

WorldSpreads Group plc
29th October 2008

WorldSpreads Group plc
Interim Results for the Six Months ended 30th September 2008

WorldSpreads Group plc ("WSG" or the "Group") today announces its interim results for the six months ended 30th September 2008.

First Half Highlights

- Turnover: Up 69% to €8.43m (2007: €4.99m)
- Profit before tax & IPO costs: Up 137% to €3.1m (2007: €1.31m)
- Basic EPS: Up 700% to €0.064 per share (2007: €0.008)
- Average bets per day: Up 104% to 4,793 (2007: 2,351)
- Total active financial clients: Up 45% to 2,525 (2007: 1,736)
- Recently received approval from the Financial Regulator in Ireland under MiFID
- Group listed on IEX market in Ireland on 15th May 2008

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

"We are very pleased to announce extremely positive trading results for the period ended 30th September 2008. The Group has made significant progress in the past six months and continues to perform strongly in all of the geographic locations in which it does business. The net result is a 137% increase in profit before tax to €3.10m for the six month period.

Our key performance indicators have continued to grow at an accelerated rate for the Group in the past six months which has resulted in a more than doubling of profit before tax for the period. Our business model of international expansion continues to perform ahead of management expectations, accounting for 15% of Group revenues in the six months to the end of September 2008, and a revenue contribution 140% greater than was achieved in the equivalent period last year. The Group is continuing to commit investment both in the expansion of its international operations and in its IT development programme. The Group's continued attention to customer service and its expanded 'Treating Clients Fairly' programmes have also aided our efforts and resulted in good client retention and 'word-of-mouth' client acquisition.

The unprecedented volatility in the world's financial markets in recent times has been positive for the Group but the Group's business model of attracting a broad spectrum of small to medium size clients across a diversified range of geographic markets has meant that it is not overly reliant on any small segment of the client base. This leads to consistent profit levels and avoids any dependence on large clients.

Trading since the end of September has been very strong and the Group is confident that it is positioned to exceed the challenging targets that it set for the current financial year. In addition, as global economic conditions begin to normalise, its long term strategy of market diversification will continue to foster strong and broad-based growth in our revenues and profits."

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Chief Executive's Statement

The Group has continued to grow strongly in the six months to 30th September 2008 and once again, we can report that the period has been the most successful in the history of the Group to date. The Group's marketing programme extends over a variety of international markets, each with its own specific approach. It is this marketing effort that has, in the main, been responsible for the continued growth experienced over the past six months. In addition, the high levels of volatility in the financial markets have been a positive backdrop for our product. Average bets per day have grown by over 100% to almost 4,800 for the six months to 30th September 2008, and reached an average of 7,532 for the month of September 2008 compared to an average of 2,927 for September 2007. This expansion in betting activity has resulted in the significant growth in turnover, which increased by 69% to €8.43m (£6.64m), up from €4.99m (£3.93m) in the comparable period last year. This increase in turnover has resulted in a 137% increase in profit before tax of €3.10m (£2.44m), compared with €1.31m (£1.03m) (excluding IPO costs of €0.85m (£0.67m)) in the same period last year.

Operating costs increased 50% year on year to €4.49m (£3.54m). The increase arose as a result of a greater investment in marketing expenditure during the period and also from the additional IT development costs of our Malaysian development team. A full six months of these costs was included in this six month period, whereas no such costs arose in the corresponding period last year. We are confident that this investment in IT will provide an even better trading experience for our clients and, once our new trading system has been launched in the New Year, will result in cost savings for the Group in the future.

During the period the Group repaid €3.0m in high cost mezzanine debt. This will result in a significant saving in interest costs. The Group has net cash (excluding monies held on behalf of clients) of €9.0m at the end of September 2008, up from €6.0m at the end of September 2007.

