eServGlobal Limited (eServGlobal or the "Company")

eServGlobal Interim Results (LSE:AIM) and Appendix 4D (ASX): H1 FY2015

Paris: 30 June 2015

eServGlobal (AIM:ESG & ASX:ESV), the provider of end-to-end mobile financial services to emerging markets, is pleased to announce results for the six month period ended 30 April 2015 ("1H15").

FINANCIAL HIGHLIGHTS

- 1H15 revenue AUD12.8M (GBP6.7M) (H1 FY2014 AUD16.9M)
  - Recurring Support & SaaS revenue of 37% (decrease of 8% as we migrate legacy VAS Support contracts and focus on high-growth mobile money customers).
- Adjusted core business EBITDA* loss of AUD3.1M (H1 FY2014 profit of AUD0.9M).
- Project backlog at the end of April totaled AUD7.1M (GBP3.7M), a 59% increase on the same period last year.
- Sales orders received in 1H15 totalled AUD16.5M (GBP8.7M), an increase of AUD4.6M (39%) compared to 2H14.
- Capitalised intangibles during 1H15 of AUD2.8M (GBP1.5M) related to the continued development of PayMobile 3.0 modules.
- Several live with deployments completed in H1. Deployments expected to increase in H2 resulting from a project delivery schedule higher than previous years.
- Equity placing in December 2014 raised AUD5.5M (GBP2.9M) gross proceeds. The net proceeds were used to invest in the development of PayMobile 3.0, restructuring and the deployment of project backlog.
- Post period end: On 4 June 2015, the Company entered into a loan for AUD9.7M (GBP5.0M) to enable the Company to capitalise on tactical opportunities for cost optimization of legal entities, workforce and offices. The funds will also support working capital requirements for the second-half project delivery schedule.
- The Company has made solid progress on the identified cost-optimisation plan announced on 4 June 2015, with annualized savings of over AUD1.2M (GBP0.6) actioned so far out of the full AUD2.9M (GBP1.5M) expected.

* Adjusted core business EBITDA before foreign exchange gains and losses, share based payments and non-recurring costs.

Current trading and outlook

As stated at the AGM in March 2015 and reiterated in the Trading Update on 4 June 2015, the Company is trading in-line with full year expectations and expects to produce revenues and adjusted EBITDA in 2015 that are at least equal to the 2014 financial year, excluding the costs and benefits of the cost optimization plan which was announced in the Trading Update on 4 June and reiterated below.

The Company continues to expect the initiatives, as announced in the Trading Update on 4 June, to generate annualised cost savings in excess of AUD2.9M (GBP1.5M) the full benefit of which will be realised in FY2016. 2H15 cost savings resulting from the cost optimisation initiatives are, as previously announced, expected to be in the range of AUD0.4M-0.9M (GBP0.2M-0.5M) with non-recurring costs of AUD3.2M-4.2M (GBP1.8M-2.2M).

John Conoley, Executive Chairman, commented, "Our transition to a new technology and the simultaneous deployment of several new projects has impacted our revenue recognition in the first half. However, I am encouraged by the positive reaction of our customers and prospects to PayMobile 3.0 launches and I believe this has played a part in the 39% increase in sales orders during the half.

“We will continue to get a grip on the business in the second half, as PayMobile 3.0 gains traction we will be able to take advantage of more rapid deployment times resulting faster conversion of projects to cash and higher margin support revenue. In the coming half we must continue the focus on sales execution and project delivery, while finding additional momentum within our operations and in the sales strategy to underpin 2016.

“HomeSend has achieved a 240% increase in live corridors in the last three months as well as good growth in transactions. We are satisfied with the progress of HomeSend to date and we aim to make more information available in due course. eServGlobal remains confident of the long-term success of the hub, supported by MasterCard’s demonstrated commitment to the solution.”

OPERATIONAL REVIEW

eServGlobal core business | Mobile money in emerging markets

The Company has made significant progress on the deployment of PayMobile 3.0 projects, with live services now in Zain Saudi Arabia, Zain Jordan and Alfa Telecom Lebanon. Further sites will go live in coming months. The project delivery schedule for 2H15 is higher than in previous years.

