

Interim report and financial statements for the first half of 2011

Towards manufacturing and commercial phase

Key events in the second quarter:

- Deliveries to Validus has started and the order will be fulfilled shortly
- Cooperation and product qualification agreements with Shen Zhen Huajing Technology, S.I.C. Biometrics and UINT
- Government research and development grant of funding secures eGo project activities
- IDEX hosted a successful project meeting of the eGO project
- Advertised four new positions for additional staff
- Successful private placement of shares in April raising NOK 32.6 million new capital
- Warrants exercised, adding NOK 11.6 million new capital in the third quarter

The foundation laid – ready for the next level

During the first half of 2011 IDEX added five new partner companies. The deliveries of the award-winning SmartFinger® Film fingerprint sensor to Validus Technologies have started and will be fulfilled shortly. "We are now entering a new and exciting phase for IDEX as a company, and we are currently expanding our staff in order to take advantage of the commercial opportunities presented to us," said Ralph W. Bernstein, CEO of IDEX.

"There is hard work ahead, but I am confident that we possess the technology and the financial and human resources required to take IDEX to the next level," Bernstein added.

Successful private placement

In April IDEX completed a successful placement of shares in which the company raised equity in an amount of NOK 32.6 million before expenses at a subscription price of NOK 1.80 per share. The placement was subscribed nearly 1.9 times, and the subscription price was set close to the maximum price.

One warrant was issued for every two shares allotted in the placement. The warrants have an exercise price of NOK 2.10 per share and a term of one year.

"The positive outcome of the private placement validates the company's technology and market strategy. IDEX now has a solid financial base for implementation of our commercial plans and for ramping up to volume manufacturing," said Bernstein.

Cooperation agreements

In the first quarter IDEX entered into cooperation agreements with Pierson Capital Technology and Identia Inc., and the customer base was further expanded in the second quarter.

A cooperation agreement with the Chinese company Shen Zhen Huajing Technology Co. was entered into in April. Huajing, a recognized electronics company in Shenzhen, is developing a biometric-enabled security device incorporating the SmartFinger Film fingerprint sensors and software. The company is aiming at providing personal identity authentication solutions as part of China's ongoing programme within Internet of Things. (Internet of Things means that all kinds of objects which colloquially are called "things", and not only PCs and mobile phones, are connected to a network and communicate.)

In June IDEX entered into a cooperation agreement with S.I.C. Biometrics for integration of SmartFinger Film into S.I.C.'s biometric security products and solutions. S.I.C. designs, manufactures and internationally

commercializes biometric security solutions, such as biometric security products for Apple™, BlackBerry™ and Android™ mobile platforms. "This agreement is an important step forward, as we expand the market adoption of IDEX' on-device fingerprint system products also into the mobile applications," said Ralph W. Bernstein.

Also in June, a cooperation agreement was signed with UINT. UINT plans to incorporate SmartFinger Film into a powered thin and bendable electronic banking card compliant with the ISO standard. UINT, with its head office in Orsay, France, and a branch office in Shanghai, China, aims to be a leader in embedded electronics in various powered devices, especially ISO-format cards.

These agreements comprise committed implementation plans as well as specific milestones for negotiations of commercial agreements under which IDEX will supply SmartFinger Film sensor technology and products. IDEX' biometric solutions are presently designed into a variety of biometric enabled products, demonstrator units and prototypes, all with volume potential.

"These agreements - encompassing design-in work, qualification process and implementation programmes – are the key enabling steps in bringing products powered by the IDEX SmartFinger technology to the market," said Ralph W. Bernstein, CEO of IDEX.

Government development grant

IDEX was in May awarded a grant amounting to NOK 4.1 million from The Research Council of Norway. The grant supports the company's participation in the European eGo™ project, which is aimed at developing pioneering authentication technology for the next generation information systems.

The support covers activities for design and integration of SmartFinger Film into the innovative eGo device invented by Gemalto. Gemalto is a world leader in digital security with 10,000 employees.

Successful project meeting of the eGO project

In June IDEX hosted a successful project meeting of the eGo project in Oslo. The project develops a device that provides a secure way of authenticating yourself and accessing services – with your skin as the key. This will be an important contribution towards realizing the vision of Internet of Things.

The eGo project will use IDEX sensors with accompanying software. A small batch of the current version of SmartFinger Film for use in this project is currently work in progress.

