31 March 2011

Hot Tuna (International PLC
(“Hot Tuna”, “the Company” or “the Group”)

Interim Results

Hot Tuna (International) PLC (AIM: HTT), a leading surf wear and fashion brand, announces its interim results for the six months ending 31 December 2010.

Highlights

- Successfully raised approximately £1.1 million via an equity placing
- New agreement with Interga SPA to distribute Hot Tuna products in Italy and Austria
- Appointment of Francis Ball as a Non-Executive Director
- Autumn Winter 2011 collection well received at recent trade shows
- Negotiating new distribution agreements in Europe and South East Asia

Interim Review

Sales for the six months to 31 December 2010 were down on the previous year due to challenging retail conditions and poor consumer confidence which affected the lead times and level of orders taken for the period. Whilst sales are anticipated to improve in the second half, revenues for the full year will be lower than the prior year. The company was focused on reducing levels of discounted merchandise and selling full price stock which also impacted sales in the period under review but will ensure better profitability in the long term.

During the period, the Company realised the efficiencies made last year by moving production from China to Turkey, thereby reducing costs relating to wage increases, manufacturing costs, and transportation costs from the factory in Asia to Europe.

Consumer confidence is slowly strengthening and forward orders for the coming season have been encouraging. The appointment of distributors and distribution partners will aid sales growth in new regions as the company expands into new markets and continues its programme of appointing these distributors.

Current Trading and Outlook

In Europe, current trading continues to be restrained in UK and European markets; however the launch of the Hot Tuna e-commerce site this summer will provide an additional uplift to sales for 2011 and 2012 and the new distribution agreements in place are also helping drive sales. The Company has commenced delivery of the Spring Summer 2011 collection to ASOS.com, and continued its partnerships with Amazon.com. The appointment of Interga as the new Italian and Austrian distributor for the brand has helped increase business.

The autumn/winter 2011 collections were very well received in January at the Berlin trade show Bread and Butter and secured new retail accounts in Germany. New working partnerships are now in place in Germany and Denmark for 2011 and 2012.

The US, after a restructure of the operations last year, recommenced business with major partners including Delia’s, Karmaloop and Victoria’s Secret and has successfully delivered product for the opening season of the US swim catalogues at Victoria’s Secret and Delia’s for Summer 2011.

In Australia, the Hot Tuna adult ranges were launched last August and were well received. A network of Independent stores have now selected the brand for inclusion in the Southern hemisphere Autumn Winter 2011 ranges. Further orders were secured a Sydney trade show in February 2011.

Central costs will increase in the coming year due to additional staffing requirements and ecommerce start up costs. The recent fundraising will help however expand the brand into new international markets, develop the new transactional website, fund online marketing, product design and development and provide the Company with working capital.

The focus continues to be on a design led offering which differentiates itself from other street and surf apparel brands. We continue to improve the design element of the brand, ensure each garment displays the iconic pink piranha.

The Company continues to talk to new partners and new markets and is confident that these will result in new distribution agreements. The Company is also seeking to appointment a new Chairman in the near term.

Geoff O'Connell, CEO of Hot Tuna:

"*We remain focused on increasing brand awareness in both new and existing markets and keeping our cost base down. The recent equity placing and new distribution agreements illustrate the ongoing support for the Company. Hot Tuna is an iconic surf heritage brand and we are positive about the continued appeal of the brand internationally.*"

Enquiries:

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JULY 2010 TO 31 DECEMBER 2010

	Notes	*Half Year to 31.12.2010* (Un-audited) £000's	*Half Year to 31.12.2009* (Un-audited) £000's	*Year Ended 30.6.2010* (Audited) £000's
Revenue		60	271	464
Cost of sales		(146)	(227)	(497)
Gross (loss)/profit		(86)	44	(33)
Selling and marketing expense		(50)	(23)	(74)
General and administrative expenses		(423)	(528)	(1,262)
Depreciation and amortisation		-	(25)	(35)
(Loss) from operations		(559)	(532)	(1,404)
Exceptional write off of liabilities		-	-	150
Investment income		-	-	-
Loss on disposal of property, plant and equipment		-	(1)	(27)

Finance costs		-	(10)	(28)
(Loss) before tax		(559)	(543)	(1,309)
Taxation		-	-	-
(Loss) for the period		(559)	(543)	(1,309)
Retained loss attributable to:				
Owners of the company		(559)	(543)	(1,309)
Non controlling interest		-	-	-
	2	(559)	(543)	(1,309)
Other comprehensive income				
Currency translation differences		39	22	(87)
Total comprehensive income for the period net of taxation		(520)	(521)	(1,396)
Total comprehensive income attributable to:				
Owners of the company		(520)	(521)	(1,396)
Non controlling interest		-	-	-
Total comprehensive income for the period		(520)	(521)	(1,396)
(Loss) per share				
Basic and diluted	3	(0.05) pence	(0.10) pence	(0.18) pence