PayMobile 3.0 is a revolution in the way eServGlobal delivers its solutions. This new standardised platform, has required substantial development, however it is already delivering benefits in terms of rapid deployment of projects enabling customers to realise a rapid return on investment. PayMobile 3.0 is built on state-of-the-art core technology. The platform’s flexibility allows for rapid adjustment, while the open API bundles allow exposure of the platform for third party integration. PayMobile 3.0 is also expected to open new opportunities with channel partners and new customer types on both a global and local level.

The company recorded a decrease in revenue in 1H15, however the strong pipeline and increased sales orders during the period will have a positive impact on the second half. This is inline with the seasonal nature of the industry.

Highlights during 1H15 include:

- During the first half of the year eServGlobal secured several new contracts with new customers, including:
    - In Pakistan the company will supply an end-to-end mobile money solution. The contract value is material and in excess of USD2.5M.
    - In Myanmar, eServGlobal has won a project to supply a mobile money solution to a local Internet Service Provider.
    - Fully-featured electronic top-up solution for prepaid users for a customer in the UAE.
- eServGlobal has launched a white-label smartphone app to cater to the increasing penetration of low-cost smartphone in emerging markets. The app has already been sold to five existing customers, including service in Cabo Verde, Armenia and Somalia. The app will make eServGlobal’s PayMobile 3.0 solution more attractive to new customers looking for a comprehensive mobile money solution. It will also encourage the subscribers of existing customers to increase usage of their mobile wallet, therefore generating extension and upgrade projects.
- eServGlobal currently has more than 60 customers worldwide with subscriber licences covering in excess of 110M end users. The total subscriber footprint of all eServGlobal customers is significantly higher, demonstrating potential for license extension projects. As Operators exceed their license threshold they are required to purchase license extensions. This is high-margin project work for eServGlobal. Currently, eServGlobal’s subscribers licenses are being used at 94% of license threshold.

- During June 2015, Duncan Lewis and Francois Barrault stepped down from the Board of Directors of the Company.

The HomeSend JV | International Payments Hub

HomeSend is a distruptive, multilateral global payments hub which allows all players in the global payments space to interoperate via a single connection. HomeSend, as a B2B solution, plays a unique role in offering interconnectivity between MTOs, Telcos, Banks, Mobile Money Providers and Financial Service Providers. Through a connection to HomeSend, hub members can offer their subscribers (individuals, businesses, state bodies or NGOs) the ability to send money to and from bank accounts, mobile money accounts, payment cards or cash outlets – regardless of their location or that of the receiver.

HomeSend has been operating as a Joint Venture of MasterCard, eServGlobal and BICS since April 2014. Since formation, the joint venture has opened significan new markets for HomeSend, notably as a result of the commitment of MasterCard, including new wins through the MasterCard sales teams, promotion of the solution by MasterCard leadership team and the announcement of the connection to MasterCard Send.

On an operational level, during the first half of the year, HomeSend has made substantial progress on corridor deployment, exceeding eServGlobal's expectations. The deployment of each new live corridor has a direct affect on the number of transactions being processed. The hub nature of the solution means that every new corridor which connects into the hub, exponentially increases HomeSend's reach. eServGlobal is satisfied with the growth in transactions to date.

HomeSend's customer include several of the Top 10 MTOs (Money Transfer Organisations) worldwide, including WorldRemit, MoneyGram and Skrill. These consumer-facing services connect to HomeSend, which is a white label solution operating in the background, to reach the worldwide community of users looking for safe, cost-effective money transfer.

Highlights during 1H15 include:

- The focus on corridor deployments during H1 has produced strong growth in the number of live corridors with 1578 live corridors now connecting over 200 sending countries and 35 receiving countries. This growth represents a 240% increase in three months (from the 659 live corridors reported at the AGM in March 2015).
- As new corridors go live, the number and volume of transactions processed by the hub continues to climb. 388% YOY growth in transaction numbers compared to May 2014.
- The support of MasterCard has opened new opportunities for HomeSend. In May it was announced that HomeSend would facilitate the international remittance capabilities for MasterCard Send, an end-to-end digital platform that will leverage the industry-leading MasterCard network, paired with key capabilities from other personal payments platforms including HomeSend.
- HomeSend has applied for a Payment Institution License, which is a requirement to provide services in several key receiving markets.
- HomeSend was recognised at the Awards for the Global Forum on Remittances and Development in Milan in June. This forum is facilitated by the IFAD (International Fund for Agricultural Development), which is an agency of the United Nations. During H1, HomeSend was also awarded Best Payment Product in Africa at the Asian Banker Middle East and Africa Awards.
- HomeSend management has presented a strategy to accelerate growth and capitalise on current demand, and this was communicated to shareholders at the AGM. The strategy is still under consideration and a decision on funding from JV partners will be taken in 2H15.

