



**UNAUDITED PRELIMINARY RESULTS
for the year ended 31 March 2008**

Chairman's statement

Introduction

I am delighted to announce a strong set of results for the year ended 31 March 2008, our first full financial year as a listed company. We have successfully pursued our growth strategy, completing four acquisitions during the period, all of which have contributed to delivering significant increases in both turnover and earnings per share. On 1 April 2008, we successfully completed the acquisitions of D J McGough Ltd and A1 Industrial Trucks Ltd for a combined consideration of £7.2 million.

Given the current pipeline of potential acquisitions and the Company's expected ability to finance future acquisitions, I am confident that the business is in a strong position to achieve its objective of becoming a leading supplier of support services to the building and construction industry in the north of England.

Results

During the 12 months to 31 March 2008, the Company generated turnover of £32.2 million (2007: £4.8 million) and an Adjusted profit before tax (adjusted for share based payments of £0.2 million and exceptional finance expense of £0.4 million) of £2.9 million (2007: £0.1 million). In line with the Board's strategy to generate significant value for its shareholders, we continue to focus on Adjusted EPS (before share based payments and exceptional finance expense) growth, which increased to 14.3p (2007: 1.4p) and have therefore proposed to pay a final dividend of 2p per share, making a total dividend for the year of 3p per share. The final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting scheduled for 30 June 2008 and will be payable on 4 July 2008 to registered shareholders as at 6 June 2008.

Strategic development

Northern Bear's strategy is to acquire established, cash generative building services businesses based in the north of England and to further augment these acquisitions by organic growth. The aim is to become the preferred buyer of mature, owner-managed businesses that complement and extend the range of support services and products already provided by the Company.

During the year, we continued this strategy with the acquisition of four companies, and a further two on 1 April 2008, all of which operate in the building services sector. The businesses we have acquired are predominantly focused on servicing local authorities, government and public funded customers and also provide a widening spread of sector services such as asbestos removal, plant hire, plumbing and gas fitting. As a result, our dependence on new house building is now only 13% on an annualised basis, whereas 49% of turnover comes from the public sector.

The problems in the new house building sector of the economy are well documented and conditions remain challenging, however, we feel confident that these markets will improve and it is important that we retain a presence in these areas. In the long term, I would see up to 20% of our turnover being generated in the new house building sector.

Social housing remains a buoyant market with significant potential for further growth. Under the Decent Homes Initiative, all local authorities are required to bring social housing stock up to a decent standard. Central government is investing approximately £3.5 billion each year on the initiative and we expect this commitment to last well beyond 2010. The government's commitment to investing in housing, schools and hospitals has created a positive market environment, and longer term we expect this to continue through significant, ongoing capital works programmes.

As Northern Bear is now repositioned, I am pleased to announce that the Company will be reclassified from the FTSE building materials sector into the FTSE support services sector in the quarterly index rebalancing in June of this year.

Finance

The Company entered into new banking arrangements with Yorkshire Bank in November 2007 which now comprise, having been further extended in April 2008, facilities totalling £11.5 million, used to support acquisition financing. At 31 March 2008, net debt stood at £6.5 million. As a result of the acquisitions completed on 1 April 2008, net debt increased by £3.3 million to £9.8 million.

People

The quality of our staff is fundamental to the levels of service we are able to provide to our clients and as such is our greatest asset. The majority of our senior team have been with their respective businesses in excess of 20 years and retaining such people is key to our continued success.

Since the period end, the Company announced the appointment of Graham Jennings to the Board as an Operations Director on 8 April 2008. Mr Jennings has been involved in the roofing industry in the north of England for 34 years, and brings vast experience and knowledge of the industry, including many long standing relationships with blue chip customers.

We are well positioned for the next stage of our development, with a focused and experienced management team. We are very aware of the need for management succession as it is key to the longevity of our business and in this regard, successors to each managing director have already been identified and are being mentored, trained and prepared for ultimate succession.

We are delighted to welcome new employees into the Company. At the time of our flotation in December 2006, we had approximately 160 employees; this has now grown threefold to well over 500 currently.

On behalf of the Board, I would like to thank all our staff for their significant contribution to the growth of the business so far and I look forward to its continuing development.

Outlook

The Company is in a strong financial position to continue the pattern of growth set over the last 18 months. Since the year end we have successfully completed two further acquisitions, for a combined consideration of £7.2 million. The success of the Company's activities to date have led to significant vendor interest, resulting in a strong pipeline of potential acquisitions.

