FFastFill Plc

Half Yearly Report

For the six months ended 30 September 2008

2008

Application Services

FFastFill Plc

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FFastFill

Chairman and Chief Executive Officer's Statement

Introduction

I am pleased to announce another period of significant growth over the past six months, achieved in what is now widely recognised as a demanding and turbulent marketplace. During the first half we have continued to invest in our growth potential, enhancing our range of offerings as well as further expanding our geographic footprint and increasing our capacity to support future growth. These actions have now firmly established FFastFill as a key player in the trading technology market and we enter the second half of the year with the most competitively strong service suite in our Company's history.

I am also extremely pleased to announce today the commencement of phase 2 of our Asia Pacific expansion plan following the successful Placing of 15,384,615 shares raising £1.0m to finance this expansion. Further details on the Placing can be found in a separate announcement made this morning.

We, like everyone, have been impacted by the turbulence in the financial markets over the past six months. However, we have demonstrated resilience during the period, something that speaks both to the strength of our offering and of our business model. We are well equipped to mitigate the effects of this continuing turbulence as a result of the recurring nature of the revenue we earn from our core business, the breadth of our customer base and the competitive strength of our offering. As evidence of this, we have continued to grow our work within existing clients as well as win new clients during the six months under review. In particular, we have announced four new wins during the past few weeks that will contribute to growth in the second half of the year.

The nature of these wins says a great deal about the opportunities within our own marketplace at the moment. In September, we announced new contracts to provide ICAP and Mizuho with connectivity to the London Metals Exchange ("LME"). Their moves into the LME market space is one example of the vitality of our core derivatives market at the moment, with new names entering the arena as well as existing names driving and capitalising on the higher volumes resulting from current market volatility. Similarly, in October we announced an agreement to provide independent trading house, Mint Equities, with a number of FFastFill applications including a trade execution and risk management capability. We are seeing increasing interest in risk management systems and our recently enhanced risk management product, 'Risk Pro,' is well placed to capitalise on this trend.

Financial Review

Total revenue during the period grew 45% to £6.83m (H1 07/08: £4.72m) within which SaaS revenue grew organically by 20% to £4.02m. Revenue from SaaS related work accounts for 70% of total revenue, similar to last year, thus underpinning the already high quality of our recurring revenue base (this excludes third party licence fees passing through our revenue). Our '12 month Order Book' now stands at £12.33m (H1 07/08: £10.50m), with our SaaS Order Book increasing 32% to £8.95m (H1 07/08: £6.77m).

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Chairman and Chief Executive Officer's Statement – continued

During the period we received less customer funded development work than expected resulting in a negative short term effect on the profit and loss. Instead of carrying out work of this type, our development resource was deployed to bring forward some Company investments in intellectual property that will assist in growing our recurring revenue stream further still over time. Our top 20 customers continue to account for 81% of total revenue (H1 07/08: 81%), with the revenue of these top 20 now standing at £5.51m (H1 07/08: £3.81m) at the close of the six month period and representing an annualised average of £0.55m, per customer (H1 07/08: £0.38m).

EBITDA for the period was £0.24m (H1 07/08: £0.49m). The Company recorded an operating loss in the first half of £0.42m (H1 07/8: loss of £0.08m) primarily as a result of the continued and increased investment in the Company's growth combined with higher operational costs: this included investment in the first phase of our Asia Pacific expansion plan with the purchase of Exchange Technology Pty Ltd in July and the investment in additional offerings and service infrastructure.

The total operating expenses at £7.24m (H1 07/08: £4.80m / H2 07/08: £6.35m) include three elements; Cost of Sales, covering third party licences sold directly to a customer and cost of development of specific customer funded work; Amortisation and Depreciation; and Company overheads (Opex).