MARKET REVIEW

The growth of domestic mobile money in emerging markets:

- Juniper Research reports that the total revenue opportunity for service providers for domestic and international mobile money transfers and sophisticated financial services is expected to increase from just under USD2Bn to USD4Bn annually in 2018 and up to nearly USD5.8Bn by 2020[1]. The report also cited Africa as the market leader. eServGlobal is a leader in third-party mobile money software and services in Africa. Juniper said "Several African mobile operators are now generating more than 10% of their revenues from mobile money".

- There are now more than 260 live mobile money deployments and over 100 million active mobile money accounts in emerging markets[2], however there remains 2 billion working-age adults globally who have no access to formal financial services.

- The mobile phone remains the obvious method for reaching unbanked people due to its ubiquity, even in emerging economies. The GSMA reports that unique subscriber penetration rate in emerging markets was 44.6% at the end of 2014, and is expected to rise to 56% by 2020[3].

- The GSMA reports over 80% of service providers surveyed indicated that they had maintained or increased investment in their mobile money services in 2014[4].

- Smartphone use in emerging markets is expected to experience significant growth in the coming years following the market-entrance of low cost handsets, starting as low as US$25. Industry body, the GSMA, reports that, "Smartphone penetration has now reached 35% worldwide, and we forecast this to rise to 65% by 2020. Translated into absolute terms, this is an increase of 3 billion users between 2013 and 2020. However, unlike the boom to now, emerging markets will drive this next wave of growth, presenting a vast and largely untapped audience with a low cost route onto the internet."

The growth in the international remittance market:

- Growth in remittance flows to developing countries, through official channels, is expected to accelerate to an annual average of 8.4% over the next three years, reaching US$436 billion in 2014 and US$516 billion in 2016.[5]

- Remittance flows through unofficial channels are estimated to be as high as a further 40% of the total market.

- Predicted market growth is attracting additional players to an already fragemented market, interoperability will be crucial.

- The G8 and the G20 have identified reducing the price of remittances to 5% as a global target, supported by the World Bank Global Remittances Working Group (the "GRWG"). The World Bank states, "Remittances remain a key source of external resource flows for developing countries, far exceeding official development assistance and more stable than private debt and portfolio equity flows."[6]

- Nearly 1 out of 7 people worldwide is either an international or internal migrant.

[1] http://www.juniperresearch.com/press/press-releases/africa-leads-mobile-money-boom-2bn-opportunity
[2] http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2015/03/SOTIR_2014.pdf
[3] http://www.gsmamobileeconomy.com/
[4] http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2015/03/SOTIR_2014.pdf
[5] The World Bank, 2014
[6] http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934128890760745/MigrationandDevelopmentBrief22.pdf

FINANCIAL REVIEW

The consolidated entity achieved sales revenue for the period of AUD12.834 million (2014: AUD16.937 million) representing a decrease of 24.2% due to the timing of pipeline conversion. The gross profit realised was AUD6.412 million (gross profit margin: 50%) (2014: AUD10.527 million (gross profit margin: 62%)). EBITDA for the period was a loss of AUD6.991 million (2014: EBITDA profit AUD34.349 million).

The net result of the consolidated entity for the half year ended 30 April 2015 was a loss after tax and minority interest for the period of AUD7.712 million (2014: AUD20.548 million profit). Loss per share was 2.9 cents (2014: profit per share 8.2 cents).

During the period, there was a net cash outflow of AUD0.971 million primarily resulting from a net outflow from operations of AUD3.567 million and software development costs for the PayMobile 3 platform of AUD2.758 million, offset by the issuance of 10,000,000 new ordinary shares at AUD0.55 generating net cash receipts of AUD5.212 million and proceeds of AUD0.288 million from the exercise of 800,000 employee share options. Cash at 30 April 2015 was AUD2.622 million.

