

Chairman's Statement

Since I last reported to you, St. Helen's Capital has undergone significant structural changes.

On 14 September we announced that we had sold the Plus Markets Adviser and AIM broking businesses to Whim Gully as outlined in the circular sent to shareholders on 28 August 2009. This had the effect of reducing the significant cash outflow from the business and also increased the cash reserves by around 40 per cent.

On the 23 November 2009 we announced the acquisition of Marechale Capital Limited ("Marechale") and the appointment of Patrick Booth-Clibborn to the board of St Helen's Capital ("the Board") as Chief Executive. Patrick has 22 years investment banking and broking experience including being a founding director at Noble & Co and Director of Corporate Finance at KBC Peel Hunt.

Marechale is a corporate finance advisory and capital fund raising business focusing on fundraising for growth companies and funds. It outsources costly non-core functions such as research and M&A, and revenues are generated from fees, warrants and equity investments in lieu of fees.

Mr Booth-Clibborn's deal flow (acquired by St Helen's Capital through the acquisition of Marechale) offers a low cost and significantly de-risked opportunity to generate revenues and profitability. I am pleased to report that revenues are already being generated and invoiced. We have also given a commitment to keep costs to the absolute minimum (and initially in line with the costs agreed by shareholders for operating the cash shell). In order to preserve the Company's cash, the Marechale deal has been satisfied by the issue of shares, which was approved by shareholders at the Annual General Meeting on 17 December 2009.

Before entering into the acquisition of Marechale, we consulted with all the main shareholders, the majority of whom were comfortable with the proposed transaction, which the Board felt it was therefore right to secure in the general interests of shareholders.

The Company intends to use its cash and equity to make complimentary acquisitions and investments in the financial services sector. The Board are already reviewing two possible opportunities.

The task of selling the old business and establishing a new, low cost and de-risked operation has been completed. The Board's objective is now to move the business back into profitability.

The Board has also proposed a strategic share swap with the fund management group Bluehone and the appointment of Bill Brown to the Board as a non executive director. We believe that the deal that has been negotiated with Bluehone would be a good investment and also should offer business synergies. The majority of shareholders voted in favour of the Bluehone transaction at last week's AGM, but the resolution required to enable the share swap was not passed owing to the special resolution requiring 75 per cent. support; therefore, the Bluehone transaction has not proceeded at this stage.

Most shareholders, by number and percentage, as reflected in the proxy votes received, are supportive of the Company's new strategy, however, there is a significant minority of shareholders who are opposed to it and we have spent much time presenting and discussing our plans with them.

With the desire to have a consensus of all shareholders, the Board has agreed that it would be in all shareholders' interests for them to be able to express their views in a general meeting at which a resolution would be proposed specifically relating to the Bluehone transaction. We will therefore convene a further general meeting in the New Year, at which shareholders will also be asked to approve the Company's change of name, which is a requirement of the sale of the Company's business assets, and the adoption of the Company's new Articles of Association which is necessary to reflect changes to the Company's Act 2006.

Whilst there remains great uncertainty in the financial markets, we believe that there are also numerous opportunities and that there is excellent value in the Smaller company sector.

St Helen's Capital PLC
Income Statement
Six months ended 30th September 2009

Discontinued operations*	30 Sept 2009	30 Sept 2008	
Revenue	318,580	543,498	
Cost of sales	(30,324)	(48,298)	
Gross profit	<u>288,257</u>	<u>495,200</u>	
Administrative expenses	(861,770)	(1,171,513)	
Operating loss	<u>(573,513)</u>	<u>(676,313)</u>	
Investment revenues	1,748	38,397	
Other gains and losses	(1,408)	(41,360)	
Sale of Goodwill	200,000	0	
Loss before tax	<u>(373,173)</u>	<u>(679,276)</u>	
Corporation tax charge	0	0	
Loss for the period	<u>(373,173)</u>	<u>(679,276)</u>	
Earnings per share			
Basic	42,741,106 shares (2008:42,443,860)	-0.9p	-1.6p
Diluted**	42,741,106 shares (2008:42,443,860)	-0.9p	-1.6p

* On 14th September 2009 the AIM Broking and PLUS Adviser businesses and associated assets were sold to Whim Gully Capital LLP for a consideration of £200,000.

** Due to the losses, the diluted EPS calculations will show a lower loss per/share, making the options 'anti-dilutive'. Accordingly the basic +EPS and the diluted EPS are the same. On 14th September 2009 all outstanding options were cancelled.

St Helen's Capital PLC
Balance Sheet
As at 30th September 2009

	30 Sept 2009	30 Sept 2,008
Non current assets		
Property, plant and equipment	15,929	60,203
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Current assets		
Available for sale investments	110,614	218,493
Trading investments	6,089	33,504
Trade and other receivables	241,037	315,551
Cash and cash equivalents	541,153	1,280,412
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	898,893	1,847,959
	<hr/>	<hr/>
Total assets	914,822	1,908,163
Current liabilities		
Trade and other payables	(132,179)	(199,688)
Corporation tax	19,281	(19,283)
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Total current liabilities	(112,898)	(218,971)
Net assets	<hr/>	<hr/>
	801,923	1,689,192
Equity		
<i>Capital and reserves attributable to equity shareholders</i>		
Share capital	2,137,055	2,142,800
Share premium account	1,177,452	1,171,707
Revaluation reserves	36,773	4,697
Other reserves	683,591	487,316
Retained earnings	(3,232,948)	(2,117,328)
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	801,923	1,689,192

St Helen's Capital PLC
Cash Flow Statement
Six months ended 30th September 2009

	30 Sept 2,009	30 Sept 2,008
Net Cash from operating activities		
Operating -loss/ profit	(573,413)	(676,313)
Depreciation	21,000	21,000
Profit on disposal of goodwill	200,000	
Tax paid		
Share based payments	80,000	124,000
Operating cash flows before movements in working capital	<u>(272,413)</u>	<u>(531,313)</u>
Movement in working capital		
Decrease/(increase) in receivables	91,960	(33,241)
Increase/(decrease) in payables	(30,963)	(19,433)
	<u>60,998</u>	<u>(52,673)</u>
Operating cash flow	<u>(211,415)</u>	<u>(583,986)</u>
Investment activities		
Interest receivable	1,649	38,397
Proceeds on disposal of trading investments	(1)	2,964
Proceeds on disposal of available for sale investments	0	0
Expenditure on tangible fixed assets	0	(3,359)
Expenditure on available for sale investments		
Cash flow from investing activities	<u>1,648</u>	<u>38,002</u>
Financing		
Issue of share capital	0	10,000
Interest payable	0	0
Cash flow from financing activities	<u>0</u>	<u>10,000</u>
Net increase/(decrease) in cash and cash equivalents	<u>(209,767)</u>	<u>(535,984)</u>
Cash and cash equivalents at start of period	750,921	1,816,396
Cash and cash equivalents at end of period	541,153	1,280,412
Increase/(decrease) in cash and cash equivalents	<u>(209,767)</u>	<u>(535,984)</u>

This financial information has been prepared for use in the European Union. The company's financial statements have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee ('IFRIC') interpretations adopted by the European Union, and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS, with the prior periods being reported on the same basis.