In addition to Gemalto, partners in the eGo project comprise STMicroelectronics, Precise Biometrics and Atos Worldline.

Staff expansion

IDEX advertised in the second quarter vacancy in four new positions in the company. The company is expanding the staff within production management, product and production test, development support for customers as well as technical sales support. The recruitment drive reflects the increased level of activity at the company due to several new customer projects . In addition, the ongoing ramp up to volume production of SmartFinger Film requires additional human resources.

Validus order to be fulfilled shortly

In January IDEX received an initial order of 1,000 SmartFinger Film sensors from Validus Technologies Inc. Validus has incorporated IDEX fingerprint sensors into the new version of its VALIDcard™ biometric card. Validus is prospecting several promising pilot customers based on this solution.

Delivery to Validus is in progress. The first lot of sensors has been delivered, and the complete order is expected to be fulfilled shortly. The large-scale production equipment and methods have been used on the order. The delivery has been important practical step in the company's ramp-up programme to volume manufacturing capability.

Silicon-based SmartFinger sensors

In 2009 IDEX entered into an evaluation agreement with a major, undisclosed semiconductor manufacturer aimed at assessing the manufacturability, cost and commercialisation of the SmartFinger silicon sensor with a special focus on the mobile phone market. The technical work was completed and evaluated by the end of 2010, and confirmed a functionally successful SmartFinger design and implementation. The product prospects and commercial opportunities for silicon-based SmartFinger sensors are still under consideration by the semiconductor manufacturer and IDEX.

More than 99 per cent of warrants exercised

Warrants issued in connection with a rights issue in the third quarter of 2009 were exercisable in the period 1 May–12 August 2011 at a price of NOK 0.30 per share. This was the final exercise period for these warrants. Warrants for a total of 38,617,471 shares were exercised in the third quarter, adding NOK 11.6 million of new equity and liquidity.

Notable events in the first half of 2011

- IDEX received in January an order for a trial batch of SmartFinger Film fingerprint sensors from Validus Technologies Inc. Validus has designed IDEX' fingerprint solution into its ValidCard.
- The company experienced in the beginning of 2011 strong interest in SmartFinger Film after it was awarded the prestigious Sesames industry award at the Cartes & IDentification 2010 exhibition in Paris in December.
- Extensive quality testing of SmartFinger Film was performed at accredited testing laboratories, resulting in the decision in February to initiate ramp-up to volume production of polymer-based fingerprint sensors.
- In March, IDEX entered into a cooperation agreement with Pierson Capital Technology for a biometric transactional security device using SmartFinger Film.
- Also in March, IDEX entered into a cooperation agreement with Identita Technologies for a biometric-powered card using SmartFinger Film.
- IDEX completed a successful placement of shares in April. The company raised equity in an amount of NOK 32.6 million before expenses at a subscription price of NOK 1.80 per share.
- In April, IDEX entered into a cooperation agreement with Shen Zhen Huajing Technology Co., which is developing a biometric-enabled transactional security device incorporating SmartFinger Film.
- The annual general meeting was held on 19 May 2011. The meeting resolved to issue up to 9,049,111 warrants to those who participated in the private placement, the allocation being one warrant for every two shares issued in the placement. The exercise price of the warrants is NOK 2.10 per share, and the warrants are exercisable 16-27 April 2012.
- IDEX was awarded a grant amounting to NOK 4.1 million from The Research Council of Norway, a government body, in June. The grant supports an innovative project in the VerdIKT programme to develop fingerprint recognition technology for the Internet of Things.
- In June, IDEX hosted a successful project meeting of the eGo project in Oslo. The project's ambition is to develop technology for simple and secure ID for users of all kinds of devices that one tends to call "things", not only PCs and mobile phones. The eGo project will use IDEX sensors with accompanying software.
- Also in June, IDEX entered into a cooperation agreement with S.I.C. Biometrics for integration of SmartFinger Film into S.I.C.'s biometric security products and solutions.
- A cooperation agreement was signed with UINT in June. UINT intends to incorporate SmartFinger Film into a powered thin and bendable electronic banking card compliant with the ISO standard.
- In the second quarter, IDEX began recruiting additional staff to new positions within production management, product and production test, customer development and support, as well as technical sales support.

