

EVOLVE CAPITAL PLC (“EVOLVE” OR “THE COMPANY”)

INTERIM STATEMENT FOR THE SEVEN MONTH PERIOD TO 30 JUNE 2008

CHAIRMAN’S STATEMENT

I am pleased to present Evolve’s first interim accounts which show the results of the Company for the seven month period from 1 December 2007 to 30 June 2008.

The Company was established to invest in pre IPO businesses intending to join the PLUS-quoted market or in companies already trading on the PLUS-quoted market.

Financial Review

In December 2007 the Company completed the raising of some £4million of new equity capital and on 28 December 2007 the Company’s shares were admitted to trading on AIM. Evolve is believed to be the only AIM listed company offering investors a pure opportunity to invest in the PLUS-quoted market on a pre-selected portfolio basis.

During the period under review the Company reported a loss before and after tax of £3,971. The Directors propose that no dividend be paid at the current time. At 30 June 2008 the Company’s net assets were £3.9million. However, as the Company does not report under International Financial Reporting Standards (“IFRS”), investments held by the Company are included within net assets at cost less any provision for impairment.

Evolve completed 3 investments during the period under review, brief details of which are as follows.

Aconite Technology Limited (“Aconite”)

Aconite is a private company that has developed and is marketing a suite of open platform software products that enable the issuers of credit cards and other plastic payment cards to migrate to the new EMV industry standard (chip and pin) cards without the need to replace their existing infrastructure that was designed and installed to process and manage magnetic stripe cards. Aconite’s software also enables card issuers to issue and manage pre-paid debit cards on an efficient and highly cost effective basis. Evolve invested £500,000 in the ordinary share capital of Aconite in March 2008. On the basis of the valuation at which a subsequent investment in Aconite was made in July 2008 by Datacard Group, the world’s largest provider of payment card solutions, Evolve’s investment would be valued at some £662,000, representing a notional uplift of £162,000.

Woodspeen Training plc (“Woodspeen”)

Woodspeen is a training company addressing the government funded vocational training sector, with a specific focus on the Learn Direct and Train to Gain programmes. Woodspeen’s management comprise the previous Chief Executive and co-founder as well as the previous Finance Director of BPP, a fully listed company and one of the UK’s leading professional training companies. Evolve invested £300,000 in the ordinary share capital of Woodspeen in January 2008. Woodspeen was subsequently admitted to the PLUS-quoted market in March 2008 as an investment company and was readmitted in June 2008, as required under the PLUS-quoted rules, upon completion of the reverse takeover of Future Training Centres Limited, Woodspeen’s first acquisition. Based on Woodspeen’s current bid market price, Evolve’s shareholding is valued at £795,000, a notional gain of £495,000.

Pulse Group plc (“Pulse”)

Pulse is a leading provider of RPO (research process outsourcing) in Asia Pacific and services market research companies based throughout the world. Evolve initially invested £500,000 in the ordinary share capital of Pulse in June 2008 and Pulse joined the PLUS-quoted market later that month. Since then, Evolve has reduced the level of its investment to £295,600 at the date of this

report (£373,596 at 30 June 2008) through a series of share disposals. Based on Pulse's current bid market price, Evolve's shareholding is valued at £705,483, a notional gain of £365,763. Details of the investments above are summarised in the following table:

| Investment | Cost at 30 June 2008 | Cost attributed to disposals between 1 July 2008 and date of this report | Valuation at date of this report | Notional gain at date of this report |
|-------------------|-----------------------------|---|---|---|
| Aconite | 500,000 | - | 661,904 | 161,904 |
| Woodspeen | 300,000 | - | 795,000 | 495,000 |
| Pulse | 373,596 | (33,876) | 705,483 | 365,763 |

Based on the current market values, the total notional gain on these investments at the date of this report is £1,022,667, which equates to a notional gain of 2.21p per share. However, shareholders should note that, due to the lack of liquidity in small cap stockmarkets in general, which includes the PLUS-quoted market, there is no guarantee that the investments discussed above could be sold for their current market values, particularly as they represent relatively large shareholdings in the companies invested in. In the case of Aconite, shareholders should note that there is at present no market for its shares, although it is the intention of Aconite to seek a quotation on PLUS.

During the year Evolve also made a small loan and investment in the ordinary share capital of 3D Diagnostic Imaging plc ("3D") to enable it to complete the acquisition of the assets and business of an AIM company which had failed earlier in the year. Evolve hopes to invest further in 3D as part of a more comprehensive financing of the company and it is the management's current intention that 3D will join the PLUS-quoted market in the final quarter of 2008.

