WorldSpreads Group plc
30 June 2009

WorldSpreads Group plc
Preliminary Results for the Year ended 31 March 2009

WorldSpreads Group plc ("WSG", the "Company" or the "Group") today announces its full year results for the twelve months ended 31 March 2009.

Annual Highlights

- Revenue from continuing operations: up 39% to €14.9m (£12.5m) (2008: €10.7m, £9.0m)
- Adjusted operating profit from continuing operations excluding the prior year IPO costs: up 40% to €4.6m (£3.8m) (2007: €3.2m, £2.7m)
- Basic EPS on continuing operations: up to 10.4 euro-cents per share from 4.5 euro-cents per share in 2008
- Strong balance sheet with net assets of €17.4m (£14.7m) (2008: €16.1m, £13.6m)
- Average financial bets per day: Up 92% to 5,750 from 3,000 in 2008
- 3,924 new clients registered in year to 31 March 2009
- 23% of all bets are made and 14% of trading profit earned outside the UK and Ireland
- Disposal of the Group's non-core Sports Betting Division
- Successful negotiation and launch of new partner websites, including Victor Chandler International
- Successful market entry into new territories including Poland, Russia and the Czech Republic
- Successful entry onto the IEX market in Dublin

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

"We are pleased to announce very positive results for the year ended 31 March 2009, the second set of annual results to be reported since the Company floated on AIM in August 2007.

Throughout the year, notably during the period from October to December 2008, the Company has enjoyed strong trading conditions and this is reflected in the continued levels of growth delivered in respect of all key performance indicators. Particularly pleasing has been the expansion in overseas markets, a key element of the Group's strategy, protecting the Group somewhat from the uncertain economic conditions in the Irish and UK economies.

Higher than expected growth has been recorded in the established markets of Spain, Hungary and Greece and the new markets of Russia, Poland, the Czech Republic and Slovenia. Reinforcing what we stated at this time last year, we will continue our international rollouts through this current year and the next, both through partnership arrangements and by positioning local business development agents in selected territories.

Throughout the financial year under review, there were periods of above average volatility in the price movements of many financial instruments. Like many of our industry peers, this resulted in levels of activity above the long run growth trend. We are now back to more normal levels of growth rates and this has resulted in a relatively slower start to the new financial year than during the same period last year. However, there is a strong pipeline of new market opportunities, particularly internationally, and partnerships and, as a result, the Board is confident that the growth rates experienced over the past few years will be maintained."

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Chief Executive's Statement

Following a successful first full year as a publicly quoted company, it is pleasing to be able to report another strong set of results to end of March 2009. In spite of the worst macro-economic environment of the past 100 years, we have recorded a 'constant currency' growth rate of 52% in turnover from continuing operations, 39% before adjusting for currency fluctuations. Once again, this could not have been achieved without the commitment and skills of the highly experienced team of people at WorldSpreads. The Board would like to take this opportunity to thank each and every one of these people.

Our continued focus remains on the two Key Performance Indicators of new clients and bet numbers. During the year under review, the number of new accounts opened was 3,924, an increase of 53% over the previous year. Similarly, average daily bet numbers during the year were 5,750, an increase of 92% on the same period in the previous year. The combination of the growth in these two Key Performance Indicators resulted in a significant growth in revenue from continuing operations, which increased by 39% to €14.9m (£12.5m), up from €10.7m (£9.0m) in the comparable period last year. It is considered that quality of customer service, which has always been a high priority, made a substantial contribution to this increase. For that reason, the company enthusiastically incorporated the new FSA guidelines, entitled "Treating Customers Fairly" ("TCF") into its existing systems. Based on the highly favourable customer feedback, we will continue to invest significant resources in this area. In addition to the strong sales growth rates, the Board is pleased at the manner in which administration expenses have been managed, increasing by 18% in the period, allowing a significant proportion of top line growth to flow through to bottom line net profit. This resulted in an increase in profit before tax from continuing operations to €4.6m (£3.8m) compared to a profit before tax of €3.1m (£2.6m) in the previous year, excluding a one-off impairment loss on the disposal of the Sports Betting Division (see below) and also excluding the IPO expenses incurred in the prior year. Gross margins have fallen from 88% for the year to 31 March 2008 to 79% in the current year reflecting the increased level of business generated through local and international partners to whom we pay a commission.