Interim financial statements as at 30 June 2011

Profit and loss statements

IDEX earned NOK 16 thousand in the second quarter of 2011, which is also the revenue year to date. The revenue was earned from a delivery to a customer. In the first half of 2010, the revenue was NOK 83 thousand, of which NOK 32 thousand was related to deliveries to customers.

Operating expenses in the quarter were NOK 10.2 million, up from NOK 7.7 million in the same period of 2010. The operating expenses increased from NOK 15.3 million in the first half of 2010 to NOK 19.5 million this year. The cost increase is mainly due to expanded staff and the increased research and development (R&D) activities. The R&D expenses fluctuate with the purchases of materials and services, and the R&D activity level in 2011 is about twice that of 2010. R&D costs and costs related to IP are expensed. Other expenses have been reduced compared to the first half of 2010, when IDEX incurred about NOK 1.0 million non-recurring costs in connection with the listing at Oslo Axess.

IDEX has eleven employees. In addition, about four technical/scientific individual contractors work full time or regularly as part of the development team, and additional technical experts are contracted as and when needed. One independent sales representative work on contract.

Investments in tangible assets such as office facilities, computers and laboratory equipment have been moderate. Depreciation is about NOK 0.2 million per year.

Because of the absence of revenue, EBIT in the quarter amounted to a loss of NOK 10.3 million, compared to a loss of NOK 7.8 million in the same period in 2010. Year to date the numbers are NOK 19.7 million and 15.3 million for 2011 and 2010 respectively.

Financial items amounted to NOK 91 thousand in the quarter and NOK 134 thousand year to date, mainly from interest income after the placement in April. In the corresponding quarter of 2010, net financial items were of similar amount, while in the first half of 2010, interest cost in the first quarter on a financial loan made net financial items negative by NOK 140 thousand.

Profit/loss per basic weighted average number of shares amounted to a loss of NOK 0.04 in the first quarter of 2011, and NOK 0.09 per share in the first half of the year. Because of the share issues in 2010 as well as 2011, the profit/loss amounts per share are incomparable year on year.

Balance sheets

The assets held in the balance sheet essentially comprise of cash in bank, prepayments and deposits; the receivable from the Skattefunn government R&D grant scheme for the preceding year; and investments in office facilities and equipment – with cash being the major item. On 30 June 2011, the assets amounted to NOK 31.8 million of which NOK 28.2 million were cash. At the same date in 2010, the assets amounted to NOK 24.4 million of which NOK 22.0 million were cash. The patents and other intellectual property rights are not held in the balance sheet because they do not satisfy the criteria for capitalisation. The cash position is commented upon below. The main liabilities consist of various operational payables to employees and suppliers, and amounted to NOK 8.3 million at 30 June 2011, up from the preceding quarter and NOK 3.8 million higher than the same time the year before. The increase is due to increased payables to suppliers and accrued liabilities.

Equity amounted to NOK 23.5 million or 67 per cent of the share capital. The warrants exercise through 12 August 2011 added further NOK 11.6 million. The equity is adequate under current plans.

Cash flow, cash position

The operational cash outflow in the first half of 2011 was NOK 15.5 million of which NOK 6.9 million in the second quarter, both periods equal to cash costs less increase in payables and accruals. In the corresponding periods of 2010, operational cash outflow was NOK 12.6 million and NOK 9.9 million, also reflecting each period's cash costs less increase in payables and accruals.

Investments in the first half of 2011 amounted to NOK 0.3 million, up from NOK 0.2 million in the same period of 2010. Investments in 2010-11 relate mainly to IT and lab equipment.

The share issue in April 2011 added net NOK 31.1 million liquidity. At 30 June 2011 the cash position amounted to NOK 28.2 million, up from NOK 22.0 million one year earlier. Share issues have added more liquidity than has been consumed in the period. Net receivables and payables amounted to NOK 5.9 million payable. The company does not have financial debt. The liquidity is adequate for the foreseeable needs under current plans.

Principal risks

It is the duty of the board of directors to present the principal risks of IDEX and its business. IDEX does not have any significant assets or liabilities with risk. IDEX does not have financial instruments or financial assets or liabilities, and has limited financial risks related to currency and interest rates. About 1/3 of the share capital has been lost.

