy sector and we look forward to helping Kedco capitalise on its strong pipeline of projects and years of experience within this sector.

Since it was founded, Kedco has gained nearly five years of renewable energy knowledge and experience. The Company has specific planning and permitting experience having obtained five planning permissions in the UK and Ireland for the conversion of approximately 200,000 tonnes per annum of waste and biomass into approximately 22MW of energy.

The Company possesses a significant combination of knowledge of renewable energy markets, advance conversion technologies, biomass and waste fuel sources, project finance, project development and project delivery.

Throughout the period the Board primarily focused on concluding funding for our Newry project, a 4MW biomass electricity and heat generation plant, which we achieved on 14 November 2011. At the same time we have continued to push forward development of the London Enfield project and have issued tenders for the main EPC contract for this 12MW biomass electricity and heat generation plant.

In its Renewable Energy Roadmap published in July of this year, the UK Government made clear its commitment to increasing deployment of renewable energy across the UK in the sectors of electricity and heat. Biomass electricity and biomass heat are two of the eight technologies that the Roadmap identifies as having the greatest potential to help the UK meet the 2020 target in a cost effective and sustainable way.

Biomass electricity has the advantage that it is both predictable and controllable and so can be used for baseload or peakload generation. Energy from waste has the additional advantage that it extracts value from biomass at the end of its useful life and reduces the amount of waste otherwise sent to landfill and thus reduces methane emissions.

Kedco welcomes the fact that the UK Government has addressed perceived uncertainty about the Government's commitment to the use of waste and biomass for electricity generation and the level and surety of long-term financial support which will be provided for this. We particularly welcome the grandfathered support for biomass electricity from waste and biomass under the Renewables Obligation ("RO") where this is generated through advanced conversion technologies.

The Board will continue to focus on commercialising Kedco's lead projects and we look forward to updating the market on these in due course.

I would like to thank all my fellow directors and all employees, stakeholders and shareholders, whose combined efforts and support have positioned the Company to capitalise on these exciting opportunities.

Dermot O’Connell
Non-Executive Chairman
16 November 2011

Chief Executive's Report

Operational Review

As announced on 14 November 2011, Kedco has signed a binding facilities agreement for up to £9.44 million with Ulster Bank Group, a subsidiary of Royal Bank of Scotland plc, in respect of our Newry project. The Company's main shareholder, Farmer Business Developments plc, agreed to become the Company's joint venture partner in respect of Newry, wholly replacing Kedco's previous partner.

This is a significant milestone for the Company. Kedco now has access to the financing to complete the Newry Plant**.** The Company estimates that the plant, once commissioned in full, will sell approximately 29 million Kwh per annum of renewable energy to the electricity grid in Northern Ireland. The plant is expected to generate EBITDA of approximately £1.9 million per year once fully commissioned, and it is anticipated that initial commissioning will complete in Q2 2012.

Having received planning permission to build a c. £45 million biomass wood gasification plant in Enfield, North London capable of generating 12MW of electricity and 10 MW of heat, tenders are currently being prepared to source a suitable Engineering, Procurement and Construction ("EPC") Contractor for the proposed construction of the plant. Once this is done we will move forward to financial close on the London Enfield project. The plant has an estimated capital cost of £45 million and the site is secured on 20-year lease.

Kedco, with its partner Larkfleet Group, recently hosted an open day in Clay Cross in Derbyshire and is preparing to submit a planning application to Derbyshire County Council with a public consultation for an 8MW wood gasification plant and a 1MW Anaerobic Digestion plant.

We are continuing to progress potential projects through the pipeline and have identified further prospective sites for future developments.

During the year the Board undertook a strategic review of the business to refocus the business portfolio on core activities and deliver cost savings by exiting non-core and non-profitable business segments. The Company's focus is on the UK and Ireland, and consequently the Board is reducing Kedco's international presence. The Company has recently exited from the domestic energy business and removed certain management costs from the organisation with the aim of creating a leaner, more efficient structure with a focus purely on the waste to energy power generation business.

Financial Review

Revenue in the period amounted to €11.1 million, in line with expectations (FY 2010: €9.0 million). The Company reported a loss for the period of €4.5 million, an increase on the prior year figure of €3.2 million.

The increase in losses is predominantly attributable to one off restructuring costs and an increase in financing costs due to the Company taking on more debt finance.

During the period the Company raised £2.6 million from the issue of zero-coupon, secured loan notes, and also secured equity finance in aggregate of £1.75 million from a variety of investors. The Company also negotiated debt facilities totalling €1.2 million to assist in short-term working capital requirements from the Company’s main shareholder, Farmer Business Developments plc. Following the year-end, the Company sourced a further €1.2 million in debt facilities from Farmer Business Developments plc.