The Board sets very challenging targets for its management and team. It monitors performance on a monthly basis and measures results against a set of clear Key Performance Indicators which accurately reflect output. During the final quarter of the year under review the average number of bets per day grew to 6,200 per day from 4,500 per day during the comparable period last year. This increase in bet numbers has been driven by strong client acquisition, with 3,924 new clients added during the fiscal year. The Group has continued to implement its strategy of adopting a hands-on approach to client acquisition using client seminars, client evenings and one-to-one tutorials.

The Group continues to operate principally out of two offices. Head office is in Dublin, which services the Irish market with a range of financial spread betting products and a variety of client training products. The Group's London office offers financial spread betting services to the UK and carefully selected international markets. The Group's operations are regulated by the Financial Regulator in Ireland and by the FSA in the UK.

International markets have performed ahead of budget in all respects. Expansion of this activity, through a variety of partnerships, continues to represent a key pillar of our long-term strategy. Our established international partnerships have grown very satisfactorily and new operations have recently commenced in Russia and Poland. We expect the steady roll out of such operations to continue in a variety of local languages. The core London business, which operates in a very competitive market, has also made significant strides. Some important 'white label' arrangements have been added to the UK Division, such as with Victor Chandler International which we announced in December 2008, and negotiations continue with other target candidates.

The Group's Malaysian office continues to act as the centre for IT systems development. Almost 99% of the bets taken by the Group are executed online using the Group's proprietary trading platform. New iterations of this platform are being rolled out on a continuing basis. The Company is confident that the new platform, when fully implemented, will deliver operational improvements and result in improved margins.

Financial Spread Betting Division
The growth in the Group's Financial Spread Betting Division continued to accelerate over the course of the period under review. Financial spread betting revenues grew from €10.7m (£9.0m) for the year to 31 March 2008 to €14.9m (£12.5m) for the year to 31 March 2009, an increase of 39%. This growth was experienced across all geographic regions and in particular the more profitable international regions. The Group's international business showed extremely positive results for the year, with revenues more than doubling from €1.0m (£0.84m) in the year to 31 March 2008 to €2.14m (£1.8m) for the year to 31 March 2009. In particular, the growth levels experienced in Spain and Hungary were well ahead of management expectations and the Group has established a strong presence in both markets in conjunction with its local partners.

Sports Spread Betting Division
In March 2009, following a lengthy evaluation of the alternatives available, the Group disposed of its non-core Sports Spread Betting and Fixed Odds Betting Divisions by way of a Management Buy-Out ("MBO") to Fergus Rice, one of the senior executives of this division. Consideration for the deal was cash on completion of €250,000 plus cash of €135,000 (£125,000) representing cash on deposit with Barclays bank as security for the Division's online credit card payment solution plus a deferred consideration, to be settled in cash, if certain earn out revenue milestones are met in each of the three years from 1 April 2009 to 31 March 2012. Under the terms of the earn out, the Group will be entitled to up to €1.5 million if the acquired business generates gross annual revenues of at least €1.0 million in each year of the earn out period. The maximum earn out will be paid if the cumulative revenues of the acquired business meet or exceed €4.5m over the three year period. The disposal resulted in a one-off impairment loss of €0.66m to the Group but it now allows the Board and management to focus exclusively on the financial market trading.

Other Financial Derivatives Division
The Group's agency arrangement with a team of traders providing a WorldSpreads branded range of financial derivative products, such as futures, options, forex and contracts for difference ("CFDs") continues to deliver steady returns. In spite of the collapse in equity markets during late 2008 and early 2009 and the resultant reduction in CFDs volumes throughout the industry, this division made a net contribution of €0.37m (£0.31m) during the year to 31 March 2009 (2008 €0.40m, £0.34m). The rise in equity markets over the past 6 months has seen volumes increase substantially in this division and the Board is confident of higher returns in the coming years. The results of this division are included in the UK geographical segment.