The company's major risk is its business risk, meaning its ability to earn revenue. This risk is difficult to assess, because IDEX hitherto has earned insignificant revenue from its technology. The company's ability to earn revenue depends on firstly, its ability to develop and market successful components which its partners will embed in their products and systems, and secondly, the company's ability to legally protect its IPR, and to maintain a competitive advantage. IDEX considers that its fingerprint sensor has one of the best biometric performances among swipe sensors, and that the SmartFinger Film sensor offers unique properties.

Outlook

IDEX is now entering a commercial phase with full focus on ramp up to volume production of SmartFinger Film sensors to be able to take orders in commercial quantities.

A substantial amount of effort will also be spent on supporting a growing number of customers and partners in conducting evaluations or making demonstrators and prototypes for their products implementing the SmartFinger Film solutions.

Qualification of the SmartFinger Film fingerprint sensor and biometric software algorithms is expected in the second half of 2011, and the intent is that this will lead to commercial agreements under which IDEX will supply SmartFinger Film sensor technology.

*Fornebu, 23 August 2011
The board of directors of IDEX ASA*

Press contact

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About IDEX

IDEX ASA is a Norwegian public company specializing in fingerprint imaging and recognition technology. IDEX' vision is to ensure individuals a safe, secure and user-friendly use of personal ID. IDEX has developed the award-winning SmartFinger Film technology platform including the patented fingerprint imaging principle, sensing scheme and chip design. Combined with core software solutions for imaging and authentication, SmartFinger Film enables on-device enrollment, template storage and verification within the very same module. The SmartFinger Film sensor is thin and bendable and can be customized for a variety of applications such as one-time password devices, smartcards, ID cards, access control devices and biometric tokens. The SmartFinger technology is available to customers under an intellectual property (IP) licensing scheme or as SmartFinger Film sensor assemblies for integration into customers' products. IDEX ASA (ticker IDEX) is listed at the Oslo Axess market place on the Oslo Børs (Oslo stock exchange). For more information, please visit www.idex.no or contact IDEX at: mailbox@idex.no.

IDEX ASA group
Condensed consolidated interim financial statements with notes
30 June 2011 (Unaudited)

Consolidated interim Statements of comprehensive income Amounts in NOK 1,000	1 April- 30 June 2011	1 April- 30 June 2010	1 January- 30 June 2011	1 January- 30 June 2010	1 January- 31 December 2010
Operating income					
Sales revenue	16	-	16	32	66
Other operating revenue	-	13	-	51	77
Total revenue	16	13	16	83	143
Operating expenses					
Payroll expense	5 148	3 909	9 126	7 593	13 739
Research and development expenses	3 567	1 935	6 791	3 372	6 278
Other operating expenses	1 498	1 900	3 646	4 407	7 912
Total operating expenses	10 213	7 744	19 563	15 372	27 929
Profit (loss) before interest, tax, depreciation and amortization (EBITDA)	(10 197)	(7 731)	(19 547)	(15 289)	(27 786)
Depreciation	61	30	112	52	134
Profit before interest and tax (EBIT)	(10 258)	(7 761)	(19 659)	(15 341)	(27 920)
Financial Income and Expenses					
Interest income	91	64	115	91	221
Other financial income	8	41	34	61	69
Interest expense	-	(3)	-	(271)	(271)
Other financial expense	(8)	(15)	(15)	(21)	(27)
Net financial items	91	87	134	(140)	(8)
Net result before tax	(10 167)	(7 674)	(19 525)	(15 481)	(27 928)
Taxes	-	-	-	-	-
Net profit (loss) for the period	(10 167)	(7 674)	(19 525)	(15 481)	(27 928)
<i>Profit (loss) per share -basic and diluted</i>	NOK (0.04)	<i>NOK (0.04)</i>	NOK (0.09)	<i>NOK (0.09)</i>	<i>NOK (0.14)</i>
Net profit (loss) for the period	(10 167)	(7 674)	(19 525)	(15 481)	(27 928)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period, net of tax	(10 167)	(7 674)	(19 525)	(15 481)	(27 928)

The notes on pages 4-6 are an integral part of this condensed interim financial report.