At 30 June 2011, the Company had net debt of €11.8 million (30 June 2010: €9.1 million) including cash balances of € 616,285 (30 June 2010: €116,753).

Outlook

Until such time as the Company generates sufficient cashflow from its projects, preserving cash and securing additional finance remain a priority for the Company. We will continue our disciplined reduction of non-core and non-profitable assets.

Whilst the Company’s strategy is to build, own and operate biomass power generating plants, once a site has been secured and planning and permitting has been obtained we would be in a position, if we so chose, to monetise either part or all of any project.

Kedco is a development company. Economic conditions remain uncertain and the restricted credit markets could continue to have an impact on the availability of finance. We have continued to raise finance successfully during the period and the Board is cautiously optimistic about the coming period.

We continue to invest capital in developing customer and partner relationships and in furthering projects in our pipeline.

We welcome the clarity provided by the Department of Energy and Climate Change’s consultation document, published in October 2011, on levels of banded support under the Renewables Obligation for the period 2013-2017. We believe that the proposals to retain the existing support level of 2 Renewables Obligation Certificates per megawatt hour for advance gasification and anaerobic digestion banding, until 2015/16 when the rate drops marginally to 1.9 for new accreditations - in effect maintain the existing support levels for those projects already under construction or those that will be in the near term.

The UK Secretary of State for Energy and Climate Change recently stated that renewable energy technologies will deliver a third industrial revolution whose impact will be every bit as profound as the first two. He argued that the revolution has already begun. Kedco aims to be a part of this revolution.

The signing of banking facilities for a biomass gasification plant is an endorsement of the Company's strategy to build, own and operate biomass energy plants in the UK and we will now aggressively pursue other opportunities in our project pipeline.

Gerry Madden
Interim CEO and Finance Director

16 November 2011

Kedco plc
Consolidated income statement
for the year ended 30 June 2011

	Notes	2011 €	2010 €
Revenue		11,132,570	9,023,979
Cost of sales		(9,196,239)	(7,069,165)
Gross profit		1,936,331	1,954,814
Operating expenses			
Administrative expenses		(4,640,738)	(4,310,925)
Other operating income		7,605	-
Operating loss		(2,696,802)	(2,356,111)
Finance costs		(1,627,690)	(758,567)
Share of losses on joint ventures after tax		(356,228)	(113,536)
Profit on disposal of share in joint venture		285,379	-
Finance income		364	32,411
Loss before taxation		(4,394,977)	(3,195,803)
Income tax expense		(139,886)	(47,098)
Loss for the year from continuing operations		(4,534,863)	(3,242,901)
Loss attributable to:			
Owners of the company		(4,698,241)	(3,388,284)
Non-controlling interest		163,378	145,383
		(4,534,863)	(3,242,901)

		2011 € Euro per share	2010 € Euro per share
Basic loss per share:			
From continuing operations	2	(0.02)	(0.02)
Diluted loss per share:			
From continuing operations	2	(0.02)	(0.01)

Kedco plc
Consolidated statement of comprehensive income and expenditure
for the year ended 30 June 2011

	2011 €	2010 €
Loss for the financial year	(4,534,863)	(3,242,901)
Other comprehensive income		
Exchange differences arising on retranslation of foreign operations	21,063	880
Total comprehensive income and expense for the year	(4,513,800)	(3,242,021)
Attributable to:		
Owners of the company	(4,677,178)	(3,387,404)
Non-controlling interests	163,378	145,383
	(4,513,800)	(3,242,021)

Kedco plc
Consolidated statement of financial position
At 30 June 2011

	Notes	2011	2010
ASSETS		€	€
Non-current assets			
Goodwill		549,451	549,451
Intangible assets		505	71,995
Property, plant and equipment		5,060,243	5,570,812
Financial assets		990,000	990,000
Share of net assets of jointly controlled entities		-	207,109
Total non-current assets		6,600,199	7,389,367
Current assets			
Inventories		1,613,026	1,610,015
Amounts due from customers under construction contracts		9,425,279	9,291,911
Trade and other receivables		2,848,088	2,511,302
Cash and cash equivalents		616,285	116,753
Total current assets		14,502,678	13,529,981
Total assets		**21,102,877**	**20,919,348**
EQUITY AND LIABILITIES			
Equity			
Share capital		3,543,999	3,239,407
Share premium		19,038,300	17,410,077
Shared based payment reserves		492,580	328,383
Retained earnings – deficit		(22,316,689)	(17,639,511)
Equity attributable to equity holders of the parent		758,190	3,338,356
Minority interest		799,228	635,850
Total equity		1,557,418	3,974,206
Non-current liabilities			
Borrowings		7,958,393	6,749,672
Deferred income – government grants		36,915	50,653
Finance lease liabilities		373	4,693
Share of net liabilities of jointly controlled entities		18,867	-
Deferred tax liability		268,062	128,176
Total non-current liabilities		8,282,610	6,933,194
Current liabilities			
Amounts due to customers under construction contracts		1,272,735	1,302,357
Trade and other payables		5,481,674	6,221,514
Borrowings		4,494,676	2,445,265
Deferred income – government grants		9,444	6,009
Finance lease liabilities		4,320	36,803
Total current liabilities		11,262,849	10,011,948
Total equity and liabilities		**21,102,877**	**20,919,348**