Balance Sheet
With net assets of €17.4m (£14.7m) (2008: €16.1m, £13.6m) the Group is in a strong financial position. During the year the Group repaid in full the €3m (£2.5m) in mezzanine finance which it had borrowed from Anglo Irish Bank in 2005. The Group's continued focus on small to medium sized clients and tight credit policies have ensured that the Group continues to experience low levels of bad debt with a total bad debt charge for the year of less than 3%.

Dividend Policy
In line with the policy set out in the Company's AIM Admission Document, it is the Directors' intention to focus on delivering capital growth for shareholders and to utilise earnings to continue generating that growth. Therefore, the Directors do not propose paying a dividend in respect of the financial year ended 31 March 2009 but will review the Company's dividend policy from time to time as appropriate.

Summary and Outlook
The Board is very pleased with the progress the Group has made in the past 12 months. All segments of the business are performing well and further growth is expected during the current fiscal year driven largely by our continued international expansion. Even against the background of a very weak macro environment, trading continues to perform well and the Group is confident that it will continue to deliver on its focused business plan to expand not only in our local markets but also into selected international markets within the EU and beyond and continue to explore alternatives to reduce our dependence on specific markets. Through this strategy we believe that we can maximise shareholder value over the coming years.

Conor Foley
Chief Executive Officer
30 June 2009

Note: Throughout this announcement the following exchange rate has been used: £1:€1.19

WORLDSPREADS GROUP PLC
PRELIMINARY CONDENSED CONSOLIDATED (UNAUDITED) FINANCIAL STATEMENTS

PRELIMINARY CONDENSED CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2009

	Notes	*2009* *€000*	*Restated* *2008* *€000*
Continuing Operations			
Revenue	2	14,939	10,709
Cost of sales		(3,110)	(1,297)
Gross profit		11,829	9,412
Administrative expenses before non-recurring items		(7,275)	(6,168)
Non-recurring administration expenses			
- IPO Costs		-	(854)
Operating profit		4,554	2,390
Finance income		292	363
Finance expense		(289)	(471)
Profit before tax		4,557	2,282
Income taxation	3	(478)	(728)
Profit for the year from continuing operations		4,079	1,554
Discontinued Operations			
(Loss)/profit for the year from discontinued operations	5	(2,178)	349
Profit for the Year Attributable to Equity Holders of the Parent Company		1,901	1,903
Earnings per Share from continuing operations (in euro-cents)			
Basic	4	10.4	4.5
Diluted	4	10.0	4.3
Earnings per Share from discontinuing operations (in euro-cents)			
Basic	4	(5.5)	1.0
Diluted	4	(5.4)	1.0
Earnings per Share (in euro-cents)			
Basic	4	4.9	5.5
Diluted	4	4.6	5.3

No dividends are proposed by the Company.

WORLDSPREADS GROUP PLC
PRELIMINARY CONDENSED CONSOLIDATED (UNAUDITED) FINANCIAL STATEMENTS

PRELIMINARY CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 March 2009

	Notes	*2009* *€000*	*2008* *€000*
Non-Current Assets			
Property, plant and equipment		898	1,164
Intangible assets		764	637
Interest in joint ventures		17	48
Deferred tax asset		393	713
		2,072	2,562
Current Assets			
Assets held for sale		111	–
Prepayments and accrued income		1,073	717
Derivative financial instruments		9,667	12,271
Trade and other receivables		7,566	6,859
Cash and cash equivalents	8	22,368	24,939
Total Assets		**42,857**	**47,348**
Equity			
Issued share capital	7	591	590
Share premium		17,682	17,643
Retained earnings		471	(1,444)
Other reserves		(1,680)	(1,003)
Share option scheme		340	355
Total equity		**17,404**	**16,141**
Current Liabilities			
Trade and other payables		20,021	19,003
Derivative financial instruments		3,283	8,297
Interest-bearing loans and borrowings		2,013	3,690
Current tax liabilities		136	217
Total liabilities		25,453	31,207
Total Equity and Liabilities		**42,857**	**47,348**