Consolidated interim balance sheets	30 June 2011	30 June 2010	31 December 2010
Amounts in NOK 1,000			
ASSETS			
Long-term assets			
Fixed assets			
Machinery and office equipment	853	553	632
Total fixed assets	853	553	632
Financial assets			
Long-term receivables	319	313	319
Total financial assets	319	313	319
Total long-term assets	1 172	866	951
Current assets			
Receivables			
Accounts receivable		16	32
Other receivables	1 885	1 111	1 572
Prepaid expenses	501	401	318
Total receivables	2 386	1 528	1 922
Cash and bank deposits			
Cash and bank deposits	28 243	22 025	12 649
Total cash and bank deposits	28 243	22 025	12 649
Total current assets	30 629	23 553	14 571
TOTAL ASSETS	31 801	24 419	15 522
EQUITY AND LIABILITIES			
Equity			
Paid-in-capital			
Share capital	34 973	31 574	32 240
Share premium reserve	57 654	28 684	29 274
Other paid-in capital	5 277	2 113	3 000
Total paid-in-capital	97 904	62 371	64 514
Other equity	(74 436)	(42 464)	(54 911)
Total equity	23 468	19 907	9 603
Liabilities			
Short-term liabilities			
Accounts payable	3 172	1 960	1 553
Public duties payable	1 178	193	840
Other short-term liabilities	3 983	2 359	3 526
Total short term liabilities	8 333	4 512	5 919
Total liabilities	8 333	4 512	5 919
TOTAL EQUITY AND LIABILITIES	31 801	24 419	15 522

The notes on pages 4-6 are an integral part of this condensed interim financial report.

Consolidated interim cash flow statements Amounts in NOK 1,000	1 April-30 June 2011	1 April-30 June 2010	1 January-30 June 2011	1 January-30 June 2010	1 January-31 December 2010
Profit (loss) before interest and taxes	(10 258)	(7 761)	(19 659)	(15 341)	(27 920)
Share-based remuneration (equity part)	1 334	1 100	2 101	2 113	3 000
Depreciation	61	30	112	52	134
Interest paid	-	(3)	-	(174)	(174)
Change in working capital and other items	1 938	(3 251)	1 969	778	1 793
Net cash flow from operational activities	(6 925)	(9 885)	(15 477)	(12 572)	(23 167)
Purchases of property, plant and equipment	(33)	(196)	(333)	(196)	(357)
Change in long-term receivables	-	-	-	-	(6)
Interest received	91	64	115	91	221
Net cash provided by investing activities	58	(132)	(218)	(105)	(142)
Share issues	31 113	(351)	31 113	29 416	30 672
Paid-in, not registered share capital	176	-	176	-	-
Net cash provided by financing activities	31 289	(351)	31 289	29 416	30 672
Net change in cash and cash equivalents	24 422	(10 368)	15 594	16 739	7 363
Opening cash balance	3 821	32 393	12 649	5 286	5 286
Closing cash balance	28 243	22 025	28 243	22 025	12 649

Consolidated interim statements of changes in equity Amounts in NOK 1,000	Share capital	Share premium	Other paid-in capital	Retained earnings (uncovered loss)	Total equity
Balance 1 January 2011	32 240	29 274	3 000	(54 911)	9 603
Share issues	2 733	28 380	-	-	31 113
Paid-in, not registered share capital	-	-	176	-	176
Share-based compensation	-	-	2 101	-	2 101
Total comprehensive income for the period	-	-	-	(19 525)	(19 525)
Balance 30 June 2011	34 973	57 654	5 277	(74 436)	23 468
Balance 1 January 2010	17 712	-	-	(25 903)	(8 191)
Share issues	10 580	18 836	-	-	29 416
Conversion of convertible loan	3 282	9 848	-	(1 080)	12 050
Share-based compensation	-	-	2 113	-	2 113
Total comprehensive income for the period	-	-	-	(7 807)	(7 807)
Balance 30 June 2010	31 574	28 684	2 113	(34 790)	27 581
Balance 1 January 2010	17 712	-	-	(25 903)	(8 191)
Share issues	11 246	19 426	-	-	30 672
Conversion of convertible loan	3 282	9 848	-	(1 080)	12 050
Share-based compensation	-	-	3 000	-	3 000
Total comprehensive income for the period	-	-	-	(27 928)	(27 928)
Balance 31 December 2010	32 240	29 274	3 000	(54 911)	9 603

The notes on pages 4-6 are an integral part of this condensed interim financial report.