Financial spread betting

The growth in the Group's financial spread betting divisions continued apace in the period. Financial spread betting revenues grew from €4.50m (£3.54m) for the six months to 30th September 2007 to €8.18m (£6.44m) for the six months period to 30th September 2008, an increase of 82%. This growth was experienced across all geographic areas with revenues from the Group's Dublin, London and International divisions posting revenue increases of 63%, 59% and 140% respectively compared to the same period last year. We are particularly pleased with the continued expansion of the Group's International business. For the six months ended 30th September 2008, the Group's International revenues grew from €0.52m (£0.41m) in the six months to 30th September 2007 to €1.25 (£0.98m) for the six months to 30th September 2008. We have recently launched our products in 5 new countries including the Czech Republic and Columbia and continue to look for expansion possibilities in Europe, Asia and Central and South America. The Group's trading platform is now available in 11 languages.

We have recently received approval from the Irish Financial Services Regulatory Authority ('IFSRA') under the new Markets in Financial Instruments Directive ('MiFID'), which now gives the Group a harmonised regulatory framework with which to expand its business internationally. The MiFID legislation brings with it a common regulatory framework for the 27 EU states and, uniquely, dual regulatory status for the Group. The Group now has the ability to passport its services from either Dublin or London and thus has the capacity to expand without the need to add significantly to the cost base. Allied to this, the Directors believe that the beneficial tax environment for the Irish regulated entity will continue to facilitate further expansion of its successful international business model.

Financial Derivatives

The Group commenced offering a range of financial derivative products such as futures, options, forex and CFD's in April 2007. Despite difficult market conditions prevailing during the period to 30th September 2008 the division recorded a contribution to operating profit of €0.39m (£0.31m) compared to a contribution of €0.20m (£0.16m) for the six months to 30th September 2007.

Summary and Outlook

I am very pleased with the continued progress the Group has made in the six months to the end of September 2008. Volatile markets have been favourable for the Group but the key drivers for the business have been in the acquisition of new clients and the successful risk management of the business.

Trading in the four weeks since the end of the quarter has remained positive and the rate of new client acquisition continues to accelerate. I am confident that WorldSpreads will continue to grow through the expansion of our activities in the UK, Ireland and in an increasing number of international territories over the coming periods. Finally, I would like to take this opportunity to thank the staff of the Group in Dublin, London and Malaysia for their delivery of an excellent performance.

Conor Foley
Chief Executive Officer
28 October 2008

Note:

Throughout this announcement the following exchange rate has been used: £1:€1.27.

WORLDSPREADS GROUP PLC
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED GROUP INCOME STATEMENT
For the 6 Months ended 30 September 2008

	Note	Unaudited 6 Months 30 Sept 2008 €000's	Unaudited 6 Months 30 Sept 2007 €000's	Audited 12 Months 31 Mar 2008 €000's
Revenue	2	8,431	4,987	12,322
Cost of sales		(906)	(631)	(1,328)
Gross profit		<u>7,525</u>	<u>4,356</u>	<u>10,994</u>
Administrative expenses before non-recurring items		(4,495)	(3,004)	(7,388)
Non-recurring administration expenses:				
Initial public offering costs		-	(852)	(854)
Operating profit		<u>3,030</u>	<u>500</u>	<u>2,752</u>
Share of results of joint venture		8	9	14
Finance income		248	169	366
Finance expense		(183)	(223)	(472)
Profit before tax		<u>3,103</u>	<u>455</u>	<u>2,660</u>
Income tax expense		<u>(575)</u>	<u>(215)</u>	<u>(757)</u>
Profit for the period attributable to equity holders of the Parent Company		<u><u>2,528</u></u>	<u><u>240</u></u>	<u><u>1,903</u></u>

All of the Group's activities are continuing.

Earnings per share

		Cents	Cents	Cents
Basic	3	6.4	0.8	5.5
Diluted	3	6.2	0.7	5.3

No dividends are proposed by the Group.