WORLDSPREADS GROUP PLC
PRELIMINARY CONDENSED CONSOLIDATED (UNAUDITED) FINANCIAL STATEMENTS

PRELIMINARY CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2009 - Restated

	Issued			Other	Reserves		Share	
	Share capital	Share Premium	Retained earnings	Merger Reserve	Other reserve	Share Warrants	Option scheme	Total equity
	€000	€000	€000	€000	€000	€000	€000	€000
Balance at 1 April 2007	379	9,173	(3,545)	(97)	(118)	124	378	6,294
Foreign currency Translation of UK subsidiary	-	-	-	-	(787)	-	-	(787)
Total expense recognised directly In equity	-	-	-	-	(787)	-	-	(787)
Profit for the year	-	-	1,903	-	-	-	-	1,903
Total recognised income and expense for the year	-	-	1,903	-	(787)	-	-	1,116
Issue of share capital	202	9,148	-	-	-	-	-	9,350
Share issue expenses	-	(840)	-	-	-	-	-	(840)
Exercise of warrant	3	-	124	-	-	(124)	-	3
Exercise of options	6	162	73		-		(73)	168
Share option compensation	-	-	-		-		50	50
Balance at 31 March 2008	590	17,643	(1,445)	(97)	(905)	-	355	16,141
Foreign currency Translation of UK subsidiary	-	-	-	-	(678)	-	-	(678)
Total expense recognised directly In equity	-	-	-	-	(678)	-	-	(678)
Profit for the year	-	-	1,901	-	-	-	-	1,901
Total recognised income and expense for the year	-	-	1,901	-	(678)	-	-	1,223
Exercise of options	1	39	15	-	-	-	(15)	40
Balance at 31 March 2009	591	17,682	471	(97)	(1,583)	-	340	17,404

WORLDSPREADS GROUP PLC
PRELIMINARY CONDENSED CONSOLIDATED (UNAUDITED) FINANCIAL STATEMENTS

PRELIMINARY CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 March 2009

	2009	*Restated 2008*
Operating activities	*€000*	*€000*
Profit before tax from continuing activities	4,557	2,282
(Loss)/profit before tax from discontinued operations	(2,158)	376
Profit before tax	2,399	2,658
Adjustment to reconcile profit before tax to net cash flows:		
Non-cash:		
Finance income	(293)	(366)
Finance expense	289	472
Depreciation and amortisation	661	556
Share-based payment expense	-	50
Share in results of joint venture	(2)	(14)
Impairment loss on discontinued operations	660	-
Working capital adjustments:		
(Increase) in trade, prepayments and other receivables	(1,705)	(2,690)
Increase in trade and other payables	1,596	12,240
Decrease (increase) in derivative financial assets	2,512	(6,145)
(Decrease) increase in derivative financial liabilities	(5,009)	2,575
Income tax paid	(410)	(217)
Other exchange movements	1,878	1,367
Net cash flows from operating activities	2,576	10,486
Investing activities		
Purchases of property, plant & equipment	(304)	(873)
Purchases of intangible assets	(462)	(238)
Interest received	293	366
Net cash flows used in investing activities	(473)	(745)
Financing activities		
Payment of finance lease liabilities	-	(9)
Proceeds from borrowings	707	436
Repayment of borrowings	(2,937)	-
Interest paid	(442)	(319)
Issue of shares for cash	40	9,520
Share issue expenses	-	(840)
Net cash flows from financing activities	(2,632)	8,788
Net (decrease)/increase in cash and cash equivalents	(529)	18,529
Effect of exchange rate changes on cash and cash equivalents	(2,436)	(1,939)
Cash and cash equivalents at 1 April	24,939	8,349
Cash and cash equivalents at 31 March	21,974	24,939
Cash attributable to discontinued operations	(159)	-
Cash attributable to continuing operations	21,815	24,939

Notes to the preliminary condensed consolidated (unaudited) financial statements

1. BASIS OF PREPARATION

The preliminary condensed 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 €. All amounts are rounded to the nearest €'000 unless otherwise stated.