For further information, please contact:

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About eServGlobal

eServGlobal (AIM:ESG, ASX:ESV) offers mobile money solutions which put feature-rich services at the fingertips of users worldwide, covering the full spectrum of mobile financial services, mobile wallet, mobile commerce, recharge, promotions and agent management features. eServGlobal invests heavily in product development, using carrier-grade, next-generation technology and aligning with the requirements of more than 60 customers worldwide.

Together with MasterCard and BICS, eServGlobal is a joint venture partner of the HomeSend global payment hub, a market leading solution based on eServGlobal technology and enabling cross-border money transfer between mobile money accounts, payment cards, bank accounts or cash outlets from anywhere in the world regardless of the users location.

eServGlobal has been a source of innovative solutions for mobile and financial service providers for 30 years.

www.eservglobal.com | www.mobilemoneychannel.com | @eservglobal

Appendix 4D

eServGlobal Limited

ABN 59 052 947 743

Half-year report and appendix 4D
for the half-year ended 30 April 2015

The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the 31 October 2014 financial report.

Half-year report and appendix 4D for the half year ended 30 April 2015

Contents

eServGlobal Limited

ABN 59 052 947 743

Half Year Ended 30 April 2015

Results for announcement to the market

Results				**A$ '000**
Revenues	Down	24.2%	to	12,834
(Loss)/Profit after tax attributable to members	Down	>100%	to	(7,712)

Dividends (distributions)	Amount per security	Franked amount per security
Current period		
Interim dividend declared	Nil ¢	0%
Final dividend paid	Nil ¢	0%
Previous corresponding period		
Interim dividend declared	Nil ¢	0%
Final dividend paid	Nil ¢	0%

Record date for determining entitlements to the dividend.	N/A

Brief explanation of revenue, net profit and dividends (distributions).

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Directors' report

The directors of eServGlobal Limited (the Company) submit herewith the financial report of eServGlobal Limited and its controlled entities (the Group) for the half-year ended 30 April 2015. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The names of the directors of the company during or since the end of the half year are:

John Conoley	Executive Chairman (appointed 20 April 2015) and non-executive Director until that date
Stephen Baldwin	Non-executive Director
Stephen Blundell	Executive Director, Chief Financial Officer until 8 December 2014 and Chief Operating Officer since that date
Duncan Lewis	Non-executive Chairman until 20 April 2015, Director from that date until resignation on 30 June 2015
Thomas Rowe	Non-executive Director
François Barrault	Non-executive Director (resigned 29 June 2015)
Paolo Montessori	Chief Executive Officer and Managing Director (resigned 2 March 2015)

Review of Operations

This report is to be read in conjunction with other reports issued contemporaneously.

eServGlobal Limited is a public company listed on the Australian Securities Exchange (ASX:ESV) and the London Stock Exchange (AIM) (LSE:ESG). The eServGlobal group has operations worldwide.

eServGlobal offers mobile money solutions which put feature-rich services at the fingertips of users worldwide, covering the full spectrum of mobile financial services, mobile wallet, mobile commerce, recharge, promotions and agent management features. eServGlobal invests heavily in product development, using carrier-grade, next-generation technology and aligning with the requirements of more than 65 customers in over 50 countries.

eServGlobal also builds on its extensive experience in the telco domain to offer a comprehensive suite of sophisticated, revenue generating Value-Added Services to engage subscribers in a dynamic manner.

The company is partnering with MasterCard and BICS to build the HomeSend business, the market leading international remittance service based on eServGlobal technology and enabling mobile money transfer in over 50 markets.

eServGlobal has been a source of innovative solutions for mobile and financial service providers for over 30 years.

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Auditor’s independence declaration

The auditor’s independence declaration is included on page 4 of the half-year financial report.

Rounding off of amounts

The company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors’ report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors, made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the directors

John Conoley
Executive Chairman

London, 30 June 2015

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
eServGlobal Limited
c/- Simpsons Solicitors
Level 2, Pier 8/9
23 Hickson Road,
Millers Point NSW 2000

30 June 2015

Dear Board Members,

eServGlobal Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of eServGlobal Limited.