I feel that the Company's decision to focus on the PLUS-quoted market has been vindicated by the difficult conditions encountered by small cap companies on AIM over the last few months. We have seen and continue to see many excellent investment opportunities in the small cap space and remain convinced that the PLUS-quoted market is the ideal market place for such companies. We believe that PLUS-quoted will continue to grow in size and in stature and that Evolve is well placed to take advantage of that growth.

All in all an encouraging start!

Oliver Vaughan
Chairman

26 September 2008

Enquiries:

Evolve Capital Plc
Oliver Vaughan, Chairman
Telephone: +44 (0) 20 7937 4445

Dowgate Capital Advisers Limited
Nominated adviser
James Caithie
Telephone: +44 (0) 20 7492 4777

Evolve Capital Plc

Profit and loss account for the seven month period to 30 June 2008

| | Unaudited 7 months to 30 June 2008 £ |
|--|---|
| Turnover | - |
| Administrative expenses | 110,351 |
| Operating loss | (110,351) |
| Profit on disposal of fixed asset investments | 23,596 |
| Loss on ordinary activities before interest | (86,755) |
| Interest receivable and similar income | 82,784 |
| Loss on ordinary activities before and after taxation | (3,971) |
| | |
| Loss per share - Basic and diluted | (0.01)p |

Evolve Capital Plc

Balance sheet at 30 June 2008

| | Unaudited 30 June 2008 £ | Unaudited 30 June 2008 £ |
|---|-----------------------------------|-----------------------------------|
| Fixed assets | | |
| Tangible fixed assets | | 7,614 |
| Fixed asset investments | | 1,213,596 |
| | | <hr/> 1,221,210 |
| Current assets | | |
| Debtors | 138,122 | |
| Cash at bank | 2,591,010 | |
| | <hr/> 2,729,132 | |
| Creditors: amounts falling due within one year | 13,745 | |
| | <hr/> | |
| Net current assets | | 2,715,387 |
| | | <hr/> |
| Total assets less current liabilities | | 3,936,597 |
| | | <hr/> |
| Capital and reserves | | |
| Called up share capital | | 462,500 |
| Share premium account | | 3,478,068 |
| Profit and loss account | | (3,971) |
| | | <hr/> |
| Shareholders' funds | | 3,936,597 |
| | | <hr/> |

Evolve Capital Plc**Cash flow statement for the seven month period to 30 June 2008**

| | Unaudited 30 June 2008 £ | Unaudited 30 June 2008 £ |
|---|---|---|
| Reconciliation of operating loss to net cash outflow from operating activities | | |
| Operating loss | | (110,351) |
| Depreciation of tangible fixed assets | | 1,300 |
| Increase in debtors | | (9,994) |
| Increase in creditors | | 13,745 |
| Net cash outflow from operating activities | | (105,300) |
| Returns on investments and servicing of finance | | |
| Interest received | | 74,656 |
| Capital expenditure and financial investment | | |
| Payments to acquire fixed asset investments | (1,340,000) | |
| Receipts from sale of fixed asset investments | 30,000 | |
| Payments to acquire tangible fixed assets | (8,914) | |
| | | (1,318,914) |
| Cash outflow before use of liquid resources and financing | | (1,349,558) |
| Management of liquid resources | | |
| Increase in short term deposits | | (2,561,594) |
| Financing | | |
| Issue of ordinary share capital | 4,012,500 | |
| Expenses paid in connection with share issue | (121,932) | |
| | | 3,890,568 |
| Decrease in cash | | (20,584) |

Unaudited
30 June
2008
£

Reconciliation of net cash flow to movement in net funds

| | |
|---|-------------------------|
| Decrease in cash | (20,584) |
| Cash outflow from changes in liquid resources | 2,561,594 |
| Movement in net funds | <u>2,541,010</u> |
| Opening net funds | 50,000 |
| Closing net funds | <u>2,591,010</u> |

1. Nature of financial information

This interim report was approved by the board of directors on 25 September 2008.

The financial information contained in this interim report does not comprise statutory accounts as defined by section 240 of the Companies Act 1985.

The interim financial information has been prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

The financial information for the seven month period ended 30 June 2008 is unaudited but has been reviewed by the Company's auditors.

2. Accounting policies

Basis of preparation

The interim financial information has been prepared under the historical cost convention and in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The following principal accounting policies have been applied:

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of tangible fixed assets evenly over their expected useful lives. It is calculated at the following rate:

| | | |
|------------------|---|-----|
| Office equipment | - | 25% |
|------------------|---|-----|

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as short term deposits.

3. Loss per share

The basic loss per share has been calculated by dividing the loss by the weighted average number of shares in issue during the relevant period. There is no dilution as there are no potential ordinary shares.

4. Interim report

A copy of the Interim Report will be distributed to shareholders shortly and will be available from Evolve Capital plc, 223a Kensington High Street, London W8 6SG during the next four weeks.