The Group adopted IFRS 7 Financial Instruments: Disclosures and the amendment to IAS 1 Presentation of financial statements in its annual report and accounts for the year ended 31 March 2008. The Group does not expect any material impact on the financial statements as a result of the implementation of new amendments to accounting standards and interpretations of accounting standards applicable during the year.

The Group disposed of its Sports Betting Division in April 2009 and as such has adopted the provisions of IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations. As a result the Sports Betting Division has been treated as a discontinuing operation and its post tax results, for the current and prior years, shown separately on the face of the income statement along with the impairment provision recognised on the measurement to fair value of its assets. The fair value of the assets of the Sports Betting Division are disclosed in a single line in the balance sheet in the current year as assets held for sale.

The cash flows from continuing operations have been presented for the current and prior year with separate cash flows presented for the discontinued Sport Betting Division in Note 5 along with the detailed Income Statements and impairment calculation.

The preliminary condensed consolidated financial statements for the year ended 31 March 2009, as presented herein, are unaudited and non-statutory. The condensed consolidated financial statements for the year ended 31 March 2008 as presented in this preliminary announcement represent an abbreviated version of the Group's full accounts for that year, after restatement for the reclassification of the Sports Betting Division as discontinued operations, on which the independent auditors issued an unqualified audit report without reference to any matters of emphasis and which have been filed in the Companies Registration Office in Ireland. The financial statements are published on group's website, www.worldspreads.com.

The accounting policies set out in that document have been consistently applied to all periods presented in these preliminary 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 Group disposed of its sports betting division in April 2009. The sports betting division included spread bets and fixed odds bets on sporting and other event. As a result the results of this division have been classified as discontinuing and thus do not represent a business segment. The Group's only business segment is now financial spread betting. 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:

Geographical segments
The Group's business is split into three geographical segments, UK, Ireland and International. The international segment contains all revenues and assets derived from clients outside of the UK and Ireland through the Group's various international partner agreements including Spain, Hungary, Greece, Poland and the Czech Republic. It also includes the assets of the Group's Malaysian subsidiary.

Notes to the preliminary condensed consolidated (unaudited) financial statements, cont'd

2. SEGMENT INFORMATION (Continued)

Year Ended 31 March 2009	*Continuing Operations*			*Discontinued Operations*	
	Financial spread betting	*Unallocated*	*Total*	*Sports Betting*	*Total Operations*
	€000	*€000*	*€000*	*€000*	*€000*
Revenue					
Sales to external customers	14,939	–	14,939	(50)	14,889
Total Revenue	**14,939**	–	**14,939**	**(50)**	**14,889**
Operating profit before non recurring items	4,610	–	4,610	(1,501)	3,109
Impairment loss recognised in income statement on the measurement to fair value of the Sports Division assets	–	–	–	(660)	(660)
Unallocated operating loss	–	(56)	(56)	–	(56)
Share of results of Joint Venture	–	–	–	2	2
Financial income/expense, net	206	(203)	3	1	4
Income tax expense	(329)	–	(329)	–	(329)
Deferred taxation	(149)	–	(149)	(20)	(169)
Profit after tax on continuing operations	4,338	(259)	4,079	(2,178)	1,901
As at 31 March 2009					
Assets and liabilities					
Segment assets	42,679	–	42,679	78	42,757
Investment in joint venture	17	–	17	33	50
Unallocated group assets	–	50	50	–	50
Total assets	**42,696**	**50**	**42,746**	**111**	**42,857**
Segment liabilities	25,453	–	25,453	–	25,453
Total liabilities	**25,453**	–	**25,453**	–	**25,453**
Other Segment information					
Capital expenditure:					
Property, Plant and Equipment	287	10	297	7	304
Intangible assets	455	7	462	–	462
Depreciation	194	–	194	48	242
Amortisation	412	–	412	7	419
Impairment of trade receivables	444	–	444	–	444
Impairment loss recognised in income statement on the measurement to fair value of the Sports Division assets	–	–	–	660	660