As lead audit partner for the review of the financial statements of eServGlobal Limited for the half year ended 30 April 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

Michael Kaplan
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
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Independent Auditor's Review Report to the Members of eServGlobal Limited

We have reviewed the accompanying half-year financial report of eServGlobal Limited, which comprises the condensed consolidated statement of financial position as at 30 April 2015, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 16.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 April 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of eServGlobal Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of eServGlobal Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of eServGlobal Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 April 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU

Michael Kaplan
Partner
Chartered Accountants
Sydney, 30 June 2015

Directors' declaration

The directors declare that:

a) in the directors' opinion, there are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable; and

b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors

John Conoley
Executive Chairman

London, 30 June 2015

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 30 April 2015

	Consolidated	
	Half-Year Ended 30 April 2015 $'000	Half-Year Ended 30 April 2014 $'000
Revenue	12,834	16,937
Cost of sales	(6,422)	(6,410)
Gross profit	6,412	10,527
Interest income	23	33
Gain recognised on disposal of HomeSend business	-	33,865
Foreign exchange(loss)/gain	(510)	1,373
Research and development expenses	(931)	(2,258)
Sales and marketing expenses	(3,324)	(2,841)
Administration expenses	(7,122)	(6,080)
Share of loss of associate	(1,539)	(270)
(Loss)/profit before interest expense, tax, depreciation and amortisation (EBITDA)	**(6,991)**	**34,349**
Amortisation expense	(397)	-
Depreciation expense	(71)	(360)
(Loss)/profit before interest expense and tax	**(7,459)**	**33,989**
Finance costs	(164)	(142)
(Loss)/profit before tax	**(7,623)**	**33,847**
Income tax expense	(23)	(13,230)
(Loss)/profit for the period	**(7,646)**	**20,617**
Other comprehensive income (loss), net of tax		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on the translation of foreign operations (nil tax impact)	(153)	(328)
Total comprehensive (loss)/profit for the period	**(7,799)**	**20,289**
(Loss)/profit attributable to:		
Equity holders of the parent	(7,712)	20,548
Non controlling interest	66	69
	(7,646)	**20,617**
Total comprehensive (loss)/income attributable to:		
Equity holders of the parent	(7,859)	20,180
Non controlling interest	60	109
	(7,799)	**20,289**
(Loss)/profit per share:		
Basic (cents per share)	**(2.9)**	**8.2**
Diluted (cents per share)	**(2.9)**	**8.0**

Notes to the Financial Statements are included on pages 12 to 16

Condensed consolidated statement of financial position as at 30 April 2015

	Note	Consolidated 30 April 2015 $'000	31 October 2014 $'000
Current Assets			
Cash and cash equivalents		2,622	3,679
Trade, other receivables and work in progress	2	27,331	27,604
Deferred sales proceeds	3	4,800	-
Inventories		109	173
Current tax assets		-	98
Total Current Assets		34,862	31,554
Non-Current Assets			
Investment in associate		25,459	27,777
Property, plant and equipment		95	3
Deferred tax assets		2,753	1,701
Goodwill		3,418	3,568
Other intangible assets – capitalised research & development		7,560	5,443
Deferred sales proceeds	3	-	4,939
Total Non-Current Assets		39,285	43,431
Total Assets		74,147	74,985
Current Liabilities			
Trade and other payables		12,501	11,512
Borrowings	7	3,000	3,000
Current tax payables		1,556	2,023
Provisions		1,270	1,174
Other	4	1,931	1,117
Total Current Liabilities		20,258	18,826
Non-Current Liabilities			
Provisions		840	865
Total Non-Current Liabilities		840	865
Total Liabilities		21,098	19,691
Net Assets		53,049	55,294
Equity			
Issued capital	8	116,074	110,574
Reserves	9	(4,248)	(4,155)
Accumulated losses		(59,061)	(51,349)
Equity attributable to owners of the parent		52,765	55,070
Non controlling interest		284	224
Total Equity		53,049	55,294

Notes to the Financial Statements are included on pages 12 to 16

Condensed consolidated statement of changes in equity for the half-year ended 30 April 2015