Kedco plc
Consolidated statement of cash flows
for the year ended 30 June 2011

	Notes	2011 €	2010 €
Cash flows from operating activities			
Loss before taxation		(4,394,977)	(3,195,803)
Adjustments for:			
Share based payments		164,197	164,195
Depreciation of property, plant and equipment		634,734	658,599
Amortisation of intangible assets		71,396	85,314
(Profit)/Loss on disposal of property, plant and equipment		(88,881)	(13,478)
Impairment of property, plant and equipment		424,668	-
Impairment of intangible assets		94	-
Unrealised foreign exchange gain		6,941	-
Share of losses of jointly controlled entities after tax		356,228	113,536
(Decrease) in provision for impairment of trade receivables		(166,014)	(286,429)
Increase in impairment of inventories		281,921	44,832
Decrease in deferred income		(10,303)	(15,033)
Interest expense		1,627,690	758,567
Profit on disposal of share in joint venture		(285,379)	-
Interest income		(364)	(32,411)
Operating cash flows before working capital changes		(1,378,049)	(1,718,111)
(Increase)/decrease in:			
Amounts due from customers under construction contracts		(133,368)	(2,226,444)
Trade and other receivables		(174,720)	101,644
Inventories		(284,932)	(327,523)
(Decrease)/increase in:			
Amounts due to customers under construction contracts		(29,622)	302,357
Trade and other payables		(717,781)	1,333,655
		(2,718,472)	(2,534,422)
Income taxes paid		(55,968)	12,545
Net cash used in operating activities		**(2,774,440)**	**(2,521,877)**
Cash flows from investing activities			
Additions to property, plant and equipment		(573,181)	(185,068)
Proceeds from sale of property, plant and equipment		113,229	19,051
Additions to investments in jointly controlled entities		-	(309,172)
Proceeds from disposal of share in joint venture		134,840	-
Interest received		364	35,950
Net cash used in investing activities		**(324,748)**	**(439,239)**
Cash flows from financing activities			
Proceeds from borrowings		4,142,687	2,584,154
Repayments of borrowings		(1,583,381)	(1,839,889)
Proceeds from issuance of ordinary shares		1,932,815	2,487,458
Payments of finance leases		(36,803)	(117,503)
Interest paid		(590,526)	(709,869)
Net cash from financing activities		**3,864,792**	**2,404,351**
Net increase/(decrease) in cash and cash equivalents		**765,604**	**(556,765)**
Cash and cash equivalents at the beginning of the financial year		(557,017)	(252)
Cash and cash equivalents at the end of the financial year		**208,587**	**(557,017)**
Made up as follows:			
Cash and cash equivalents as disclosed under current assets in Consolidated Statement of Financial Position		616,285	116,753
Bank overdrafts		(407,698)	(673,770)
Cash and cash equivalents		**208,587**	**(557,017)**

Kedco plc
Notes to the consolidated financial statements
for the year ended 30 June 2011

1. Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) effective at 30 June 2011 for all periods presented as issued by the International Accounting Standards Board. The consolidated financial statements are also prepared in accordance with IFRS as adopted by the European Union ('EU').

The consolidated financial statements are prepared under the historical cost convention. The principal accounting policies set out below have been applied consistently by the parent company and by all of the Company's subsidiaries to all periods presented in these consolidated financial statements.

The financial statements of the parent company, Kedco plc have been prepared in accordance with IFRS and Irish statute comprising the Companies Acts, 1963 to 2009.

As described in the Chief Executive's Report, the Company continues to invest capital in developing customer and partner relationships in the UK and Ireland. The Company has also continued to develop and expand its pipeline of projects. These activities together with the current challenging economic environment have resulted in the Company continuing to report losses for the year to 30 June 2011.

Since 30 June 2011, The Company has secured a €1,200,000 facility, of which €800,000 is already drawn down, to assist its short-term working capital requirements from its main shareholder, Farmer Business Developments plc.