Notes to the preliminary condensed consolidated (unaudited) financial statements, cont'd

2. SEGMENT INFORMATION (Continued)

Year Ended 31 March 2008 (restated)	*Continuing Operations*			*Discontinued Operations*	*Total Operations*
	Financial spread betting	*Unallocated*	*Total*	*Sports Betting*	*Total*
	€000	*€000*	*€000*		*€000*
Revenue					
Sales to external customers	10,709	–	10,709	1,613	12,322
Total Revenue	**10,709**	**–**	**10,709**	**1,613**	**12,322**
Operating profit before non recurring items	3,275	-	3,275	360	3,635
Unallocated operating loss	–	(31)	(31)	–	(31)
Share of results in Joint Venture	–	–	–	14	14
Financial income/expense, net	185	(293)	(108)	2	(106)
IPO Expenses	–	(854)	(854)	–	(854)
Income tax expense	(342)	–	(342)	(27)	(369)
Deferred taxation	(386)	–	(386)	–	(386)
Profit after tax on continuing operations	2,732	(1,178)	1,554	349	1,903
As at 31 March 2008					
Assets and liabilities					
Segment assets	44,201	-	44,201	3,020	47,221
Investment in joint venture	18	-	18	30	48
Unallocated group assets	–	79	79	-	79
Total assets	**44,219**	**79**	**44,298**	**3,050**	**47,348**
Segment liabilities	27,774	–	27,774	495	28,269
Unallocated liabilities	–	2,938	2,938	-	2,938
Total liabilities	**27,774**	**2,938**	**30,712**	**495**	**31,207**
Other Segment information					
Capital expenditure:					
Property, Plant and Equipment	798	–	798	75	873
Intangible assets	238	–	238	-	238
Depreciation	138	–	138	42	180
Amortisation	365	–	365	11	376
Impairment of trade receivables	362	–	362	-	362
Share-based payment	50	–	50	-	50

Notes to the preliminary condensed consolidated (unaudited) financial statements, cont'd

2. SEGMENT INFORMATION (Continued)

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

	2009			
	Republic of Ireland €000	*UK €000*	*International €000*	*Total €000*
Revenue:				
Sales to external customers	7,927	4,823	2,139	14,889
Add back loss on trading attributable to discontinued operations	50	–	–	50
	7,977	4,823	2,139	14,939
Total segment assets	17,047	23,605	2,205	42,857
Capital Expenditure:				
Property, Plant and Equipment	117	177	10	304
Intangible assets	249	206	7	462

	2008 (Restated)			
	Republic of Ireland €000	*UK €000*	*International €000*	*Total €000*
Revenue:				
Sales to external customers	6,376	4,959	987	12,322
Less sales attributable to discontinued operations	(1,613)	–	–	(1,613)
	4,763	4,959	987	10,709
Total segment assets	15,814	30,657	877	47,348
Capital Expenditure:				
Property, Plant and Equipment	629	244	-	873
Intangible assets	137	101	-	238

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

Notes to the preliminary condensed consolidated (unaudited) financial statements, cont'd

3. INCOME TAXATION

	2009	*2008*
	€000	*€000*
Current Income Tax		
Current income tax charge	398	342
Adjustments in respect of current income tax in prior years	(69)	-
Current tax charge in the income statement	329	342
Deferred taxation		
Relating to origination and reversal of temporary differences	119	(340)
Relating to previously unrecognised tax losses	-	690
Under provision in prior years	30	36
Deferred tax charge in the income statement	149	386
Tax charge in the income statement	478	728
Analysed as follows:		
Irish income taxation	295	423
UK Income taxation	183	305
Tax charge in the income statement	478	728