	Issued Capital $'000	Foreign Currency Translation Reserve $'000	Employee equity-settled benefits Reserve $'000	Accumulated Losses $'000	Attributable to owners of the parent $'000	Non controlling Interest $'000	Total $'000
Consolidated							
Balance at 1 November 2014	110,574	(7,066)	2,911	(51,349)	55,070	224	55,294
Profit/(Loss) for the period	-	-	-	(7,712)	(7,712)	66	(7,646)
Exchange differences arising on translation of foreign operations	-	(147)	-	-	(147)	(6)	(153)
Total comprehensive income/(loss) for the period	-	(147)	-	(7,712)	(7,859)	60	(7,799)
Issue of new shares	5,500	-	-	-	5,500	-	5,500
Equity settled payments	-	-	54	-	54	-	54
Balance at 30 April 2015	116,074	(7,213)	2,965	(59,061)	52,765	284	53,049
Balance at 1 November 2013	106,695	(6,563)	2,473	(65,451)	37,154	200	37,354
Profit for the period	-	-	-	20,548	20,548	69	20,617
Exchange differences arising on translation of foreign operations	-	(368)	-	-	(368)	40	(328)
Total comprehensive income for the period	-	(368)	-	20,548	20,180	109	20,289
Issue of new shares	3,365	-	-	-	3,365	-	3,365
Payment of dividends	-	-	-	-	-	(146)	(146)
Equity settled payments	-	-	307	-	307	-	307
Balance at 30 April 2014	110,060	(6,931)	2,780	(44,903)	61,006	163	61,169

Notes to the Financial Statements are included on pages 12 to 16

Condensed consolidated statement of cash flows for the half-year ended 30 April 2015

	Consolidated	
	Half-Year Ended 30 April 2015 $'000	Half-Year Ended 30 April 2014 $'000
Cash Flows from Operating Activities		
Receipts from customers	13,527	12,747
Payments to suppliers and employees	(15,575)	(18,948)
Refund of research & development tax credits	-	2,738
Interest and other costs of finance paid	(166)	(142)
Income tax paid	(1,353)	(430)
Net cash used in operating activities	(3,567)	(4,035)
Cash Flows From Investing Activities		
Proceeds from HomeSend business divestment	-	8,241
Interest received	3	11
Payment for property, plant and equipment	(149)	(46)
Software development costs	(2,758)	(860)
Net cash (used in)/from investing activities	(2,904)	7,346
Cash Flows From Financing Activities		
Proceeds from issue of shares	5,788	3,375
Payment for share issue costs	(288)	(10)
Dividend paid by controlled entity to non-controlling interest	-	(146)
Net cash from financing activities	5,500	3,219
Net (Decrease)/Increase In Cash and Cash Equivalents	(971)	6,530
Cash At The Beginning Of The Period	3,679	4,909
Effects of exchange rate changes on the balance of cash held in foreign currencies	(86)	131
Cash and Cash Equivalents At The End Of The Period	2,622	11,570

Notes to the Financial Statements are included on pages 12 to 16

Notes to the condensed consolidated financial statements

1. Significant accounting policies

(a) Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

(b) Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's 2014 annual financial report for the financial year ended 31 October 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New, revised or amending Accounting Standards and Interpretations adopted

The Group adopted all of the relevant new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the half year ended 30 April 2015 and are not expected to have any significant impact for the full financial year ending 31 October 2015. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. Trade, other receivables and work in progress

	30 April 2015 $'000	31 October 2014 $'000
Trade receivables	11,354	12,016
Work in progress	13,347	12,762
Other receivables	476	635
Deposits and prepayments	2,154	2,191
Total trade, other receivables and work in progress	27,331	27,604

3. Deferred sales proceeds

Deferred sales proceeds totalling $4.8 million, which relate to the sale of the HomeSend business to the associate company HomeSend SRCL, are held in escrow and are subject to indemnification provisions within the transaction agreement. The funds are due to be received by the Company on 3 April 2016, two years after the transaction agreement date.

4. Other Current Liabilities

	30 April 2015 $'000	31 October 2014 $'000
Deferred income	1,931	1,117

5. Segment Information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group operates in a single segment being the telecommunications software solutions business. Accordingly, all reported information in the financial report relates to this single segment.

6. Issuances, repurchases and repayment of securities

During the current period the company issued a total of 10,000,000 shares (2014: 4,500,000), raising a total of $5.212 million net of expenses (2014: $3.365 million).