Amortisation and Depreciation increased during the period by £0.09m to £0.66m (H1 07/08: £0.57m). The Company's overheads increased by £1.61m from £3.16m in H1 07/08 to £4.77m in the period. This increase was due to:

- The full period effect of acquisitions: £0.50m.
  Exchange Systems Technologies Ltd (now known as FFastFill Post-trade Processing, or "PTP") was only included in Financial Year 07/08 for one quarter and Exchange Technology Pty Ltd was included from 1 July 2008.
- Investment in growth: £0.30m
  This includes, implementation of improved communication links to some exchanges and linking our US and UK data Centres with two transatlantic links. This will improve customers' trading experience and as a result help accelerate future growth. We have also invested in the PTP customer service capability and increased the development resources so that we can increase the revenue earning and internal investment capacity of the PTP team. This should lead to additional customer development revenue in the second half as well as allowing us to progress our PTP strategic projects. The latter includes transitioning the service to the Linux operating system, enhancing its multi asset capability and, for deployment later in 2009, developing a fully shared environment for back office customers. We have also increased our Asia Pacific sales coverage.

FFastFill

Chairman and Chief Executive Officer's Statement – continued

- Czech exchange rate: £0.12m
  A significant part of our development team is based in Prague and the exchange rate £ : CZ Koruna has moved on average between the periods by 18% (FY 2007/08: 38 Koruna per £ / FY 2008/09: 31 Koruna per £). This has increased the operating expenses charge to the Income Statement by £0.12m.
- Other overheads expenses: £0.55m
  Opex staff cost increased £0.23m and third party costs increased £0.31m. The latter includes London infrastructure cost increases of £0.15m owing to London data centre cost increases. Our previous contracts had protected us through the last financial year from the substantial rise in London costs.
- Plc cost increase: £0.15m
  Executive directors' salaries had been waived in the first half of last year. These are now being paid in line with executive directors' contracts: in addition there was an increased group accrual during the period for share-based payments.

Our cash position at the close of the period stood at £1.37m (H1 07/08: £1.88m / H2 07/08: £2.42m). The 31 March 08 cash balance was £0.60m higher than had been expected due primarily to earlier receipts from customers which had been expected in April 2009. The additional net cash outflow was due to increased capital expenditure on operational assets and investment in our expanded software offering to drive future growth.

Cash flow from operations was £0.26m (H1 07/08: £0.46m). The reduction was due to the increased operating loss referred to above. During the period we spent £0.29m (H1 07/08: £0.21m) on equipment to support our service delivery and £0.75m (H1 07/08: £0.39m) on new software services referred to in the Operational Review section of this report.

We have a £0.75m two year loan taken out with KBC Bank to finance the purchase of Exchange Technology Pty Ltd.

The acquisition of Exchange Technology Pty Ltd was completed on 1 July 2008 and incurred a cost of £0.92m paid in cash and a share consideration amounting to £0.24m. £0.15m of the cash consideration is being held in escrow covering the two year warranty period. The acquisition has brought a good customer base and skill-set to the group. We are now in the process of exploiting these assets and working on the integration of middle office software to enable us to offer a single middle office service with global coverage. We expect to see the first successes in the market with new wins shortly. The acquisition had a negative impact on the half year results of £0.05m and remains on track to be earnings neutral in the first twelve months and earnings enhancing in subsequent years.

FFastFill

Chairman and Chief Executive Officer's Statement – continued

Our people

During the period we conducted a full review of all roles within our organisation and, as a result, have been able to identify and make a number of small organisation changes that will increase efficiency, provide a common look and feel to our support activity across our entire service suite, and introduce a common approach to our testing activity. In addition, we have streamlined some roles within the organisation and increased emphasis in certain areas on driving growth. These changes will further enhance our client service and on behalf of the entire Board I would like to thank our staff for the skill they have demonstrated and commitment they have shown in serving our customers in the past six months.

Outlook

Today we have a broad geographical footprint which allows us to serve more clients, in more areas of the world at any time of the day or night: a significant benefit to us as a service-led business. We have an enhanced service range, which is stronger and more flexible than ever before, and opens up new opportunities to us as well as strengthening our position in areas where we are already entrenched. Most importantly we have continued to grow our business in both existing and new clients during the first half of the year, confirming that there remains a clear market need for our offerings.