WORLDSPREADS GROUP PLC
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED GROUP BALANCE SHEET

	Unaudited 6 Months 30 Sept 2008 €000's	Unaudited 6 Months 30 Sept 2007 €000's	Audited 12 Months 31 Mar 2008 €000's
Non-Current Assets			
Property, plant and Equipment	1,148	477	1,164
Intangible assets	794	862	637
Interest in joint ventures	54	42	48
Deferred tax asset	489	1,149	713
	<u>2,485</u>	<u>2,530</u>	<u>2,562</u>
Current Assets			
Cash and cash equivalents	24,888	17,832	25,931
Trade and other receivables	6,441	4,366	6,859
Derivative financial instruments	10,487	5,864	11,279
Prepayments and accrued income	878	144	717
	<u>45,179</u>	<u>30,736</u>	<u>47,348</u>
Total Assets	<u><u>45,179</u></u>	<u><u>30,736</u></u>	<u><u>47,348</u></u>
Equity			
Issued share capital	591	588	590
Share premium	17,679	17,715	17,643
Retained earnings	1099	(3,121)	(1,444)
Other reserves	(947)	(244)	(1,003)
Share option scheme	340	318	355
	<u>18,762</u>	<u>15,256</u>	<u>16,141</u>
Total Equity	<u><u>18,762</u></u>	<u><u>15,256</u></u>	<u><u>16,141</u></u>
Current Liabilities			
Derivative financial instruments	7,414	4,444	8,297
Trade and other payables	17,220	7,742	19,003
Interest bearing loans & borrowings	1,215	3,150	3,690
Income tax payable	568	144	217
	<u>26,417</u>	<u>15,480</u>	<u>31,207</u>
Total Liabilities	<u><u>26,417</u></u>	<u><u>15,480</u></u>	<u><u>31,207</u></u>
Total Equity and Liabilities	<u><u>45,179</u></u>	<u><u>30,736</u></u>	<u><u>47,348</u></u>

WORLDSPREADS GROUP PLC
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INTERIM CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY
For the 6 Months ended 30 September 2008

	Issued share capital €000's	Share premium €000's	Retained earnings €000's	Other Reserves Merger reserve €000's	Other reserve €000's	Share warrant €000's	Share option scheme €000's	Total equity €000's
Balance at 1st April 2007	379	9,173	(3,545)	(98)	(118)	124	378	6,293
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	202	9,143	-	-	-	-	-	9,345
Exercise of options	4	117	60	-	-	-	(60)	121
Exercise of warrant	3	-	124	-	-	(124)	-	3
Share issue expenses	-	(718)	-	-	-	-	-	(718)
Balance at 30th Sept 2007	<u>588</u>	<u>17,715</u>	<u>(3,121)</u>	<u>(98)</u>	<u>(146)</u>	<u>-</u>	<u>318</u>	<u>15,256</u>
Foreign currency translation of UK subsidiary	-	-	-	-	(759)	-	-	(759)
Profit for the period	-	-	1,664	-	-	-	-	1,664
Total income and expense for the period	-	-	1,664	-	(759)	-	-	905
Share issue expenses	-	(122)	-	-	-	-	-	(122)
Exercise of options	2	50	13	-	-	-	(13)	52
Share option compensation	-	-	-	-	-	-	50	50
Balance at 1st April 2008	<u>590</u>	<u>17,643</u>	<u>(1,444)</u>	<u>(98)</u>	<u>(905)</u>	<u>-</u>	<u>355</u>	<u>16,141</u>
Foreign currency translation of UK subsidiary	-	-	-	-	56	-	-	56
Profit for the period	-	-	2,528	-	-	-	-	2,528
Total income and expense for the period	-	-	2,528	-	56	-	-	2,584
Exercise of options	1	36	15	-	-	-	(15)	37
Balance at 30th Sept 2008	<u><u>591</u></u>	<u><u>17,679</u></u>	<u><u>1,099</u></u>	<u><u>(98)</u></u>	<u><u>(849)</u></u>	<u><u>-</u></u>	<u><u>340</u></u>	<u><u>18,762</u></u>

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INTERIM CONDENSED GROUP CASH FLOW STATEMENT
For the 6 Months ended 30 September 2008