Selected notes to the condensed consolidated interim financial statements (unaudited)

1 IDEX ASA group

The IDEX ASA group ("IDEX") consists of the Norwegian parent company IDEX ASA, the subsidiary IDEX Holding Inc. and its subsidiary IDEX America Inc, which are both in the USA. The group was formed in January 2007 when IDEX ASA established the subsidiaries. The subsidiaries have been inactive since the second quarter of 2010. The IDEX ASA is a public limited liability company incorporated and domiciled in Norway. The address of the registered office is Rolfsbuktveien 17 at Fornebu, Norway. IDEX ASA shares have been listed at Oslo Axess market place of Oslo Børs since 12 March 2010. Formerly, trades in IDEX ASA shares were reported at the Norwegian Securities Dealers Association's information service, NOTC.

The objective of the company as stated in the articles of association is to deliver computer-based identification systems and other related activities.

2 Basis of preparation, accounting policies, resolution

This condensed interim financial report for the first half of 2011 has been prepared in accordance with IAS 34 'Interim financial reporting'. The condensed consolidated interim financial report should be read in conjunction with the consolidated annual financial statements for 2010.

The IFRS accounting policies applied in this condensed consolidated interim financial report are consistent with those applied and described in the consolidated annual financial statements for 2010.

The going concern assumption has been applied when preparing this interim financial report. The board points out that until the company enters the commercial stage, there is uncertainty attached to this assumption. IDEX does not earn recurring revenue. On 30 June 2011, the equity amounted to NOK 23.5 million. By the date of this report, warrant holders had exercised warrants in a total amount of NOK 11.6 million which will be added to the equity in the third quarter of 2011. The board considers the equity to be adequate under current planning assumptions.

This consolidated interim financial report has not been subject to audit. The report was approved by the board of directors on 23 August 2011.

3 Property, plant and equipment

Amounts in NOK 1 000

Tangible assets

1 January-30 June 2011

Net book value on 1 January 2011	632
Additions	333
Disposals	0
Depreciation and other movements	(112)
Net book value on 30 June 2011	853

1 January-30 June 2010

Net book value on 1 January 2010	409
Additions	196
Disposals	0
Depreciation and other movements	(52)
Net book value on 30 June 2010	553

1 January-31 December 2010

Net book value on 1 January 2010	409
Additions	357
Disposals	0
Depreciation and other movements	(134)
Net book value on 31 December 2010	632

4 Shares, warrants and subscription rights

Shares	1 January-30 June 2011	1 January-30 June 2010	1 January-31 December 2010
Opening balance	214 933 142	354 233 139	354 233 139
Conversion of debt to shares		65 651 250	65 651 250
Warrants exercised		<u>181 631 781</u>	181 631 781
Accumulated		<u>601 516 170</u>	601 516 170
Consolidated 3:1 on 10 March 2010		200 505 390	200 505 390
Share issue(s)	18 223 188	9 991 300	9 991 300
Warrants exercised			4 436 452
Closing balance	233 156 330	210 496 690	214 933 142

Warrants and subscription rights	1 January-30 June 2011	1 January-30 June 2010	1 January-31 December 2010
Opening balance	48 122 874	333 198 027	333 198 027
Exercise of warrants		<u>(181 631 781)</u>	<u>(181 631 781)</u>
Accumulated		<u>151 566 246</u>	<u>151 566 246</u>
Consolidated 3:1 on 10 March 2010, rounded down		50 522 004	50 522 004
Issue of warrants	9 049 103		
Exercise of warrants			(4 436 452)
Grant of incentive subscription rights	2 557 500	382 660	2 849 660
Terminated/expired subscription rights		<u>(812 338)</u>	<u>(812 338)</u>
Closing balance	59 729 477	50 092 404	48 122 874

Following a book building process in March-April 2011, IDEX completed a successful private placement of shares on 8 April 2011, in which 18,098,222 new shares were issued at a subscription price of NOK 1.80 per share. The annual general meeting on 19 May 2011 resolved that one warrant ("2011-warrants") shall be attached to and issued for every two shares that were subscribed for and allocated in the placement. 9,049,103 such 2011-warrants at an exercise price of NOK 2.10 per share and a term of one year were issued. Following the annual general meeting of IDEX on 19 May 2011, the board member Harald Voigt elected to receive the board remuneration in shares. He acquired 124,966 shares in lieu of a cash board remuneration of NOK 140,000.