Against this backdrop, the Board has made a firm decision to continue investing for growth through the second half of the year. We believe that investing now in platforms and processes to underpin our business and maintain our high levels of service will enhance our ability to continue to grow over the longer term. Whilst focusing on these strategic investments, such as our expansion in Asian markets, we will continue to tightly manage our cost base and maintain the working capital disciplines we have put in place over the past three years.

As we have previously said, no business can be immune to the current exceptional market conditions. The Board recognises that there is more uncertainty in the market at the current time and unforeseen events could occur in the months ahead. Whilst turbulent markets present opportunities for leaner, more agile and fast moving businesses like ours, the timing of these opportunities is difficult to predict. However, as a result of the investments we continue to make in our business, we have confidence that our medium and long term growth prospects remain sound.

Keith Todd

Chairman & Chief Executive Officer

FFastFill

Operational Review

Market dynamics

The Exchange Traded Derivatives ("ETD") market, FFastFill's core market, continues to see strong growth with exchanges globally reporting volume increases of between 8% and 20% driven by market volatility. Most commentators believe this volatility will continue in the year ahead leading to further increases in centrally cleared services and also ETD. Although some key banking institutions have 'failed' during the period, including clients of FFastFill's, most of this business has moved to other institutions. In addition, new technology purchasing decisions are taking place as the new owners of these assets restart or reshape these businesses. Whilst it is too early to say with any degree of confidence exactly what the long term effects will be on the global economy, it is very clear that electronic trading will continue to grow and that exchange traded derivatives will prosper either through existing exchanges or new ones set up to increase the competitiveness of the market. This creates a potentially significant opportunity for FFastFill.

At the same time, the focus within financial and trading institutions on improving risk management systems is increasing and FFastFill is well placed to benefit from this trend. The nature of the Company's business model enables customers to incur low or in some cases no upfront costs when implementing a new FFastFill system. As a result, the FFastFill SaaS offering – particularly in "front to middle" and risk management form – allows customers to adopt new, more effective systems quickly and with minimum disruption to their business. Back office systems generally carry a higher level of upfront replacement cost and, as a result, FFastFill is focused at this current time on selling add-ons to its customer's existing systems rather than relying on the sale of entirely new systems. Longer term the investments that have been made and continue to be made in migrating the Company's back office software to Linux and the shared back office environment will reduce significantly the up front cost, thus increasing FFastFill's competiveness and reducing barriers to change.

A truly global footprint

FFastFill is now run as a single, global entity focused on maximising the income stream generated from a customer. This global approach manifests itself in a number of ways, first and foremost in the 24/7 service FFastFill is now able to offer globally from its London, Chicago and now Sydney bases. Coupled with the integrated suite of services that the Company is now able to offer globally to clients, FFastFill is now clearly differentiated from competitors in its space who often have a different, non-complementary range of services offered throughout different regions: a model that does not support global business in an era of heightened risk control and sharp focus on cost management.

FFastFill's global reach is now also supported internally by the use of common Company-wide processes and IT to support all aspects of the business.

Remaining on the topic of global expansion, the FFastFill Board (the "Board") announced in May the first phase of an Asia Pacific Strategy with the acquisition of Exchange Technology Pty Ltd ("ET"). This acquisition has allowed the Company to establish a true global middle office service as well as the third key leg of our "follow the sun" service strategy. Not only has this acquisition expanded our

Operational Review – continued

global reach, it has also expanded the Company's reach into the trading process providing a fertile opportunity to sell middle office capability into its existing customer base as well as opening up the opportunity to inject FFastFill services into ET's clients.

Looking to the future, the Board is extremely pleased that, as a result of the successful Placing announced today, the Company will now be able to press ahead with the second phase of its Asia Pacific expansion plan starting in the second half of this financial year. While it will add costs in the short term, it will significantly enhance the growth opportunity open to FFastFill in the coming years. It will enable the global deployment of FFastFill technology and open the way for a fully competitive offering to be directed at key incumbents. Connectivity and infrastructure centres will be progressively opened in four cities in the Asia Pacific region; Singapore, Sydney, Hong Kong and Tokyo. This will mark a further expansion of FFastFill's Global 'city-centric' expansion strategy, in what remains a strategically important and economically significant region for the Company.