I am looking forward to our development in the years ahead. We have a firm financial base, a clear strategy and are in a strong position to continue our excellent progress.

On behalf of the Board, we thank you for your continued support of the Company.

Jon Pither
Chairman

Consolidated income statement
for the year ended 31 March 2008

	<i>Note</i>	Year ended 31 March 2008		Period from incorporation to 31 March 2007	
		£000	£000	£000	£000
Revenue			32,241		4,751
Cost of sales			(22,777)		(3,459)
			<hr/>		<hr/>
Gross profit			9,464		1,292
Other operating income			46		9
Administrative expenses			(6,106)		(1,048)
			<hr/>		<hr/>
Operating profit			3,404		253
Finance income			64		14
Finance expenses					
Finance expense		(613)		(156)	
Exceptional expense		(407)		-	
Share based payment		(196)		(28)	
			<hr/>		<hr/>
			(1,216)		(184)
			<hr/>		<hr/>
Profit before income tax			2,252		83
Income tax expense			(694)		(65)
			<hr/>		<hr/>
Profit for the period			1,558		18
			<hr/> <hr/>		<hr/> <hr/>
Basic earnings per share	4		10.3p		0.5p
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Diluted earnings per share	4		9.4p		0.5p
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Consolidated statement of changes in equity
for the year ended 31 March 2008

	Year ended 31 March 2008 £000	Period from incorporation to 31 March 2007 £000
Profit for the period	1,558	18
Shares issued	6,556	9,570
Share based payments	196	28
Dividends	(169)	-
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Net increase in total equity	8,141	9,616
Total equity at start of period	9,616	-
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Total equity at end of period	17,757	9,616
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Consolidated balance sheet
at 31 March 2008

	2008	2007
	£000	£000
Assets		
Property, plant and equipment	2,177	1,718
Intangible assets	20,788	12,414
Other investments	11	11
Deferred tax assets	11	-
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Total non-current assets	22,987	14,143
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Inventories	311	197
Trade and other receivables	8,165	3,990
Prepayments for current assets	277	185
Cash and cash equivalents	714	494
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Total current assets	9,467	4,866
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Total assets	32,454	19,009
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Equity		
Share capital	170	120
Share premium	5,021	1,479
Reserves	10,935	7,971
Retained earnings	1,631	46
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Total equity attributable to equity holders of the company	17,757	9,616
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Liabilities		
Loans and borrowings	3,400	3,090
Deferred income	-	50
Deferred tax liabilities	-	52
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Total non-current liabilities	3,400	3,192
	<hr/>	<hr/>
Bank overdraft	2,283	1,096
Loans and borrowings	1,501	677
Trade and other payables	6,044	2,885
Current tax payable	869	952
Deferred income	600	591
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Total current liabilities	11,297	6,201
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Total liabilities	14,697	9,393
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Total equity and liabilities	32,454	19,009
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Consolidated statement of cash flows
for the year ended 31 March 2008

	Year ended 31 March 2008 £000	Period from incorporation to 31 March 2007 £000
Cash flows from operating activities		
Profit for the period	1,558	18
<i>Adjustments for:</i>		
Depreciation	329	49
Finance income	(64)	(14)
Finance expense	1,216	184
Loss on sale of property, plant and equipment	3	5
Equity settled share-based payment transactions	196	28
Income tax expense	694	65
	<hr/>	<hr/>
	3,932	335
Change in inventories	135	(44)
Change in trade and other receivables	(1,273)	(281)
Change in prepayments	26	(6)
Change in trade and other payables	98	181
Change in deferred income	199	-
	<hr/>	<hr/>
	3,117	185
Interest received	64	14
Interest paid	(1,216)	(131)
Tax paid	(1,555)	-
	<hr/>	<hr/>
Net cash from operating activities	410	68
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Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	22	2
Acquisition of subsidiary, net of cash acquired	(5,535)	(95)
Acquisition of property, plant and equipment	(295)	(31)
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Net cash from investing activities	(5,808)	(124)
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Cash flows from financing activities		
Proceeds from issue of share capital	3,906	2,425
Payment of transaction costs	(337)	(919)
Proceeds from new borrowings	4,500	2,350
Repayment of borrowings	(3,395)	(4,344)
Payment of finance lease liabilities	(74)	(58)
Dividends paid	(169)	-
	<hr/>	<hr/>
Net cash from financing activities	4,431	(546)
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Net decrease in cash and cash equivalents	(967)	(602)
Cash and cash equivalents at start of period	(602)	-
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Cash and cash equivalents at end of period	(1,569)	(602)
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Notes

(forming part of the financial statements)

1 Basis of preparation

The interim financial information has been prepared on the basis of the recognition and measurement requirements of Adopted International Financial Reporting Standards ('IFRS') that are effective (or available for early adoption) at 31 March 2008, the Group's first annual reporting date at which it is required to use Adopted IFRS.

