

## **WorldSpreads Group plc**

**28<sup>th</sup> November 2007**

### **WorldSpreads Group plc Interim Results for the Six Months ended 30 September 2007**

WorldSpreads Group plc ("WSG" or the "Group") today announces its interim results for the six months ended 30<sup>th</sup> September 2007.

#### First Half Highlights

- Group listed on AIM on 1<sup>st</sup> August 2007
- Turnover: Up 80% to €4.99m (£3.59m) (2006: €2.78m)
- Profit before tax & IPO costs: Up 534% to €1.31m (£0.94m) (2006: €0.206m)
- Basic EPS before IPO costs: Up 300% to €0.036 (£0.026) per share (2006: €0.009)
- Average bets per day: Up 201% to 2,351
- Total active clients: Up 102% to 1,934
- 42% of all bets and 58% of trading profit earned outside the UK

Commenting on the results Chief Executive Officer, Conor Foley, said:

"We are very pleased to announce strong trading results, following an excellent first half of our current fiscal year ending March 31<sup>st</sup>, 2008. We are particularly pleased as this is our maiden set of results since our flotation on 1<sup>st</sup> August.

We have experienced growth in all of our geographic segments and are particularly happy with the progress we have made in our local Irish market. Recent volatile market conditions have been conducive to financial spread betting activity and this is reflected across all our trading in financial products. Our international expansion is continuing and we have seen encouraging progress, particularly in Spain and Hungary. The Group will continue to follow its strategy of expansion into selected international markets by working with reputable and well established local partners with established client bases. We are confident that this strategy, when combined with the excellent growth prospects in our local Irish and UK markets, will contribute to the continued growth and expansion of the Group over the coming period. I can also report that trading since the end of September has continued in a positive manner and the Group expects its final results for the year ending March 31<sup>st</sup> 2008 to be significantly ahead of management's expectations at the time of the flotation in August."

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## **Chief Executive's Statement**

The six months to 30<sup>th</sup> September 2007 has been the most successful period in the history of the Group. The continued growth in our client acquisition and average bet numbers has resulted in the significant growth in our turnover which increased by 80% to €4.99m (£3.59m), up from €2.78m (£2.0m) in the comparable period last year. The Group continues to maintain a low cost base when compared to its peers and as a result, this increase in turnover has resulted in a 534% increase in profit before tax (and IPO costs of €0.85m) of €1.31m (£0.94m), compared with €0.2m (£0.14m) in the same period last year. This was substantially ahead of management expectations at the time of the Company's IPO.

During the period under review, the average number of bets per day grew to 2,351 per day from 780 per day in the comparable period last year. This increase in bets has been driven by strong client acquisition, with active clients growing from 958 at 30<sup>th</sup> September 2006 to 1,934 at 30<sup>th</sup> September 2007.

The Group operates out of two offices. The Group head office is in Dublin and that office services the Irish market with financial spread betting and the Irish and UK markets with its sports spread betting product. The Group's other office is in London and offers only financial spread betting services to the UK and certain International markets. The Group has strived to maintain a low cost base relative to its peers and operating costs amounted to €3.0m (£2.16m), an increase of 35% in the period compared to last year, driven primarily by an increased spend on marketing and IT during the period. This compares to an increase in operating profit of 190%.

### *Financial spread betting*

The Group's financial spread betting divisions continued to demonstrate excellent growth in the period. Financial spread betting revenues grew from €2.1m (£1.51m) for the six months to 30<sup>th</sup> September 2006 to €4.5m (£3.27m) for the six months period to 30<sup>th</sup> September 2007, an increase of 116%. The Group has experienced strong growth in both its Dublin and London offices posting revenue increases of 115% and 117% respectively compared to the same period last year. The London numbers are boosted by the continued expansion of the Group's international business which grew, in revenue terms, from €0.05m (£0.04m) in the six months to 30<sup>th</sup> September 2007 to €0.52 (£0.37m) for the six months to 30<sup>th</sup> September 2007.

### *Sports spread betting*

The Group has seen a contraction in its sports spread betting business for the first six months of the current year. Revenues have fallen from €0.67m (£0.48m) for the six months ended 30<sup>th</sup> September 2006 to €0.44m (£0.32m) for the comparable period this year. This fall is somewhat greater than management's expectations, after what was an exceptional year for the division last year. In the period under review, sports betting represented less than 10% of the Groups total turnover. For regulatory reasons the Group does not directly offer its sports spread betting service in the UK market, which is the largest market for the product.