A reconciliation between taxation on profits at the Irish Corporation Tax Rate and the Group's actual tax charge is as follows:

	2009	*2008*
	€000	*€000*
Accounting profit before tax	4,557	2,282
Tax on profit at 12.5% (2008: 12.5%)	570	285
Effects of:		
Expenses not deductable	33	162
Income tax at 25% and 28%	98	245
(Over)/under provision in prior years	(39)	36
Group relief	(184)	-
Taxation charge for year	478	728

Notes to the preliminary condensed consolidated (unaudited) financial statements, cont'd

3. INCOME TAXATION (Continued)

Deferred income tax
Deferred income tax at 31 March relates to the following:

	Consolidated Balance Sheet		*Consolidated Income Statement*		*Consolidated Statement of Changes in Equity*	
	2009 €000	*2008 €000*	*2009 €000*	*2008 €000*	*2009 €000*	*2008 €000*
Deferred income tax assets						
Accelerated capital allowances	11	(27)	37	(64)	-	-
Losses available for offset against future taxable income	366	641	(172)	(322)	-	-
Short-term timing differences	16	-	16	-	-	-
Adjustments in respect of prior periods	-	-	(30)	-	-	-
Foreign exchange movement on translation of UK subsidiary	-	-	-	-	(72)	(171)
	393	614	(149)	(386)	(72)	(171)
Losses available for offset against future taxable income pertaining to discontinued operations	79	99	(20)	-	-	-
	472	713	(169)	(386)	(72)	(171)

4. 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.

	2009 €000	*2008 €000*
Basic		
Profit attributable to ordinary shareholders		
From continuing operations	4,079	1,554
From discontinued operations	(2,178)	349
	1,901	1,903
Weighted average number of shares in issue during the year for basic earnings per share	39,353,322	34,715,137
Basic earnings/(loss) per share (in Euro-cents)		
From continuing operations	10.4	4.5
From discontinued operations	(5.5)	1.0
Basic earnings per share (in Euro-cents)	**4.9**	**5.5**

Notes to the preliminary condensed consolidated (unaudited) financial statements, cont'd

4. EARNINGS PER SHARE (Continued)

	2009	*2008*
	€000	*€000*
Diluted		
Profit attributable to ordinary shareholders		
From continuing operations	4,079	1,554
From discontinued operations	(2,178)	349
	1,901	1,903
Weighted average number of shares in issue during the year for basic earnings per share	39,353,322	34,715,137
Effect of dilution:		
Number of shares under option	3,942,500	4,048,867
Number of shares that would have been issued at average market price	(2,656,089)	(2,727,642)
Weighted average number of ordinary shares adjusted for the effect of dilution	40,639,733	36,036,362
Diluted earnings(loss) per share (in Euro-cents)		
From continuing operations	10.0	4.3
From discontinued operations	(5.4)	1.0
Diluted earnings per share (in Euro-cents)	**4.6**	**5.3**

5. ASSETS HELD FOR SALE

At 15 April 2009 the Group entered into a contract, by way of a management buy out, to sell its sports division consisting of two wholly owned subsidiaries, Sports Spread Betting (Ireland) Limited and Supreme Odds Limited. Consideration for the deal is cash on completion of €250,000 plus cash of €135,000 (£125,000) representing cash on deposit with Barclays bank as security for the Division's online credit card payment solution plus deferred consideration, also in cash, if certain earn out revenue milestones are met in each of the three years from 1 April 2009. Under the terms of the earn out, the Group will be entitled to up to €1.5 million if the acquired business generates gross annual revenues of at least €1.0 million in each year of the earn out period. The maximum earn out will be paid if the cumulative revenues of the acquired business meet or exceed €4.5million over the three year period. Due to the uncertainty of the ability of the acquired entity to meet these milestones, the Group will not recognise any portion of this consideration unless and until it is certain to be achieved.