All activities relate to continuing operations

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Notes	*Half Year to 31.12.2010 (Un-audited)*	*Half Year to 31.12.2009 (Un-audited)*	*Year Ended 30.6.2010 (Audited)*
		£000's	*£000's*	*£000's*
ASSETS				
Non-current assets				
Other intangible assets		495	495	495
Property, plant & equipment		-	32	-
		495	527	495
Current assets				
Inventories		139	241	136
Trade and other receivables		65	366	165
Cash and cash equivalents		203	91	588
		407	698	889
TOTAL ASSETS		902	1,225	1,384
LIABILITIES				
Current liabilities				
Trade and other payables		335	525	297
Convertible loan note		-	152	-
		335	677	297
Non-current liabilities				
Convertible loan note		-	-	-

		-	-	-
TOTAL LIABILITIES		335	677	297
NET ASSETS		567	548	1,087
EQUITY				
Share capital	4	115	65	115
Deferred share capital		1,795	1,795	1,795
Share premium reserve		12,623	11,259	12,623
Share-based payment reserve		2,152	2,308	2,308
Warrant reserve		238	238	238
Foreign exchange reserve		(42)	28	(81)
Retained loss		(16,314)	(15,145)	(15,911)
Equity attributable to equity holders of parent		567	548	1,087
Non controlling interest		-	-	-
TOTAL EQUITY		567	548	1,087

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 JULY 2010 TO 31 DECEMBER 2010

CONSOLIDATED	*Share capital*	Deferred Share Capital	*Share premium account*	*Share-based payment reserve*	*Foreign Exchange Reserve*	*Warrant reserve*	*Retained loss*	*Total*	Non controlling interest	*Total equity*
	£000's	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*
Balance at 1 July 2010	115	1,795	12,623	2,308	(81)	238	(15,911)	1,087	-	1,087
Loss for the year	-	-	-	-	-	-	(559)	(559)	-	(559)
Exchange differences arising on translation of overseas operations	-	-	-	-	39	-	-	39	-	39
Total comprehensive income	-	-	-	-	39	-	(559)	(520)	-	(520)
Expiration of Options	-	-	-	(156)	-	-	156	-	-	-
Balance at 31 December 2010	115	1,795	12,623	2,152	(42)	238	(16,314)	567	-	567

CONSOLIDATED	*Share capital*	Deferred Share Capital	*Share premium account*	*Share-based payment reserve*	*Foreign Exchange Reserve*	*Warrant reserve*	*Retained loss*	*Total*	Non controlling interest	*Total equity*
	£000's	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*
Balance at 1 July 2009	28	1,795	10,240	2,308	6	238	(14,602)	13	-	13
Loss for the year	-	-	-	-	-	-	(1,309)	(1,309)	-	(1,309)
Exchange differences arising on translation of overseas operations	-	-	-	-	(87)	-	-	(87)	-	(87)
Total comprehensive income	-	-	-	-	(81)	-	(1,309)	(1,396)	-	(1,396)
Share capital issued	87	-	2,523	-	-	-	-	2,610	-	2,610
Costs of share issue	-	-	(140)	-	-	-	-	(140)	-	(140)
Balance at 30 June 2010	115	1,795	12,623	2,308	(81)	238	(15,911)	1,087	-	1,087

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD FROM 1 JULY 2010 TO 31 DECEMBER 2010

	Half Year to 31.12.2010 (Un-audited)	*Half Year to 31.12.2009* (Un-audited)	*Year Ended 30.6.2010* (Audited)
Cash outflow from Operating Activities	*£000's*	*£000's*	*£000's*
Operating loss	(559)	(543)	(1,309)
Investment income	-	-	-
Finance costs	-	10	28
Depreciation	-	25	35
Exceptional write off of liabilities	-	-	(150)
Foreign exchange loss	-	12	-
Loss on disposal	-	1	27
	(559)	(495)	(1,369)
(Increase) / decrease in inventories	(3)	40	145
Decrease / (increase) in receivables	100	14	215
Increase / (decrease) in payables	38	(535)	(643)
NET CASH FROM OPERATING ACTIVITIES	(424)	(976)	(1,652)
Investment income	-	-	-
Finance costs	-	(10)	(28)
Net cash flow from operating activities	(424)	(986)	(1,680)
Cash flow from investing activities			
Interest received	-	-	-
Net cash flow from investing activities	-	-	-
Cash flow from financing activities			
Net proceeds from issue of share capital	-	1,056	2,470
Repayment of convertible loan notes	-	(10)	(169)
Net cash from financing activities	-	1,046	2,301
Net cash (outflow) / inflow	(424)	60	621
Foreign exchange differences on translation	39	2	(62)
Cash and cash equivalents at start of period	588	29	29
Cash and cash equivalents at the end of the period	203	91	588