### *Financial Derivatives*

The Group commenced offering a range of financial derivative products such as futures, options, forex and CFD's in April 2007. This new division has performed significantly ahead of management expectations and recorded a contribution to operating profit of €0.197m (£0.14m) for the six months to 30<sup>th</sup> September 2007.

## **Summary and Outlook**

I am very pleased with the progress the Group has made in the past 12 months and in particular, in the six months to 30<sup>th</sup> September 2007. With the exception of our sports division, all segments of the business are performing well and are substantially ahead of our original expectations at the half year point. Trading continues to go well and the Company is confident that it will continue to deliver on its focused business plan to expand

not only in our local UK and Irish markets but also into selected international markets both within the EU and beyond. Through this strategy we believe that we can maximise shareholder value over the coming years.

Conor Foley  
Chief Executive Officer  
28 November 2007

**Note:**

Throughout this announcement the following exchange rate has been used: £1:€1.39

**WORLDSPREADS GROUP PLC**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**INTERIM CONDENSED GROUP INCOME STATEMENT**  
**For the 6 Months ended 30 September 2007**

	Note	Unaudited 6 Months 30 Sept 2007 €'000	Unaudited 6 Months 30 Sept 2006 €'000	Audited 12 Months 31 Mar 2007 €'000
<b>Revenue</b>	<b>2</b>	<b>4,987</b>	<b>2,775</b>	<b>6,581</b>
Cost of sales		(631)	(91)	(308)
<b>Gross profit</b>		<b>4,356</b>	<b>2,684</b>	<b>6,273</b>
Administrative expenses		(3,004)	(2,218)	(5,741)
<b>Operating profit</b>		<b>1,352</b>	<b>466</b>	<b>532</b>
Finance income		169	25	52
Finance expenses		(223)	(288)	(642)
Initial public offering costs		(852)	-	-
Share of results of joint venture		9	3	12
<b>Profit/(loss) before taxation</b>		<b>455</b>	<b>206</b>	<b>(46)</b>
Income tax expense		(215)	(88)	(178)
Deferred taxation		-	-	1,270
<b>Profit for the financial period</b>		<b>240</b>	<b>118</b>	<b>1,046</b>

All of the above profits are attributable to the equity holders of the parent company

**Earnings per share**

		Cents	Cents	Cents
Basic	<b>3</b>	0.8	0.9	6.4
Diluted	<b>3</b>	0.7	0.7	6.3

No dividends are proposed by the Company.

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**INTERIM CONDENSED CONSOLIDATED GROUP BALANCE SHEET**  
**As at 30 September 2007**

	<b>Unaudited 6 Months 30 Sept 2007 €'000</b>	<b>Unaudited 6 Months 30 Sept 2006 €'000</b>	<b>Audited 12 Months 31 Mar 2007 €'000</b>
<b>Non-Current Assets</b>			
Intangible assets	862	598	816
Property, plant and Equipment	477	462	473
Interest in joint ventures	42	24	33
Deferred tax asset	1,149	-	1,270
	-----	-----	-----
	2,530	1,084	2,592
<b>Current Assets</b>			
Derivative financial instruments	5,864	5,141	6,126
Trade and other receivables	4,366	3,941	4,761
Prepayments and accrued income	144	127	125
Cash and cash equivalents	17,832	5,314	9,005
	-----	-----	-----
<b>Total Assets</b>	<b>30,736</b>	<b>15,607</b>	<b>22,609</b>
	=====	=====	=====
<b>Equity</b>			
Issued share capital	584	201	379
Share premium	17,843	1,964	9,173
Retained earnings	(3,305)	(4,473)	(3,545)
Other reserves	(244)	(124)	(216)
Share warrants	-	124	124
Share option scheme	378	378	378
	-----	-----	-----
<b>Total Equity</b>	<b>15,256</b>	<b>(1,930)</b>	<b>6,293</b>
	=====	=====	=====
<b>Current Liabilities</b>			
Derivative financial instruments	4,444	4,874	5,722
Interest bearing loans and borrowings	3,150	2,945	3,767
Redeemable unsecured loan stock	-	5,144	-
Trade and other payables	7,886	4,574	6,827
	-----	-----	-----
<b>Total Liabilities</b>	<b>15,480</b>	<b>17,537</b>	<b>16,316</b>
	-----	-----	-----
<b>Total Equity and Liabilities</b>	<b>30,736</b>	<b>15,607</b>	<b>22,609</b>
	=====	=====	=====