Notes to the preliminary condensed consolidated (unaudited) financial statements, cont'd

5. ASSETS HELD FOR SALE (Continued)

The results attributable to the discontinued sports division are as follows:

	2009 €000	2008 €000
Revenue	(50)	1,613
Costs of sales	(37)	(32)
Gross (loss)/profit	**(87)**	**1,581**
Administrative expenses	(1,414)	(1,221)
Impairment loss recognised on the remeasurement to fair value less costs to sell	(660)	-
Operating (loss) profit	(2,161)	360
Share of results of joint venture	2	14
Finance income	1	2
(Loss)/profit before tax from a discontinued operation	(2,158)	376
Income tax expense	(20)	(27)
(Loss)/profit for the year from a discontinued operation	(2,178)	349

As a result of this transaction the Group has reclassified its sports division as discontinuing operations and classified the assets of this division as "Assets Held for Sale" in accordance with IFRS 5. Furthermore, the Group has made a provision of €660,000 to reflect the impairment in the carrying value of the sports division's asset as a result of this transaction. The major classes of assets and liabilities of the Sports Division classified as held for sale at 31 March 2009 are as follows:

Notes to the preliminary condensed consolidated (unaudited) financial statements, cont'd

5. ASSETS HELD FOR SALE (Continued)

	2009 €000	2008 €000
Assets		
Tangible fixed assets	191	-
Intangible fixed assets	5	-
Deferred tax asset	79	-
Interest in Joint Ventures	33	-
Cash at bank	159	-
Trade debtors and prepayments	642	-
Derivative financial instruments	92	-
Assets classified as held for sale	1,201	-
Liabilities		
Creditors	(425)	-
Derivative financial instruments	(5)	-
Liabilities directly associated with assets classified as held for sale	(430)	-
Net assets directly associated with disposal group	**771**	-
Impairment loss recognised on the remeasurement to fair value less costs to sell	(660)	-
Assets held for sale	**111**	-

The net cash flows incurred by the Sports Division are as follows:

	2009 €000	2008 €000
Operating	(196)	(121)
Investing	28	(74)
Financing	-	(1)
Net cash outflow	(168)	(196)

	2009	2008
Earnings per share		
Basic from discontinued operation (in Euro Cents)	(5.5)	1.0
Diluted from discontinued operation (in Euro Cents)	(5.4)	1.0

Notes to the preliminary condensed consolidated (unaudited) financial statements, cont'd

6. RELATED PARTY TRANSACTIONS

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.

Remuneration of key management personnel

	2009	*2008*
	€000	*€000*
Directors' compensation		
Directors' fees	146	104
Salaries and other emoluments	556	468
	702	572

	2009	*2008*
	€000	*€000*
Other key management compensation		
Salaries and other emoluments	109	106
	109	106

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:

	Expiry date	*Exercise price*	*Number*
31 March 2009	14/12/2010	0.6284	1,400,000
	30/03/2012	0.6284	550,000
31 March 2008	14/12/2010	0.6284	1,400,000
	30/03/2012	0.6284	550,000

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.

7. ISSUED SHARE CAPITAL

During the year ended 31 March 2009, the allotted, called up and fully paid share capital of the Group was increased from €589,550 to €590,450 due to the issue of ordinary shares. All of these shares were issued as a result of the exercise of employee share options. The proceeds of these issues were split between share capital of €900 and share premium of €39,361.

Notes to the preliminary condensed consolidated (unaudited) financial statements, cont'd

8. CASH AND CASH EQUIVALENTS

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise the following at 31 March:

	2009	*2008*
	€000	*€000*
Cash at bank and in hand	22,368	24,939
Bank overdrafts	(553)	-
	21,815	24,939

9. EVENTS AFTER BALANCE SHEET DATE

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

10. APPROVAL OF THE PRELIMINARY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The preliminary condensed consolidated financial statements were approved by the Board of Directors on 30th June 2009.