A strengthened offering

During the period, a number of new or enhanced offerings have been unveiled that result in FFastFill having today the most comprehensive service suite in its history and certainly the most competitive offer on the market today. These services focus on strengthening the Company's position in existing areas as well as expanding its reach into new market niches and include:

- **Trading Pro (Front End)**
  The functionality of this service has continued to be enhanced during the period and additional exchange connectivity has been added. FFastFill's partnership with Object Trading, an Australian based Company, and the Company's investment in infrastructure will provide additional Asia Pacific growth opportunities. The Company's multi asset capabilities have been enhanced with deployment of a new Foreign Exchange capability and its E-Speed US Treasury trading functionality. In addition, FFastFill's recently agreed partnership with Progress Apama will provide it with comprehensive 'Algo' and spread trading capability. All of this marks further progress with the Company's strategic intent to expand its business through multi asset class connectivity.
- **Risk Pro (Risk Management)**
  The integration of the Company's back office margining engine with its Tracking Pro data base and risk management console has been completed, and interfaces to the currently most used back offices have been created. This is now live in the Company's first customer and the initial feedback received from other companies in the space is encouraging.
- **FFastFill Seals (Middle Office)**
  The recent acquisition of ET has enabled FFastFill for the first time to offer a global middle office solution. This will be further improved through the integration of the features into the Company's SaaS service and the investment in Asia Pacific infrastructure.

Operational Review – continued

- **FFastFill Eclipse (Back Office)**

  The investment to reduce the cost of deploying the service will improve the business case for businesses change from legacy back offices and will further improve FFastFill's profitability. The Company has broadened its sales focus for Back Office solutions and now has one customer live with this solution in Australia and one in South Africa. Back Office activity will continue to be focused on specific cities with priorities in the short term being London, Amsterdam, Sydney, Melbourne and Singapore.

Operations

Internally, 'blade-servers' which operate using virtualisation technologies are now being deployed and the deployment of 64bit technology has also just been completed. These initiatives significantly improve the capacity of FFastFill's data centre space and improve the Company's service performance. The Company is now also implementing the move of the third leg of its global support – an evening shift in Chicago – to Sydney so that the service book can be managed globally in daylight hours. This transition will be completed by the calendar year end.

FFastFill

Consolidated income statement

for the period ended 30 September 2008

	Notes	Six months ended 30 September 2008 (unaudited) £'000	Six months ended 30 September 2007 (unaudited) £'000	Year ended 31 March 2008 (audited) £'000
Revenue		6,828	4,716	11,359
Operating expenses		(7,244)	(4,797)	(11,145)
Operating (loss)/profit		(416)	(81)	214
Finance income	4	23	22	51
Finance costs	5	(66)	(12)	(34)
Exceptional items	6	(60)	(240)	(368)
Loss before income tax		(519)	(311)	(137)
Income tax	7	(8)	65	1,061
(Loss)/profit for the year		(527)	(246)	924
Basic and diluted (loss)/profit per share	8	(0.14p)	(0.08p)	0.26p

FFastFill

Consolidated balance sheet

as at 30 September 2008

	Note	As at 30 September 2008 (unaudited) £'000	As at 30 September 2007 (unaudited) £'000	As at 31 March 2008 (audited) £'000
Assets				
Non-current assets				
Goodwill		7,534	6,343	6,480
Intangible assets		3,028	2,285	2,595
Property, plant and equipment		764	937	785
Trade and other receivables		145	–	145
Deferred taxation		1,505	–	1,505
Non-current assets		12,976	9,565	11,510
Current assets				
Trade and other receivables		3,336	2,460	2,665
Cash and cash equivalents		1,369	1,878	2,424
		4,705	4,338	5,089
Total assets		17,681	13,903	16,599
Liabilities				
Trade and other payables		(6,796)	(4,353)	(6,122)
Borrowings		(375)	–	–
Obligations under finance leases		–	(233)	(103)
		(7,171)	(4,586)	(6,225)
Net current liabilities		(2,466)	(248)	(1,136)
Total assets less current liabilities		10,510	9,317	10,374
Non-current liabilities				
Borrowings		(375)	–	–
Obligations under finance leases		–	(55)	–
		(375)	(55)	–
Net assets		10,135	9,262	10,374
Capital and reserves				
Called up share capital	10	3,810	3,702	3,705
Share premium account		31,724	31,095	31,093
Other reserves		235	235	715
Shares to be issued		–	480	–
Share-based payment reserve		179	89	114
Merger reserve		890	890	890
Translation reserve		(145)	(28)	(112)
Profit and loss account		(26,558)	(27,201)	(26,031)
Equity shareholders' funds		10,135	9,262	10,374