Best Kedco Limited, the joint venture which was established to develop a biomass electricity and heat generating plant in Newry, Northern Ireland, signed a binding facilities agreement with Ulster Bank Group in November, 2011. Pursuant to this agreement, Ulster Bank will advance up to £9.44 million to enable the completion of construction, installation and commissioning of the 4MW plant. To date, Kedco has invested approximately £6.1 million on construction of the plant. The facilities include a construction facility of £7.94 million, of which £4 million will be made available to complete an initial 2MW of generating capacity. The remaining £3.94 million will be made available upon the successful commissioning of the initial 2 MW. The directors of Kedco estimate that the initial commissioning will complete in Q2 2012. This facility allows Kedco to realise the value of Construction Work in Progress in its subsidiary company, Kedco Fabrication Limited and enables Kedco Fabrication Limited to complete the commissioning of the plant for Best Kedco Limited.

In July 2011, the Group announced that it has undertaken a strategic review with the aim of refocusing its business portfolio to core activities and delivering cost savings by exiting non-core and non-profitable business segments. The Group intends to focus on the UK and Ireland, reduce its international presence and continued its disciplined reduction of non-core and non-profitable assets.

The Group exited from the domestic energy market and removed certain management costs from the organisation with the aim of creating a leaner, more efficient structure with a focus purely on the waste to energy power generation business.

Until such time as the Company generates sufficient cashflow from its projects, the Directors will continue to institute measures to preserve cash and will continue to seek additional finance.

The 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 financial statements. The validity of the going concern concept is dependent upon additional finance being available for the Company's working capital requirements and for the continued investment in the Company'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. Whilst the strategy is to build, own and operate plants, once a site has been secured and planning and permitting obtained the Company would be in a position, if it so chose, to monetise the value of the project. The financial statements do not include any adjustments that would result should the above conditions not be met.

After making enquiries and considering the items referred to above, the Directors believe that solid progress towards securing finance has been and is being made and that, whilst there is no guarantee that future investment will be forthcoming, the Directors have a reasonable expectation that the Company has 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 financial statements.

2. Loss per share

	2011 € Euro per share	2010 € Euro per share
Basic loss per share		
From continuing operations	(0.02)	(0.02)
Diluted loss per share		
From continuing operations	(0.02)	(0.01)

Basic loss per share
The loss and weighted average number of ordinary shares used in the calculation of the basic loss per share are as follows:

	2011 €	2010 €
Loss for year attributable to equity holders of the parent	(4,698,241)	(3,388,284)
Weighted average number of ordinary shares for the purposes of basic loss per share	236,242,380	220,482,654

Diluted loss per share
The loss used in the calculation of all diluted earnings per share measures is the same as those for the equivalent basic earnings per share measures, as outlined above.

The weighted average number of ordinary shares for the purposes of diluted loss per share reconciles to the weighted average number of ordinary shares used in the calculation of basic loss per share as follows:

	2011	2010
Weighted average number of ordinary shares used in the calculation of basic loss per share	236,242,380	220,482,654
Shares deemed to be issued in respect of long term incentive plan	49,256,332	49,256,332
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	285,498,712	269,738,986

Share warrants which could potentially dilute basic earnings per share in the future have not been included in the calculation of diluted earnings per share as they are anti-dilutive for the periods presented. The dilutive effect as a result of share warrants in issue as at 30 June 2011 would be to increase the weighted average number of shares by 30,672,924 (2010: 8,075,766).

Convertible preference shares which could potentially dilute basic earnings per share in the future have not been included in the calculation of diluted earnings per share as they are anti-dilutive for the periods presented. The dilutive effect as a result of preference shares in issue as at 30 June 2011 would be to increase the weighted average number of shares by 3,125,000 (2010: 1,562,500).

Convertible loans which could potentially dilute basic earnings per share have not been included in the calculation of diluted earnings per share as they are anti-dilutive for the periods presented. The dilutive effect as a result of loans in issue as at 30 June 2011 would be to increase the weighted average of shares by 9,500,000 (2010: 1,208,333).

3. Events after the balance sheet date

During October 2011, the Company raised €1.2 million from the issue of loan notes to the Company's main shareholder Farmer Business developments plc. The proceeds from the placing will be used to develop identified opportunities for joint ventures and working capital purposes. In November 2011 the Company confirmed that its joint venture, Best Kedco Limited which was established to develop a biomass electricity and heat generating plant in Newry, Northern Ireland signed a binding facilities agreement with Ulster Bank Group a subsidiary of the Royal Bank of Scotland plc. Pursuant to the agreement, which is subject to certain conditions precedent, Ulster Bank Group will advance up to £9.44 million to enable the completion of construction, installation and commissioning of the 4MW plant. To date Kedco has invested approximately £6.1 million on the construction of the plant.

The annual report and financial statements for the year ended 30 June 2011 will be posted to shareholders shortly. The annual report and financial statements will also be available on the Company's website – www.kedco.com.

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