NOTES TO THE UNAUDITED INTERIM REPORT
FOR THE PERIOD ENDING 31 DECEMBER 2010

1. BASIS OF PREPARATION

The financial information has been prepared under the historical cost convention and on a going concern basis and in accordance with International Financial Reporting Standards and IFRIC interpretations adopted for use in the European Union ("IFRS") and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial information for the period ended 31 December 2010 has not been audited or reviewed in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures were prepared using applicable accounting policies and practices consistent with those adopted in the statutory accounts for the year ended 30 June 2010. The figures for the year ended 30 June 2010 have been extracted from these accounts, which have been delivered to the Registrar of Companies, and contained an unqualified audit report

The financial information contained in this document does not constitute statutory accounts. In the opinion of the directors the financial information for this period fairly presents the financial position, result of operations and cash flows for this period.

This Interim Financial Report was approved by the Board of Directors on 30 March 2011.

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ('IAS') 34 – Interim Financial Reporting as adopted by the European Union. Accordingly the interim financial statements do not include all of the information or disclosures required in the annual financial statements and should be read in conjunction with the Group's 2010 annual financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Hot Tuna (International) plc and its controlled entities. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All inter-company balances and transactions have been eliminated in full.

Foreign currencies

The functional currency of each entity is determined after consideration of the primary economic environment of the entity. The group's presentational currency is Sterling (£).

Turnover and Segmental Analysis

The Group has adopted IFRS 8 which is required for all annual reports and interim financial statements starting 1 January 2009 or later. Implementation of IFRS 8 has not changed the Group's policy in measuring the amounts included in the turnover and segmental analysis reporting. However the presentation of the turnover and segmental analysis has changed in these interims compared to the report and accounts for the year ended 30 June 2010.

The reportable segments identified make up all of the Group's external revenue, which is derived primarily from the design, production and sale of branded apparel. The reportable segments are an aggregation of the operating segments within the Group as prescribed by IFRS 8. The reportable segments are based on the Group's management structures and the consequent reporting to the Chief Operating Decision Maker, the Board of Directors. Our sector results are attributable to the design, production and sale of branded apparel and corporate costs. The design, production and sale of branded apparel are carried over three continental segments, Australia, Europe and United States. Corporate costs are solely borne in the United Kingdom. Income and expenses included in profit for the year are allocated directly or indirectly to the reportable segments.

Inter-company balances comprise arms' length transactions between operating segments making up the reportable segments. These balances are eliminated to arrive at the figures in the consolidated accounts.

2. TURNOVER AND SEGMENTAL ANALYSIS

	BRANDED APPAREL DESIGN, PRODUCTION AND SALE			CORPORATE	CONSOLIDATED
Half-year ended 31 December 2010	AUSTRALIA	EUROPE	UNITED STATES	UNITED KINGDOM	GROUP
	£000's	£000's	£000's	£000's	£000's
REVENUE					

External Sales	19	33	8	-	60
Royalties	-	-	-	-	-
Total Revenue	19	33	8	-	60
RESULT					
Segment Result	7	(73)	(20)	-	(86)
Depreciation	-	-	-	-	-
Operating Expenses	(68)	(135)	(103)	(167)	(473)
Operating loss	(61)	(208)	(123)	(167)	(559)
Other losses	-	-	-	-	-
Finance Costs	-	-	-	-	-
Loss before tax	(61)	(208)	(123)	(167)	(559)
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Segment Assets	105	93	72	632	902
LIABILITIES					
Segment Liabilities	(12)	(73)	(184)	(66)	(335)
Capital expenditure – PPE	-	-	-	-	-

Half-year ended 31 December 2009	BRANDED APPAREL DESIGN, PRODUCTION AND SALE			CORPORATE	CONSOLIDATED
	AUSTRALIA	EUROPE	UNITED STATES	UNITED KINGDOM	GROUP
	£000's	£000's	£000's	£000's	£000's
REVENUE					
External Sales	217	37	23	-	267
Royalties	4	-	-	-	4
Total Revenue	221	37	23	-	271
RESULT					
Segment Result	68	7	(31)	-	44
Depreciation	(5)	(3)	(17)	-	(25)
Operating Expenses	(67)	(155)	(67)	(262)	(551)
Operating loss	(4)	(151)	(115)	(262)	(532)
Other losses	(1)	-	-	-	(1)
Finance Costs	-	-	-	(10)	(10)
Loss before tax	(5)	(151)	(115)	(272)	(543)
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Segment Assets	231	120	229	645	1,225
LIABILITIES					
Segment Liabilities	(43)	(82)	(266)	(286)	(677)
Capital expenditure – PPE	-	-	-	-	-