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**INTERIM CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY**  
**For the 6 Months ended 30 September 2007**

	Issued share capital €000's	Share premium €000's	Retained earnings €000's	Share option scheme €000's	Other reserves €000's	Total equity €000's
<b>Balance at 1 April, 2006</b>	<b>201</b>	<b>1,964</b>	<b>(4,591)</b>	<b>378</b>	<b>46</b>	<b>(2,002)</b>
Foreign currency Translation of UK subsidiary	-	-	-	-	(46)	(46)
Profit for the period	-	-	118	-	-	118
<b>Balance at 30 Sept, 2006</b>	<b>201</b>	<b>1,964</b>	<b>(4,473)</b>	<b>378</b>	<b>-</b>	<b>(1,930)</b>
Foreign currency Translation of UK subsidiary	-	-	-	-	(92)	(92)
Profit for the period	-	-	928	-	-	928
Total income and expense For the period	-	-	928	-	(92)	836
Issue of share capital	53	2,171	-	-	-	2,224
Share issue expenses	-	(101)	-	-	-	(101)
Conversion of loan stock	125	5,139	-	-	-	5,264
<b>Balance at 1 April, 2007</b>	<b>379</b>	<b>9,173</b>	<b>(3,545)</b>	<b>378</b>	<b>(92)</b>	<b>6,293</b>
Foreign currency Translation of UK subsidiary	-	-	-	-	(28)	(28)
Profit for the period	-	-	240	-	-	240
Total income and expense For the period	-	-	240	-	(28)	212
Issue of share capital	205	9,388	-	-	(124)	9,469
Share issue expenses	-	(718)	-	-	-	(718)
<b>Balance at 30 Sept, 2007</b>	<b>584</b>	<b>17,843</b>	<b>(3,305)</b>	<b>378</b>	<b>(244)</b>	<b>15,256</b>

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**INTERIM CONDENSED GROUP CASH FLOW STATEMENT**  
**For the 6 Months ended 30 September 2007**

	<b>Unaudited 6 Months 30 Sept 2007 €'000</b>	<b>Unaudited 6 Months 30 Sept 2006 €'000</b>	<b>Audited 12 Months 31 Mar 2007 €'000</b>
<b>Cash flows from operating activities</b>			
Profit for the period	240	118	1,046
Income tax expense	94	88	178
Deferred taxation	121	-	(1,270)
Share of results of joint venture	(9)	(3)	(12)
Finance income	(169)	(25)	(52)
Finance expense	223	288	642
Initial public offering costs			
Depreciation and amortisation	207	124	288
(Increase)/decrease in trade and other Receivables	376	(1,803)	(2,553)
Increase/(decrease) in trade and other payables	1,197	1,183	3,313
(Increase)/decrease in derivative financial assets	262	(2,051)	(3,036)
Increase/(decrease) in derivative financial liabilities	(1,278)	4,242	5,090
Income tax paid	(63)	(77)	(115)
	-----	-----	-----
<b>Net cash flows from operating activities</b>	<b>2,053</b>	<b>2,084</b>	<b>3,519</b>
	-----	-----	-----
<b>Investing activities</b>			
Purchase of property, plant & equipment	(36)	(12)	(60)
Purchase of intangible assets	(221)	(65)	(400)
Interest received	169	25	52
Investment in joint ventures	-	(21)	(21)
	-----	-----	-----
<b>Net cash flows used in investing activities</b>	<b>(88)</b>	<b>(73)</b>	<b>(429)</b>
	-----	-----	-----
<b>Financing activities</b>			
Payment of finance lease liabilities	(5)	(9)	(17)
Proceeds from borrowings	-	-	803
Repayment of borrowings	(612)	(17)	-
Interest paid	(223)	(187)	(429)
Issue of redeemable unsecured loan stock	-	560	560
Issue of shares for cash	9,469	-	2,224
Share issue expenses	(1,570)	-	(101)
	-----	-----	-----
<b>Net cash flows from financing activities</b>	<b>7,059</b>	<b>347</b>	<b>3,040</b>
	-----	-----	-----
<b>Net increase in cash and cash equivalents</b>	<b>9,024</b>	<b>2,358</b>	<b>6,130</b>
Net foreign exchange difference	(197)	(87)	(168)
Cash and cash equivalents at beginning of period	9,005	3,043	3,043
	-----	-----	-----
<b>Cash and cash equivalents at end of period</b>	<b>17,832</b>	<b>5,314</b>	<b>9,005</b>
	=====	=====	=====

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**Notes to the interim condensed consolidated financial statements**

The summary financial statements for the year ended 31 March 2007, as presented in this interim condensed consolidated financial statements, represent an abbreviated version of the Group's full accounts for that year, on which the independent auditor issued an unqualified audit report without reference to any matter of emphasis and which will be filed in the Companies Registration office in Ireland.