The fundraising was by way of subscription agreements with existing and new Australian institutional investors at an issue price of $0.55 per share.

In addition, 800,000 employee share options were exercised in the period at an option price of $0.36 per share, raising a total of $0.288 million.

7. Borrowings

	30 April 2015 $'000	31 October 2014 $'000
Secured		
Loans	3,000	3,000
	3,000	3,000

Current borrowings at 30 April 2015 represent a $3 million loan from National Australia Bank which was drawn down in full in June 2013. The bank loan is interest bearing and is secured by way of a fixed and floating charge over the total assets of the Group. The loan facility is due for repayment on 31 March 2016.

8. Issued Capital

	30 April 2015 $'000	31 October 2014 $'000
265,774,052 fully paid ordinary shares (31 October 2014: 254,974,052)	116,074	110,574

	30 April 2015		31 October 2014	
	No. '000	$'000	No. '000	$'000
Fully Paid Ordinary Shares				
Balance at the beginning of the financial period	254,974	110,574	249,046	106,695
Issue of shares under the Company's employee share option plan	800	288	1,428	514
Shares issued in the period	10,000	5,500	4,500	3,375
Costs of share issue	-	(288)	-	(10)
Balance at the end of the financial period	265,774	116,074	254,974	110,574

9. Reserves

	30 April 2015 $'000	31 October 2014 $'000
Employee equity-settled benefit	2,965	2,911
Foreign currency translation	(7,213)	(7,066)
	(4,248)	(4,155)

10. Financial Instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

10.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The Group does not have any financial assets or financial liabilities that are measured at fair value on a recurring basis.

10.2 Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors consider that the carrying amounts of the following financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate their fair values:

	30 April 2015 $'000	31 October 2014 $'000
Financial assets		
Trade, other receivables and work in progress	27,331	27,604
Deferred sales proceeds	4,800	4,939
Cash and cash equivalents	2,622	3,679
Financial liabilities		
Trade and other payables	12,501	11,512
Borrowings	3,000	3,000

11. Dividends

	Half Year ended 30 April 2015		Half Year Ended 30 April 2014	
	Cents per share	**Total $'000**	**Cents per share**	**Total $'000**
Fully paid ordinary shares				
Recognised amounts				
Final dividend paid in respect of prior financial year	-	-	-	-

12. Investment in associate

Details of the material investment in associate at the end of the reporting period are as follows:

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group	
			30 April 2015	31 October 2014
Homesend SRCL (i)	Provision of international mobile money services	Brussels, Belgium	35%	35%

(i) HomeSend SRCL was formed on 3 April 2014. The directors have determined that the Group exercises significant influence over HomeSend SRCL by virtue of its 35% voting power in shareholders meetings and its contractual right to appoint two out of six directors to the board of directors of that company. The associate is accounted for using the equity method in these condensed consolidated financial statements.

13. Subsequent events

On 4 June 2015 the company announced that it had entered into an agreement for a loan of GBP 5.0 million (AUD $9.7 million) provided equally by the Alphagen Volantis Fund Limited and the Alphagen Volantis Catalyst Fund Limited, acting through their investment manager, Henderson Alternative Investment Advisor Limited, part of Henderson Global Investors. The loan is unsecured and has a two year term. An establishment fee of 2.5% is due upon commencement of the agreement and will bear interest at the rate of 0.8% per month compound payable at the end of the term.

In addition 2,777,778 options at an exercise price of GBP 0.18 (AUD $0.34) have been issued to Henderson as consideration for the facilitation of the loan, with an exercise period of two years.

Other information required to be given to ASX under listing rule 4.2A.3

Net tangible assets per security	Current period	31October 2014
Net tangible assets per security	15.8 cents	18.1 cents

Dividends

	Amount	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend	Date paid/ payable
Interim dividend: Current year	Nil	N/A	N/A	N/A	N/A
Previous period	Nil	N/A	N/A	N/A	N/A
Final dividend paid in respect of previous financial year:					
Current period: Final dividend	Nil	N/A	N/A	N/A	N/A
Previous corresponding period: Special dividend					
Final dividend	Nil	N/A	N/A	N/A	N/A

The dividend or distribution plans shown below are in operation.

N/A.

The last date(s) for receipt of election notices for the dividend or distribution plans	N/A