2. SEGMENT REPORTING (CONTINUED)

Year ended 30 June 2010	BRANDED APPAREL DESIGN, PRODUCTION AND SALE			CORPORATE	CONSOLIDATED
	AUSTRALIA	EUROPE	UNITED STATES	UNITED KINGDOM	GROUP
	£000's	£000's	£000's	£000's	£000's
REVENUE					
External Sales	284	120	56	-	460
Royalties	4	-	-	-	4
Total Revenue	288	120	56	-	464

RESULT					
Segment Result	93	(105)	(21)	-	(33)
Depreciation	(11)	(3)	(21)	-	(35)
Operating Expenses	(138)	(313)	(258)	(627)	(1,336)
Operating loss	(56)	(421)	(300)	(627)	(1,404)
Other gains and losses	-	-	123	-	123
Finance Costs	-	(6)	-	(22)	(28)
Loss before tax	(56)	(427)	(177)	(649)	(1,309)
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Segment Assets	166	124	104	990	1,384
LIABILITIES					
Segment Liabilities	(27)	(26)	(181)	(63)	(297)
Capital expenditure – PPE	-	-	-	-	-

3. LOSS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Half Year to 31.12.2010	*Half Year to 31.12.2009*	*Year Ended 30.6.2010*
Earnings			
Earnings for the purposes of basic earnings per share net loss for the period attributable to equity holders of the parent (£000's)	(559)	(543)	(1,309)
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share (millions)	1,153.3	556.3	737.1

The denominator for the purpose of calculating the basic earnings per share has been adjusted to reflect all capital raisings. Due to the loss incurred in the period, there is no dilutive effect resulting from the issue of share options, warrants and shares to be issued.

4. SHARE CAPITAL

	Number of shares	*Nominal value £000's*
a) <u>Issued and Fully Paid</u>:		
As at 1 July 2009	283,303,090	28
13 August 2009 – for cash at 0.3pence per share	370,000,000	37
30 March 2010 –for cash at 0.3 pence per share	500,000,000	50
As at 31 December 2010	1,153,303,090	115
b) <u>Deferred shares</u>		
As at 1 July 2009, and	181,303,419	1,795
As at 31 December 2010	181,303,419	1,795

4. SHARE CAPITAL (CONTINUED)

c) <u>Total share options in issue</u>
During the half year, no options were granted (2010: Nil).
As at 31 December 2010 the options in issue were:

Exercise price	*Expiry date*	*Options in Issue 31 December 2010*
25p	02/05/2012	500,000
50p	02/05/2013	500,000
2p	30/09/2011	500,000
50p	26/03/2011	300,000

50p	09/04/2011	120,000
50p	24/03/2011	120,000
2p	06/06/2012	1,000,000
25p	12/06/2011	75,000
25p	28/06/2012	100,000
50p	28/06/2013	150,000
75p	28/06/2014	200,000
2p	01/07/2012	100,000
1p	22/12/2011	2,000,000
25p	22/12/2011	3,000,000
1p	07/07/2011	2,300,000
2p	20/05/2013	400,000
2p	20/05/2014	600,000
2p	20/05/2015	1,000,000
2p	19/08/2013	75,000
2p	19/08/2014	100,000
2p	19/08/2015	175,000
2p	19/05/2013	13,000,000
		26,315,000

No options were cancelled or were exercised during the half year (2010: Nil).
1.2million options lapsed during the half year (2010: Nil)

d) <u>Total warrants in issue</u>

During the year, no warrants were issued (2010: nil).
As at 31 December 2010 the warrants in issue were;

Exercise Price (pence)	Expiry Date	Warrants in Issue31 December 2010
25	02/03/2012	50,000
30	02/03/2012	375,000
40	02/03/2012	200,000
50	02/03/2012	100,000
1.5	11/03/2013	29,250,000
1.5	25/03/2013	5,700,000
		35,675,000

No expired during the half year (2010: Nil).
No warrants were cancelled during the half year (2010: Nil).
No warrants were exercised during the year (2010: Nil).

5. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 21 February 2011, Francis Ball was appointed as a Non-Executive Director of the Company.

On 3 March 2011, Melissa Sturgess was appointed as Non-Executive Chairman of the Company, however, later resigned on 14 March 2011.

On 23 March 2011, the Company announced that it had raised £1.08 million in a placing to institutional investors of 1,084.9 million new ordinary shares of 0.05p each in the Company at 0.1p per share.