FFastFill

Consolidated Statement Of Changes In Equity

	Share capital £'000	Share premium account £'000	Other reserves £'000	Share based payment reserve £'000	Merger reserve £'000	Translation reserve £'000	Retained earnings £'000	Deferred conside-ration £'000	Total £'000
For the six months ended 30 September 2008									
At 1 April 2008	3,705	31,093	715	114	890	(112)	(26,031)	–	10,374
Exchange differences on translating foreign operations	–	–	–	–	–	(33)	–	–	(33)
Loss for the period	–	–	–	–	–	–	(527)	–	(527)
Share compensation expense	–	–	–	65	–	–	–	–	65
Share issues	105	631	(480)	–	–	–	–	–	256
At 30 September 2008	3,810	31,724	235	179	890	(145)	(26,558)	–	10,135
For the six months ended 30 September 2007									
At 1 April 2007	2,897	26,561	235	35	890	(9)	(26,955)	–	3,654
Exchange differences on translating foreign operations	–	–	–	–	–	(19)	–	–	(19)
Loss for the period	–	–	–	–	–	–	(246)	–	(246)
Share compensation expense	–	–	–	54	–	–	–	–	54
Share issues	805	4,534	–	–	–	–	–	480	5,819
At 30 September 2007	3,702	31,095	235	89	890	(28)	(27,201)	480	9,262

FFastFill

Consolidated Cash Flow Statement

for the period ended 30 September 2008

	Notes	Six months ended 30 September 2008 (unaudited) £'000	Six months ended 30 September 2007 (unaudited) £'000	Year ended 31 March 2008 (audited) £'000
Cash flows from operating activities				
Cash flows from operations	A	263	463	2,157
Interest received		23	22	51
Interest paid		(66)	(12)	(34)
Tax (paid)/received		(8)	65	61
Net cash flows from operating activities		212	538	2,235
Cash from investing activities				
Acquisition of Subsidiary		(888)	(4,210)	(4,210)
Purchase of intangible assets		(749)	(387)	(983)
Purchase of property, plant & equipment		(289)	(212)	(602)
Net cash flows used in investing activity		(1,926)	(4,809)	(5,795)
Cash flows from financial activities				
Net proceeds from issue of ordinary share capital		12	5,200	5,220
Proceeds from bank loan		750	–	–
Finance lease principal payments		(103)	(67)	(252)
Net cash inflow from financing activities		659	5,133	4,968
Net change in cash and cash equivalents		(1,055)	862	1,408
Cash and cash equivalents at beginning of year		2,424	1,016	1,016
Cash and cash equivalents at end of year		1,369	1,878	2,424

FFastFill

Notes to the cash flow statement

A. RECONCILIATION OF NET LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Six months ended 30 September 2008 (unaudited) £'000	Six months ended 30 September 2007 (unaudited) £'000	Year ended 31 March 2008 (audited) £'000
(Loss)/profit after tax	(527)	(246)	924
Finance income	(23)	(22)	(51)
Finance costs	66	12	34
Taxation	8	(65)	(1,061)
Depreciation	343	374	764
Amortisation of intangible assets	316	197	506
Share compensation expense	65	54	79
Foreign exchange translation differences	(33)	17	96
Increase in receivables	(547)	(130)	(480)
Increase in payables	595	272	1,346
Cash flows from operating activities	263	463	2,157

Notes to the half yearly report

1. BASIS OF PREPARATION

The consolidated half yearly financial information has been prepared on a consistent basis with the accounting policies that are expected to apply in the full year financial statements for the year ending 31 Mach 2009, which will be prepared in accordance with International Financial Reporting Standards as adopted by the EU. The accounting policies are also consistent with those used in the preparation of the full year financial statements for the year ended 31 March 2008.