	Unaudited 6 Months 30 Sept 2008 €000's	Unaudited 6 Months 30 Sept 2007 €000's	Audited 12 Months 31 Mar 2008 €000's
Cash flows from operating activities			
Profit for the period	2,528	240	1,903
Adjustments to reconcile profit after tax to net cash flows:			
Income tax expense	351	94	370
Deferred taxation	224	121	387
Share of results of joint venture	(8)	(9)	(14)
Finance income	(248)	(169)	(366)
Finance expense	183	223	472
Depreciation and amortisation	317	207	556
Share-based payment expense	-	-	50
(Increase)/decrease in trade and other receivables	418	653	(2,098)
(Increase)/decrease in prepayments and accrued income	(161)	(277)	(592)
Increase/(decrease) in trade and other payables	(1,783)	1,197	12,240
(Increase)/decrease in derivative financial assets	792	262	(5,153)
Increase/(decrease) in derivative financial liabilities	(883)	(1,278)	2,574
Income tax paid	-	(63)	(217)
Net cash flows from operating activities	1,730	1,201	10,112
Investing activities			
Purchase of property, plant & equipment	(84)	(36)	(873)
Purchase of intangible assets	(374)	(221)	(239)
Interest received	248	169	366
Net cash flows used in investing activities	(210)	(88)	(746)
Financing activities			
Payment of finance lease liabilities	-	(5)	(9)
Proceeds from borrowings	-	-	436
Repayment of borrowings	(2,475)	(612)	-
Interest paid	(183)	(223)	(319)
Issue of shares for cash	37	9,469	9,520
Share issue expenses	-	(718)	(840)
Net cash flows from financing activities	(2,621)	7,911	8,788
Net (decrease)/increase in cash and cash equivalents	(1,101)	9,024	18,154
Net foreign exchange difference	58	(197)	(572)
Cash and cash equivalents at beginning of period	25,931	9,005	8,349
Cash and cash equivalents at end of period	24,888	17,832	25,931

WORLDSPREADS GROUP PLC
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Notes to the interim condensed consolidated financial statements

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 as adopted by the EU. The Group began reporting under International Financial Reporting Standards for the year ended 31st March 2007. The effective date of transition was 1st 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 31st March 2005 and 2006 are contained in the Group's audited financial statements for the year ended 31st March 2007. The financial statements are published on group's website, www.worldspreads.com.

The accounting policies applied in preparing these interim condensed consolidated financial statements are consistent with those set out in the Annual Report and Accounts for the year ended 31st March 2008. Both the interim figures for the six months ended 30th September 2008 and the comparative amounts for the six months ended 30th September 2007 are unaudited.

The summary financial statements for the year ended 31st March 2008, 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.

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)

	Unaudited 6 Months 30 Sept 2008 €000's	Unaudited 6 Months 30 Sept 2008 €000's	Unaudited 6 Months 30 Sept 2008 €000's	Unaudited 6 Months 30 Sept 2008 €000's
Revenue	Sports betting	Financial spread betting	Unallocated	Total
Sales to external customers	250	8,181	-	8,431
Total Revenue	250	8,181	-	8,431
Operating profit/(loss)	(221)	3,251	-	3,030
Unallocated operating profit	-	-	-	-
Share of results of joint venture	8	-	-	8
Financial income/(expense) net	-	126	-	126
Parent Company financial income/(expense) net	-	-	(61)	(61)
Income tax expense	-	(575)	-	(575)
Profit/(loss) after tax	(213)	2,802	(61)	2,528

	Unaudited 6 Months 30 Sept 2007 €000's	Unaudited 6 Months 30 Sept 2007 €000's	Unaudited 6 Months 30 Sept 2007 €000's	Unaudited 6 Months 30 Sept 2007 €000's
Revenue	Sports betting	Financial spread betting	Unallocated	Total
Sales to external customers	438	4,549	-	4,987
Total Revenue	438	4,549	-	4,987
Operating profit/(loss) excluding IPO expenses	(124)	1,476	-	1,352
Share of results of joint venture	9	-	-	9
Financial income/(expense) net	-	20	-	20
Parent Company financial income/(expense) net	-	-	(74)	(74)
IPO expenses	-	-	(852)	(852)
Income tax expense	-	(215)	-	(215)
Profit/(loss) after tax	(115)	1,281	(926)	240