The board resolved on 10 April 2011 to grant a total of 2,557,500 incentive subscription rights ("SRs") to employees under the company's 2010 subscription rights plan as resolved at the annual general meeting on 11 May 2010. The exercise price of the SRs is NOK 1.96 per share. 25 per cent of the SRs vest on each anniversary from the date of the grant. The SRs expire on 11 May 2015.

The subscribers to shares in the rights issue completed in September 2009 were allocated one warrant per new share ("2009-warrants"). The majority of the 2009-warrants were exercised in the first quarter 2010 in connection with the listing of IDEX shares, and in the first ordinary exercise period 12 August-30 September 2010. The remaining 39,205,778 outstanding 2009-warrants are exercisable in the final exercise period 1 May-12 August 2011.

IDEX has granted incentive subscription rights (SRs) to employees and board members. The grants to board members have been made by the general meeting in lieu of cash board remuneration. The subscription rights vest by ¼ every 12 months following the date of the grant and expire on the fifth anniversary following the general meeting that resolved the programme. Unvested subscription rights terminate on the holder's last working day. Vested subscription rights may be exercised up to 90 days after the holder's last working day. The weighted average exercise price of 11,446,266 outstanding incentive SRs on 30 June 2011 was NOK 1.42 per share.

5 Profit (loss) per share

	1 January-30 June 2011	1 January-30 June 2010	1 January-31 December 2010
Profit (loss) attributable to the shareholders (NOK 1 000)	(19 525)	(14 625)	(27 928)
Weighted average basic number of shares	222 553 137	178 087 090	195 543 310
Weighted average diluted number of shares	257 983 158	234 109 839	238 824 595
Profit (loss) per share, basic and diluted	NOK (0.09)	NOK (0.09)	NOK (0.14)

Effective 10 March 2010, the shares were consolidated 3-to-1. In the calculation of weighted number of shares in 2010, the number of shares in the period 1 January–9 March 2010 has been restated as if the consolidation was effective 1 January 2010.

When the period result is a loss, the loss per diluted number of shares shall not be reduced by the higher number of shares but equals the result per basic number of shares.

The diluted number of shares has been calculated by the treasury stock method. The observed share prices, exercise prices and number of shares and dilutive instruments have been adjusted as if the consolidation was effective 1 January 2010. If the exercise price of subscription rights or warrants exceeds the average share price in the period, the subscription rights or warrants are not counted as being dilutive.

6 Contingent assets and liabilities

IDEX does not have any contingent assets or contingent liabilities. IDEX has not issued any guarantees.

7 Related party transactions

In the first half of 2011, IDEX has recorded NOK 1,397 thousand for services provided from IDEX' legal counsel, law firm Ræder, in which IDEX' chairman is a partner. Morten Opstad's work beyond board duty is invoiced by Ræder. The amount includes Ræder's work with the private placement of shares in April 2011.

8 Events occurring after the balance sheet date

The subscribers to shares in the rights issue completed in September 2009 were allocated one warrant per new share ("2009-warrants"). Remaining 39,205,778 outstanding 2009-warrants were exercisable in the final exercise period 1 May–12 August 2011. By 12 August 2011, IDEX had received notice of exercise of 38,675,892 2009-warrants amounting to NOK 11.6 million in new equity. The payment date was 22 August 2011. The company awaits cash in transit to be received before the shares are issued.

Between 30 June 2011 and the resolution of these condensed consolidated financial statements, there have not been any events which have had any noticeable impact on IDEX' result for the first half of 2011 or the value of the company's assets and liabilities at 30 June 2011.

Responsibility statement

We confirm, to the best of our knowledge, that the condensed consolidated financial statements with notes for the period 1 January to 30 June 2011 has been prepared in accordance with IAS 34 - Interim Financial Reporting and gives a true and fair view of IDEX' assets, liabilities, financial position and profit or loss as a whole. Major related parties transactions have been disclosed in note 7.

We also confirm, to the best of our knowledge, that the interim report issued in concert with these condensed financial statements includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

Fornebu, 23 August 2011

Morten Opstad, *Chairman*
Hanne Høvding, *Board member*
Harald Voigt, *Board member*

Jon Ola Frankplads, *Board member*
Joan Frost Urstad, *Board member*
Ralph W. Bernstein, *CEO*