The financial information contained within this interim report has been prepared in accordance with International Accounting Standard 34 (IAS 34 Interim Financial Reporting) and are unaudited. They were approved by the board and authorised for issue on 19 November 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue, which excludes value added tax, represents the value of goods and services supplied. Where income relates to future services or there are associated ongoing costs the income is spread over the life of the provision of the service. All other income is recognised on delivery.

Share-based payments

The group operates two share options schemes; the Enterprise Management Incentive Scheme and the 2003 Share Option Scheme (HM Revenue & Customs unapproved). The fair value of options is recognised as an employee benefit expense with a corresponding increase in reserves over the vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Share option and warrants granted prior to 7 November 2002, have been excluded from the share-based payment calculation, as permitted by IFRS 2 *Share-based payment*.

Internally generated intangible assets – software development expenditure

The group considers that the regulatory, technical and market uncertainties inherent in the development of new products and technologies means that the internal software development costs should not be capitalised as intangible assets until the commercial viability of a project is demonstrable and appropriate resources are in place to launch the product. Research and development expenditure prior to this point in time is expensed as incurred.

An intangible asset arising from development is only recognised if all of the following conditions are met:

The intangible asset is considered to be technically feasible and the project to create it is sufficiently resourced to be capable of completion.

There is an intention to complete the asset and both the intention and ability to sell it.

Notes to the half yearly report – continued

It is reasonably expected that the asset is likely to generate net future economic benefits. Development costs in relation to the asset can be reliably measured. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. The expenditure capitalised includes the cost of materials and direct labour. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of the products concerned. The amortisation period for development costs incurred on the Group's development is five years.

Going concern

The directors have prepared the accounts on a going concern basis, which assumes that the Company will be able to continue in operational existence for the foreseeable future.

During the period, the group made losses of £527,000 and had net assets at 30 September 2008 of £10,135,000 (including cash at bank and in hand of £1,369,000). As disclosed in the Chairman's Statement on pages 1 to 4, the directors have taken steps to further develop the group's range of products and services, which they expect to lead to new customers contracts later this year. On this basis, the directors have prepared the accounts on the going concern basis.

3. SEGMENTAL INFORMATION

Geographical segment

The Group operates in one business; that of the provision of application services for use in the global financial markets. The segmental analysis by region is presented below.

For six months ending 30 September 2008	European £'000	US £'000	Asia Pacific £'000	Total £'000
Turnover by origin	5,336	1,407	85	6,828
Turnover by destination	4,559	1,748	521	6,828
Depreciation and amortisation	582	76	1	659
Operating (loss)/profit	(276)	(150)	10	(416)
Finance costs – net				(43)
Exceptional items				(60)
Loss before Tax				(519)
Capital expenditure on property, plant and equipment	(228)	(61)	–	(289)
Expenditure on intangible assets	(716)	–	(33)	(749)
Total assets	15,745	900	1,036	17,681
Total liabilities	4,444	1,146	1,956	7,546

Notes to the half yearly report – continued

3. SEGMENTAL INFORMATION (continued)

For six months ending 30 September 2007	European £'000	US £'000	Asia Pacific £'000	Total £'000
Turnover by origin	3,592	1,124	–	4,716
Turnover by destination	3,617	1,099	–	4,716
Depreciation and amortisation	492	79	–	571
Operating loss	(63)	(18)	–	(81)
Finance costs – net				10
Exceptional items				(240)
Loss before tax				(311)
Capital expenditure on property, Plant and equipment	(183)	(29)	–	(212)
Expenditure on intangible assets	(387)	–	–	(387)
Total assets	13,158	745	–	13,903
Total liabilities	3,978	663	–	4,641

