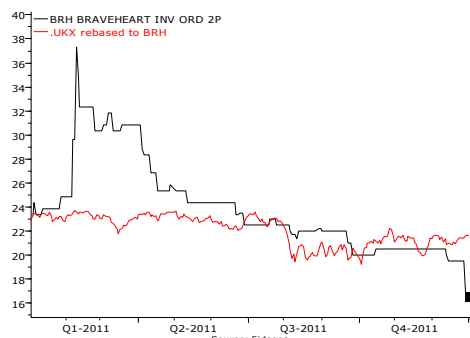


Braveheart Investment Group plc
A Focus on Growing Fee Income

16.5p

4 January 2012

Share Price: 16.5p



12m High: 37.3p

12m Low: 16.5p

Market Cap: £3.2m

Shares in Issue: 19.3m

NAV/Share: 27.5p

Gearing: Net cash

Interest Cover: n/a

EPIC Code: BRH.L

Sector: Equity Investment Instruments

Market: AIM

Broker: Seymour Pierce

PR: Allerton Communications Ltd

Website: www.braveheartinvestmentgroup.co.uk

Description: Braveheart Investment Group plc is an investment management group specialising in providing investment services, fund management and capital raising services to business angels, high net worth individuals, family offices and public sector organisations.

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Braveheart Investment Group has announced its half year results to 30 September 2011. Key points are:

- Fee based revenue of £621k was up 89% on the prior half year's £329k, with fee income buoyed by the contribution from subsidiary Envestors Ltd, acquired in October 2010
- An unrealized loss of £297k has been recorded on the revaluation of Braveheart's investment portfolio, this has been partially offset by a £179k credit in respect of a reduction in the fair value of contingent consideration due
- The Capital Pub Company, Braveheart's last remaining quoted investment, has been disposed of for £92k, realising a gain of £39k
- Total income, after the unrealized loss and movement in contingent consideration was £550k
- Operating costs, which now include the Envestors cost base, were £1.39m – these costs contained a one-off payment in respect of a placing of 4.1m shares in which £950k was raised before expenses
- The group has reported a loss before tax of £842m or 4.91p per share
- Cash at bank at 30 September 2011 was £841k (2010: £1.34m) and net assets were £4.72m (2010: £5.13m)
- In Braveheart's own investment portfolio six companies have received financing, totaling £11.73m - the group's subsidiary, Envestors, has led £4.52m in financing for its client companies – since its acquisition in October 2010 Envestors has led financings totaling £9.76m
- The group is continuing to focus on growing its investment management and corporate finance side

We now consider it unlikely that Braveheart will make any significant realisations of its portfolio companies in the current year and have lowered our forecasts to reflect this. In 2012 we are forecasting a loss of £1.6m (previously £152k) and for 2013 a loss of £725k (previously £12k).

Y/E	Income	Declared Profit, IFRS	Adjusted Profit	Declared EPS, IFRS	NAV/share	Div	Yield
Mar	£m	£m	£m	p.	P	p.	%
2010A	0.9	(0.8)	(0.8)	(5.6)	40.3	-	-
2011A	0.7	(1.3)	(1.3)	(9.1)	30.7	-	-
2012E	1.1	(1.6)	(1.6)	(9.3)	20.7	-	-
2013E	2.1	(0.7)	(0.7)	(3.8)	17.3	-	-

Braveheart Investment Group plc

4 January 2012

Braveheart Investment Group is a Scottish based investment management group that provides investment services to business angels, high net worth individuals and family offices, fund management for private and public sector organisations and corporate services for companies raising finance. The group also invests directly itself, primarily in unlisted companies which have the potential to grow through the commercialisation of intellectual property.

Since listing on AIM in 2007 the group has made two key acquisitions, Viking Fund Managers ("VFM") and Envestors. VFM operates business angel networks in Yorkshire and the North East, manages public sector funds and provides corporate consultancy services. Envestors assists companies in sourcing capital from business angel networks.

Since its acquisition in October 2010 Envestors has helped its client companies to raise £9.76m. Recent financing rounds have included raising:

- £882k for Cherygood Limited, a fast growing juice brand
- £450k for eReceipts, a digital solution for verifying proof of purchase and business expenses
- £1m for Olly Limited, the producer of "Olly the Little White Van"
- £1.4m for Surface Generation Limited, a developer of advanced composite manufacturing processes; and
- £895k for Real Status, a modelling and visualisation software company

Aided by its acquisition activity Braveheart has grown its fee income rapidly. At the same time the group has expanded its geographical presence from Scotland, through into Yorkshire, the North of England, London, Manchester, the Channel Islands, Dubai and India.

The group's efforts are very much now focussed on continuing to grow its fee income further, concentrating on the investment management and corporate finance side of its business as opposed to its own investments.

In recent months it has been intensively involved in negotiation over the acquisition of additional investment management businesses. While no transaction has been concluded to date the group's management will continue to actively pursue acquisition opportunities.

In our view growth in fee income is likely to be essential in what Braveheart's management state is a "bleak macro-economic outlook" which is "likely to remain so for some time".

Under our current forecasts Braveheart will, in the absence of realising any significant investments in its own portfolio companies, need to raise further working capital in order to support its cost base in the year to 31 March 2013. An acquisition that helps to grow the top line would clearly be beneficial. We await further updates.