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Notes to the interim condensed consolidated financial statements, continued

2. SEGMENT INFORMATION (Continued)

	Audited 12 Months 31 March 2008 €000's	Audited 12 Months 31 March 2008 €000's	Audited 12 Months 31 March 2008 €000's	Audited 12 Months 31 March 2008 €000's
Revenue	Sports betting	Financial spread betting	Unallocated	Total
Sales to external customers	1,613	10,709	-	12,322
Total Revenue	1,613	10,709	-	12,322
Operating profit excluding IPO expenses	360	3,276	-	3,636
Parent Company operating loss	-	-	(32)	(32)
Share of results of joint venture	14	-	-	14
Financial income net	2	184	-	186
Parent Company financial expense net	-	-	(293)	(293)
IPO expenses	-	-	(852)	(852)
Income tax expense	(27)	(343)	-	(370)
Deferred taxation	-	(386)	-	(386)
Profit/(loss) after tax	349	2,731	(1,177)	1,903

Geographical Segments

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

	Unaudited 6 Months 30 Sept 2008 €000's	Unaudited 6 Months 30 Sept 2007 €000's	Audited 12 Months 31 Mar 2008 €000's
Revenue			
Republic of Ireland	3,775	2,318	6,375
United Kingdom	3,405	2,148	4,966
International	1,251	521	981
Total Revenue	8,431	4,987	12,322

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

WORLDSPREADS GROUP PLC
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Notes to the interim condensed consolidated financial statements, continued

3. EARNINGS PER SHARE

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

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period 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.

	Unaudited 6 Months 30 Sept 2008 €000's	Unaudited 6 Months 30 Sept 2007 €000's	Audited 12 Months 31 March 2008 €000's
Basic earnings per share			
Profit after taxation	2,528	240	1,903
Weighted average number of shares	39,323,322	30,286,685	34,715,137
Basic EPS (in cents)	6.4	0.8	5.5

	Unaudited 6 Months 30 Sept 2008 €000's	Unaudited 6 Months 30 Sept 2007 €000's	Audited 12 Months 31 March 2008 €000's
Diluted earnings per share			
Profit after taxation	2,528	240	1,903
Weighted average number of shares	41,086,627	34,279,185	36,036,362
Diluted EPS (in cents)	6.2	0.7	5.3

4. PROPERTY, PLANT AND EQUIPMENT

During the six month ended 30th September 2008, the Group invested €84,120 in property, plant and equipment (six months ended 30th September 2007, €36,000; year ended 31st March 2008, €873,183).

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Notes to the interim condensed consolidated financial statements, continued

5. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel

	Unaudited 6 Months 30 Sept 2008 €000's	Unaudited 6 Months 30 Sept 2007 €000's	Audited 12 Months 31 March 2008 €000's
<i>Directors' compensation</i>			
Directors' fees	67	28	104
Salaries and other emoluments	283	170	469
	<u>350</u>	<u>198</u>	<u>573</u>
	<u><u>350</u></u>	<u><u>198</u></u>	<u><u>573</u></u>
<i>Other key management compensation</i>			
Salaries and other emoluments	55	42	106
	<u>55</u>	<u>42</u>	<u>106</u>
	<u><u>55</u></u>	<u><u>42</u></u>	<u><u>106</u></u>

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 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>
30 th September 2008	14/12/2010	0.6284	1,400,000
	30/03/2012	0.6284	550,000
30 th September 2007	14/12/2010	0.6284	1,400,000
	30/03/2012	0.6284	550,000
31 st 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.

6. ISSUED SHARE CAPITAL

During the period ended 30th September 2008, 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 60,000 ordinary shares for cash at a price of €0.6284. The proceeds of these issues, amounting to €37,704, were split between share capital of €900 and share premium of €36,804.

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Notes to the interim condensed consolidated financial statements, continued

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 25th October 2008.