For year ending 31 March 2008	European £'000	US £'000	Asia Pacific £'000	Total £'000
Turnover by origin	9,549	1,810	–	11,359
Turnover by destination	7,587	3,529	243	11,359
Depreciation and amortisation	1,085	185	–	1,270
Operating profit/(loss)	321	(156)	49	214
Exceptional items				(368)
Finance costs – net				17
Loss before Tax				(137)
Capital expenditure on property, plant and equipment	489	113	–	602
Expenditure on intangible assets	983	–	–	983
Total assets	15,853	746	–	16,599
Total liabilities	5,363	862	–	6,225

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Notes to the half yearly report – continued

4. FINANCE INCOME

	Six months ended 30 September 2008 (unaudited) £'000	Six months ended 30 September 2007 (unaudited) £'000	Year ended 31 March 2008 (audited) £'000
Bank interest	23	22	51

5. FINANCE COSTS

	Six months ended 30 September 2008 (unaudited) £'000	Six months ended 30 September 2007 (unaudited) £'000	Year ended 31 March 2008 (audited) £'000
Bank interest	5	–	7
Loan interest	15	–	–
On finance leases	2	10	18
Other interest	44	2	9
	66	12	34

6. EXCEPTIONAL ITEMS

Exceptional items relate to the reorganisation costs of integrating Exchange Systems Technology Ltd (now known as FFastFill Post-trade Processing Ltd) into FFastFill Plc and its subsidiaries.

7. TAXATION

The group has no liability to UK Corporation tax as the group made a loss for the purposes of Corporation Tax.

8. LOSS PER SHARE AND DILUTED LOSS PER SHARE

Loss per share is calculated by dividing the loss attributable to ordinary shareholders for each period by the weighted average number of ordinary shares in issue during each period, as follows:

	Six months ended 30 September 2008 (unaudited)	Six months ended 30 September 2007 (unaudited)	Year ended 31 March 2008 (audited)
Profit/(Loss) attributable to shareholders	(£527,000)	(£246,000)	£924,000
Weighted average number of shares	376,764,704	331,472,369	350,698,541

For the purposes of dilution, share options are non-dilutive.

Notes to the half yearly report – continued

9. ACQUISITIONS

On 1 July 2008 the FFastFill Australia Pty Ltd acquired the entire issued share capital of Exchange Technology Pty Ltd for a total consideration of £1.164m. The consideration consisted of £0.920 million paid in cash and £0.244 million paid in shares.

The aggregate results for their transactions for the period from completion of 1 July 2008 to 30 September 2008 was £0.085 million of revenue and £0.052 million of operating loss.

If the acquisition of Exchange Technology Pty Ltd had been completed on the first day of the financial year, the revenues would have been £0.180 million and the loss attributable to equity holders of the parent would have been £0.04 million of operating profit.

The fair value of net assets acquired is based on the best estimate available at which this financial information has been prepared.

	Fair Value £'000
Net assets acquired	
Property, plant and equipment	33
Trade and other receivables	124
Cash and cash equivalents	94
Current liabilities	(79)
Net liabilities acquired	172
Goodwill	1,054
Total cost of acquisition	1,226
Satisfied by:	
Cash	920
Shares	244
Acquisition costs	62
Total	1,226

The directors consider that the goodwill comprises synergies and other benefits to the business which are expected to arise from the acquisition. These assets are not separately identifiable.

FFastFill

Notes to the half yearly report – continued

10. CALLED UP SHARE CAPITAL

	As at 30 September 2008 (Unaudited) £'000	As at 30 September 2007 (Unaudited) £'000	As at 31 March 2008 (audited) £'000
Authorised			
750,000,000 ordinary shares of £0.01 each	7,500	7,500	7,500
Allotted, called up and fully paid			
381,010,172 (2007: 370,220,013) ordinary shares of £0.01 each	3,810	3,702	3,705

During the interim period 10,540,159 ordinary shares of 1p were issued as part of the consideration for acquisition of Exchange Technology Pty Ltd and Exchange Systems Technology Ltd and the exercise of the share options.

11. FINANCIAL INFORMATION

The financial information set out in this half yearly report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The financial information for the six month periods ended 30 September 2008 and 2007 is neither audited nor reviewed. Information relating to the year ended 31 March 2008 is derived from the statutory accounts for that period, which have been reported on by the Company's auditors and delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

12. INTERIM DIVIDEND

The directors do not intend to declare a half yearly dividend.