**"Scotland,
Yorkshire, the
North of
England,
London,
Manchester,
the Channel
Islands, Dubai
and India"**

Braveheart Investment Group plc

4 January 2012

Profit and loss, year to March	2010A	2011A	2012E	2013E
Turnover				
Fee income	568,241	925,781	1,273,050	1,400,355
Realisation profit		168,365	39,000	649,602
Unrealised (loss)/profit on revaluation	611,186	(464,029)	(442,000)	
Movement on contingent consideration	(295,392)	20,314	179,000	
Finance Revenue	33,541	31,629	16,000	16,000
Total Income	917,576	682,060	1,065,050	2,065,957
Total Costs	(1,684,731)	(1,988,192)	(2,736,000)	(2,790,720)
Net profit before tax	(767,155)	(1,306,132)	(1,670,950)	(724,763)
Tax				
Net profit after tax	(767,155)	(1,306,132)	(1,670,950)	(724,763)
Minority Interest	8,358	(317)	2	
Net profit attributable to parent	(775,513)	(1,305,815)	(1,670,952)	(724,763)
Basic Earnings Per Share	(5.6)	(9.1)	(9.3)	(3.8)

Cash flow, year to March	2010A	2011A	2012E	2013E
Net profit before tax	(767,155)	(1,306,132)	(1,670,950)	(724,763)
Depreciation	13,333	9,631	8,000	8,000
Amortisation		6,418	12,195	10,976
Working Capital	313,965	(30,365)	(27,098)	(22,714)
Decrease/(Increase) in revaluation	(611,186)	464,029	442,000	0
Interest Income	(33,541)	(31,629)	(16,000)	(16,000)
Increase in Investments	(557,400)	(112,656)	(35,000)	(35,000)
Other	46,902	(173,420)	28,000	28,000
Operating cash flow	(1,595,082)	(1,174,124)	(1,258,852)	(751,501)
Interest	33,541	31,629		
Net Capex		(7,811)	(8,000)	(8,000)
Free cash flow	(1,561,541)	(1,150,306)	(1,266,852)	(759,501)
Acquisitions and disposals	(176,486)	330,263	53,000	513,780
Other	(9,874)	(10,697)	890,000	
Increase/decrease in cash	(1,747,901)	(830,740)	(323,852)	(245,722)
Opening cash	3,221,844	1,473,943	643,203	319,351
Closing cash	1,473,943	643,203	319,351	73,629

Braveheart Investment Group plc

4 January 2012

Balance Sheet, Year to March	2010A	2011A	2012E	2013E
Fixed Assets				
Goodwill	327,064	987,105	987,105	987,105
Property Plant and Equipment	31,367	28,646	28,646	28,646
Other Intangibles		121,951	109,756	98,780
Investments at Fair Value	4,530,747	3,978,621	3,518,621	3,039,842
Other Receivables		54,112		
Current Assets				
Trade & Other Receivables	101,907	182,106	292,802	322,082
Consideration Due				
Current Tax Assets				
Cash and Cash Equivalents	1,473,943	643,203	319,351	73,629
Total assets	6,465,028	5,995,744	5,256,280	4,550,083
Current Liabilities				
Trade & Other Payables	126,036	244,722	328,320	334,886
Contingent Consideration	592,819	592,420	579,000	579,000
Deferred Income	20,230	14,202	50,000	50,000
Borrowings	10,696	6,629	1,000	1,000
Non-current Liabilities				
Deferred Tax Liabilities				
Borrowings	35,205	41,664	41,664	41,664
Contingent Consideration	78,822	574,378	286,000	286,000
Total Liabilities	863,808	1,474,015	1,285,984	1,292,550
Net Assets	5,601,220	4,521,729	3,970,296	3,257,533
Shareholder Funds	5,601,220	4,521,729	3,970,296	3,257,533

Braveheart Investment Group plc

4 January 2012

Management	Major Shareholders										
<p>Chief Executive Officer: Geoffrey Thomson</p> <p>Chief Financial Officer & Company Secretary: Colin Grant</p> <p>Chief Investment Officer: Carolyn Smith</p> <p>Non-executive Directors:</p> <ul style="list-style-type: none"> - Garry Watson - Ken Brown - Edward Cunningham - Jeremy Delmar-Morgan 	<table border="0"> <tr> <td>BBHISL Nominees Ltd</td> <td style="text-align: right;">29.2%</td> </tr> <tr> <td>Geoffrey C B Thomson</td> <td style="text-align: right;">12.2%</td> </tr> <tr> <td>D C Thomson & Co Ltd</td> <td style="text-align: right;">6.8%</td> </tr> <tr> <td>Chase Nominees Ltd</td> <td style="text-align: right;">5.5%</td> </tr> <tr> <td>A T G Burton</td> <td style="text-align: right;">4.6%</td> </tr> </table>	BBHISL Nominees Ltd	29.2%	Geoffrey C B Thomson	12.2%	D C Thomson & Co Ltd	6.8%	Chase Nominees Ltd	5.5%	A T G Burton	4.6%
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Chase Nominees Ltd	5.5%										
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Key Dates	Key Milestones										
<p>Next Full Year Results: July 2012</p> <p>Next Interim Results: December 2012</p>	<p>1997: Braveheart Ventures Ltd formed</p> <p>2003: Braveheart Investment Group plc formed, acquiring Braveheart Ventures</p> <p>2007: AIM listing, raising £6m Acquisition of WL Ventures Ltd</p> <p>2009: Opening of London office Acquisition of Viking Fund Managers Ltd</p> <p>2010: Acquisition of Envestors business angel and private investor network</p>										

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