

press release

22 June 2011

Despite disappointing results Imagination looks promising for the future

- Imagination reports results below expectations
- Revenues increase by 21% from the previous year
- The Share Centre continues to recommend Imagination Technologies as a 'buy'

As Imagination Technologies reports results for the year below expectations Nick Raynor, investment adviser at The Share Centre, explains what this means for investors:

"It was disappointing to see Imagination's results were short of expectations. Despite revenues increasing to £98m, up 21% from the previous year, analysts expected a figure over £100m. The company also announced that pre-tax profits for the year to 30 April rose from £10.2m to £16.4m.

"Investors seeking growth will be pleased to hear the company's new five year target to reach annual sales of 1bn devices using its technology. Although this is ambitious we feel it is achievable and the company reported this number has almost doubled to 245m - a strong indication of the demand.

"Revenues in the technology business rose 47% and Smartphones were a key factor behind this growth. As the sector moves at a tremendous pace there will be a constant demand for their products to be ahead of the curve and incorporate even more technology.

"Early morning trading saw Imagination's share price fall by 3% to 420p, however investors shouldn't be concerned as an increase in profit and revenues doesn't necessarily mean an increase in share price. In comparison Kesa Electricals issued results below expectations and a fall in profits but saw an 8% increase in the share price. Investors should look to the long term and Imagination's future ambitions are very promising.

“Imagination is one of our preferred plays in the sector as a smaller second line technology company. We continue to recommend investors seeking growth ‘buy’ Imagination for exposure to a key player in a fast moving, evolving market.”

---Ends---

Note to editors:

The Share Centre is now on Facebook and Twitter.



Join us on Facebook



Follow us on Twitter

For further information please contact:

The Share Centre

Rebecca Kempzell

PR Executive

01296 439 426

Rebecca.kempzell@share.co.uk

Stephanie Reynolds

PR Manager

01296 439 256

Stephanie.reynolds@share.co.uk

Lansons Communications

Inez de Koning / Lisa Grando / Sarah Waterson

0207 294 3623 / 0207 294 3669 / 0207 294 3649

Inezd@lansons.com / Lisag@lansons.com / SarahW@lansons.com

To view all our press releases and more from our investment advisers please go to blog.share.com

Risk Warnings:

Investing in general, and the products and services mentioned above may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment. Past performance is not a reliable indicator of future performance.

The bases and levels of taxation relating to ISAs, CTFs and SIPP's are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment ‘wrappers’ including ISAs, CTFs and SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on www.share.com. Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#). The Share Centre blog is also available at <http://blog.share.com>.

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

The Share Centre Limited is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority under reference 146768.

Registered in England No. 2461949. Registered office: Oxford House, Oxford Road, Aylesbury, Bucks. HP21 8SZ.