13. AVAILABILITY OF INTERIM REPORT

Copies of these interim results will be sent to shareholders shortly and will also be available at the Company's registered office at 1-3 Norton Folgate, London E1 6DB and from the Company's website at www.ffastfill.com where this announcement is also reproduced.

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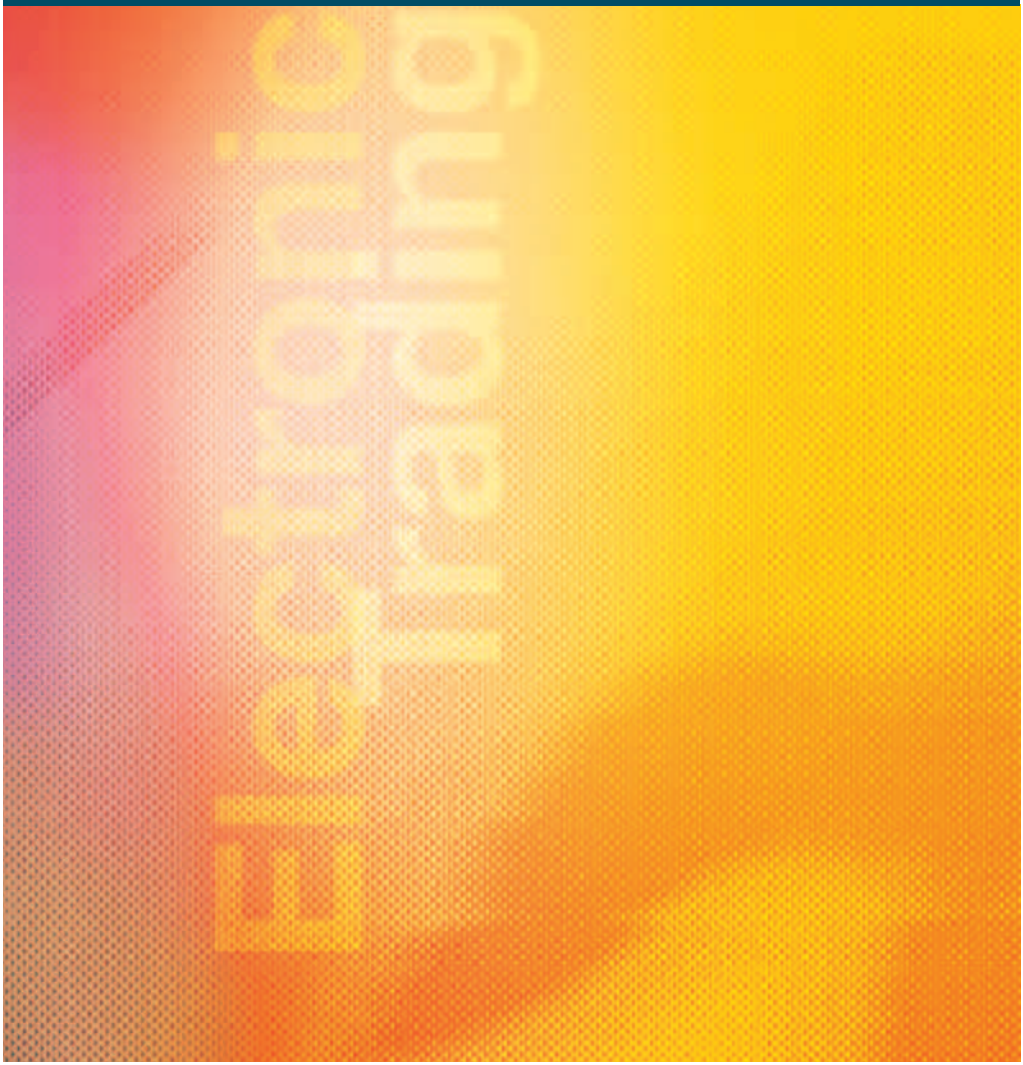
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