**1. BASIS OF PREPARATION**

The consolidated financial statements have been prepared under the historical cost basis except for derivative financial instruments and share-based payments that have been measured at fair value. The consolidated financial statements are presented in Euro, which is denoted by the symbol €.

The consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The Group began reporting under International Financial Reporting Standards for the year ended March 31<sup>st</sup> 2007. The effective date of transition was 1<sup>st</sup> April 2004 and the Group made those changes in accounting policies and other restatements required by IFRS 1 First-time adoption of International Reporting Standards for the first time adoption of IFRS.

The revised accounting policies arising from the adoption of IFRS, together with restated information for the years ended 31<sup>st</sup> March 2005 and 2006 are contained in the Group's most recent audited financial statements for the year ended 31<sup>st</sup> March 2007. The financial statements are published on group's website, [www.worldspreads.com](http://www.worldspreads.com).

The accounting policies set out in that document have been consistently applied to all periods presented in these interim financial statements.

**2. SEGMENT INFORMATION**

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically.

*Business segments*

The sports betting segment includes spread bets and fixed odds bets on sporting and other events. Financial spread betting includes bets on stock indices, individual shares, currencies and interest rates. The following tables present revenue and profit and certain assets and liability information regarding the Group's business segments:

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**Notes to the interim condensed consolidated financial statements, continued**

2. SEGMENT INFORMATION (Continued)

	<b>Unaudited 6 Months 30 Sept 2007 €'000</b>	<b>Unaudited 6 Months 30 Sept 2007 €'000</b>	<b>Unaudited 6 Months 30 Sept 2007 €'000</b>
<b>Revenue</b>	<b>Sports Betting</b>	<b>Financial spread betting</b>	<b>Total</b>
Sales to external customers	438	4,539	4,987
<b>Total Revenue</b>	<b>438</b>	<b>4,539</b>	<b>4,987</b>
Operating profit	(124)	1,476	1,352
Unallocated operating profit	-	-	-
Share of results of joint venture	9	-	9
Financial income/expense	-	20	20
Unallocated financial income/expense	-	-	(74)
Initial public offering costs	-	-	-
Income tax expense	-	(852)	(215)
	-	(215)	(215)
<b>Profit after tax</b>	<b>(115)</b>	<b>1,281</b>	<b>240</b>

  

	<b>Unaudited 6 Months 30 Sept 2006 €'000</b>	<b>Unaudited 6 Months 30 Sept 2006 €'000</b>	<b>Unaudited 6 Months 30 Sept 2006 €'000</b>
<b>Revenue</b>	<b>Sports Betting</b>	<b>Financial spread betting</b>	<b>Total</b>
Sales to external customers	674	2,101	2,775
<b>Total Revenue</b>	<b>674</b>	<b>2,101</b>	<b>2,775</b>
Operating profit	(48)	514	466
Unallocated operating profit	-	-	-
Share of results of joint venture	3	-	3
Financial income/expense	(2)	(7)	(9)
Unallocated financial income/expense	-	-	(254)
Income tax expense	(6)	(82)	(88)
<b>Profit after tax</b>	<b>(53)</b>	<b>425</b>	<b>118</b>

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**Notes to the interim condensed consolidated financial statements, cont'd**

2. SEGMENT INFORMATION (Continued)

*Geographical Segments*

The following table present revenue from the Group's geographical segments:

	<b>Unaudited 6 Months 30 Sept 2007 €'000</b>	<b>Unaudited 6 Months 30 Sept 2006 €'000</b>	<b>Audited 12 Months 31 Mar 2007 €'000</b>
<b>Revenue</b>			
Republic of Ireland	2,318	1,546	3,758
United Kingdom	2,669	1,229	2,823
	-----	-----	-----
<b>Total Revenue</b>	<b>4,987</b>	<b>2,775</b>	<b>6,581</b>
	=====	=====	=====

All of the segment revenue reported above is from external customers.

3. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The Group has also presented an adjusted earnings per share figure to exclude the impact of the deferred tax credit in the year to 31<sup>st</sup> March 2007 and the costs associated with the Group's recently completed IPO, a portion of which have been charged to the profit and loss account as stipulated by IAS 32 "Financial Instruments: Presentation".

	<b>Unaudited 6 Months 30 Sept 2007 €'000</b>	<b>Unaudited 6 Months 30 Sept 2006 €'000</b>	<b>Audited 12 Months 31 Mar 2007 €'000</b>
<b>Basic Earnings per share</b>			
Profit after taxation	240	118	1,046
Weighted average number of shares	30,286,685	13,367,262	16,346,409
<b>Basic EPS (in cents)</b>	<b>0.8</b>	<b>0.9</b>	<b>6.4</b>

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**Notes to the interim condensed consolidated financial statements, cont'd**

3. EARNINGS PER SHARE (Continued)

**Diluted Earnings per share**

Profit after taxation	240	118	1,046
Weighted average number of shares	34,279,185	17,534,772	16,521,409
<b>Diluted EPS (in cents)</b>	<b>0.7</b>	<b>0.7</b>	<b>6.3</b>

**Adjusted Basic Earnings per share**

Profit after taxation and before IPO costs	1,092	118	(224)
Weighted average number of shares	30,286,685	13,367,262	16,346,409
<b>Adjusted Basic EPS (in cents)</b>	<b>3.6</b>	<b>0.9</b>	<b>(1.4)</b>

**Adjusted Diluted Earnings per share**

Profit after taxation and before IPO costs	1,092	118	(224)
Weighted average number of shares	34,279,185	17,534,772	16,521,409
<b>Adjusted Diluted EPS (in cents)</b>	<b>3.2</b>	<b>0.7</b>	<b>(1.3)</b>

4. PROPERTY, PLANT AND EQUIPMENT

During the six month ended 30<sup>th</sup> September 2007, the Group invested €36,000 in computer hardware.

5. RELATED PARTY TRANSACTIONS

*Remuneration of key management personnel*

	<b>Unaudited 6 Months 30 Sept 2007 €'000</b>	<b>Unaudited 6 Months 30 Sept 2006 €'000</b>	<b>Audited 12 Months 31 Mar 2007 €'000</b>
<i>Directors' compensation</i>			
Directors' fees	28	25	53
Salaries and other emoluments	170	134	268
	-----	-----	-----
	198	159	321
	=====	=====	=====

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**Notes to the interim condensed consolidated financial statements, cont'd**

5. RELATED PARTY TRANSACTIONS (Continued)

	<b>Unaudited 6 Months 30 Sept 2007 €'000</b>	<b>Unaudited 6 Months 30 Sept 2006 €'000</b>	<b>Audited 12 Months 31 Mar 2007 €'000</b>
<i>Other key management compensation</i>			
Salaries and other emoluments	42	38	76
	-----	-----	-----
	42	38	76
	=====	=====	=====

Key management personnel comprise those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity.

*Directors' interests in an employee share option scheme*

Share options held by executive members of the Board of Directors' to purchase ordinary shares have the following expiry dates and exercise prices:

	<i>Expiry date</i>	<i>Exercise price</i>	<i>Number</i>
September 30 <sup>th</sup> , 2007	14/12/2011	0.6284	1,350,000
	30/03/2013	0.6284	980,000
September 30 <sup>th</sup> , 2006	14/12/2011	0.6284	1,350,000
	30/03/2013	0.6284	980,000
March 31 <sup>st</sup> , 2007	14/12/2011	0.6284	1,350,000
	30/03/2013	0.6284	980,000

There were no related party transactions in the parent company during the period except for director's interests in the share option scheme detailed above.

6. ISSUED SHARE CAPITAL

During the period ended 30<sup>th</sup> September 2007, the allotted, called up and fully paid share capital of the Group was increased from €379,258 to €583,869 due to the issue of 13,640,769 ordinary shares. Of this total, 12,273,038 shares were issued as a result of the Group's initial public offering in August at a price of GBP£0.47 (€0.70). In addition, 1,367,731 shares were issued for cash at a price of €0.6284. The proceeds of these issues, amounting to €9,469,482, were split between share capital of €204,611 and share premium of €9,264,871.

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**Notes to the interim condensed consolidated financial statements, cont'd**

7. EVENTS AFTER BALANCE SHEET DATE

There were no adjusting events or non-adjusting events after the balance sheet date.

8. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by the Board of Directors on November 27<sup>th</sup>, 2007.