The preparation of this financial information resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under previous Generally Accepted Accounting Practice ('GAAP'). The revised accounting policies have, except where otherwise stated, been applied to all periods presented in this financial information.

A detailed review of the changes in our accounting policies and reconciliations of our financial statements from UK GAAP to IFRS at key dates were published to the London Stock Exchange on 23 November 2007 and are also available on the Group's website at www.northern-bear.com.

2 Status of financial information

The financial information set out above does not constitute the company's statutory accounts for the periods ended 31 March 2008 or 2007. Statutory accounts for 2007, which were prepared under UK GAAP, have been delivered to the registrar of companies. The auditors have reported on those accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 237 (2) or (3) of the Companies Act 1985. The statutory accounts for 2008 will be delivered to the registrar of companies in due course.

3 Acquisitions

- a) On 11 May 2007 the company acquired 100% of the issued share capital of Chirmarn (Holdings) Limited and subsidiaries. The resulting goodwill was calculated and capitalised as follows:

	Chirmarn Holdings Limited £000
Fixed assets	
Tangible	207
Current assets	
Stock	174
Debtors	525
Cash	590
Current liabilities	(1,448)
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Net assets	48
Goodwill	3,891
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Purchase consideration	3,939
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Satisfied by:	
Cash	2,791
Shares	1,148
	<hr/>
	3,939
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- b) On 31 May 2007 the company acquired 100% of the issued share capital of Hastie Limited and subsidiary. The resulting goodwill was calculated and capitalised as follows:

	Hastie Limited £000
Fixed assets	
Tangible	64
Current assets	
Stock	40
Debtors	533
Cash	730
Current liabilities	(497)
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Net assets	870
Goodwill	396
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Purchase consideration	1,266
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Satisfied by:	
Cash	1,014
Shares	252
	<hr/>
	1,266
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- c) On 12 November 2007 the company acquired 100% of the issued share capital of Jennings Properties Limited and subsidiary. The resulting goodwill was calculated and capitalised as follows:

	Jennings Roofing Limited £000
Fixed assets	
Tangible	144
Current assets	
Stock	35
Debtors	1,962
Cash	1,311
Current liabilities	(1,831)
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Net assets	1,621
Goodwill	4,087
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Purchase consideration	5,708
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Satisfied by:	
Cash	4,361
Shares	1,347
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	5,708
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4 Earnings per share

The calculation of basic earnings per share was based on the profit for the period and on the weighted average number of ordinary shares outstanding, calculated as follows:

	Year ended 31 March 2008	Period from incorporation to 31 March 2007
Profit for the period (£000)	1,558	18
Weighted average number of ordinary shares ('000)	15,103	3,375
Earnings per share	10.3p	0.5p

The calculation of diluted earnings per share was based on the profit for the period and on the weighted average number of ordinary shares outstanding, after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Year ended 31 March 2008	Period from incorporation to 31 March 2007
Profit for the period (£000)	1,558	18
Weighted average number of ordinary shares ('000)	16,598	3,630
Earnings per share	9.4p	0.5p

The calculation of adjusted earnings per share was based on the profit for the period, adjusted for exceptional finance expenses and share based payments, and on the weighted average number of ordinary shares outstanding, calculated as follows:

	Year ended 31 March 2008	Period from incorporation to 31 March 2007
Profit for the period (£000)	1,558	18
Exceptional finance expenses	407	-
Share based payments	196	28
Adjusted profit for the period	2,161	46
Weighted average number of ordinary shares ('000)	15,103	3,375
Earnings per share	14.3p	1.4p

5 Annual Report

The annual report and financial statements will be posted to shareholders on or around 6 June 2008. Further copies will be available from the Company's registered office at Station House, Station Road, Chester le Street, County Durham, DH3 3DU.