eServGlobal Limited (eServGlobal or the "Company")

eServGlobal Preliminary Results (LSE:AIM) and 4E Appendix (ASX): FY2012

Paris: 21 December 2012

eServGlobal (LSE: ESG & ASX: ESV), a global telecoms software vendor specializing in Mobile Money and Value-Added Services is pleased to announce its preliminary results and ASX Appendix 4E for the financial year ended 31 October 2012.

Financial Highlights

- FY2012 revenues of A$28.1m (£18.3m+) show a strong increase over prior periods and exceed consensus estimates.
  - H2 FY2012 revenue of A$15.5m (+23% vs. A$12.6m in H1) at the top end of guidance.
  - Average monthly revenues of A$2.3m, 33% higher than during the four month prior financial year (FY2011 monthly revenues of A$1.8m).
- FY2012 gross margin of A$15.8m (56%).
  - H2 shows improvement of gross margin against H1 (70% vs. 40%).
- Full year operating expenses of A$17.7m reflect a 39% reduction from FY2011 (twelve month period ending 30 June 2011 operating expenses of A$29m) and a 9% reduction from H1 to H2.
- FY2012 EBITDA loss of A$1.9m (£1.6m+) ahead of consensus analyst estimates.
  - H2 FY2012 positive EBITDA of A$2.4m, a A$6.7m increase over H1 EBITDA loss of A$4.3m.
- Cash and cash equivalents at 31 October 2012 of A$3.8m prior to the fundraising
- Placing and subscription completed 6 December raising A$9.5m (£6.2m). A$7.3m (£4.8m) in additional capital anticipated from second element of fundraising, which will be used to repay debt.

Summary Financials	FY12 H1	FY12 H2	FY12 Full Year	FY12 Full Year
	A$M	A$M	A$M	*£M+*
Revenue	$12.6 M	$15.5M	$28.1M	*£18.3M*
Cost of sales	-$7.6 M	-$4.7M	-$12.3M	*-£8.0M*
Gross profit	$5.0 M	$10.8M	$15.8M	*£10.4M*
Adjusted Operating Costs*	-$9.3 M	-$8.4M	-$17.7M	*£11.7M*
Adjusted EBITDA*	-$4.3 M	$2.4M	-$1.9M	*-£1.3M*
Net Interest	-$0.3 M	-$0.6M	-$1.0M	*-£0.7M*
Amortization	-$2.3 M	-$2.4M	-$4.7M	*-£3.1M*
Depreciation	-$0.4 M	-$0.3M	-$0.7M	*-£0.4M*
Adjusted PBT*	-$7.3 M	-$0.9M	-$8.3M	*-£5.5M*

Operational Highlights

Continued growth of the customer base, building on the Company's key reference customers in mobile money and recharge

Key operational metrics

- 90+ customers using eServGlobal's mobile money, international remittance, recharge, and value-added services technologies, including 15 new customers added during the year (+58% in past three years).
- 50+ recharge, mobile money, and HomeSend customers (doubled in past three years).
- New HomeSend agreements bring the potential subscribers covered above one billion (35-fold growth in past three years; one in five mobile subscribers around the world)
- Staff base significantly reoriented to countries with more competitive cost bases (doubled the portion of staff in lower cost countries over the past three years)
- Multiple customer launches in the year including new domestic mobile money installations in Eastern Africa, Asia Pacific, and the Indian Subcontinent
- Phase out of legacy contracts from low margin USP business materially completed

Craig Halliday, Chief Executive Officer, commented: "Following the successes of the past year eServGlobal is now firmly positioned at the forefront of the burgeoning mobile financial services market. HomeSend has secured significant new wins, effectively tripling the number of subscribers under contract coverage during the period under review, while our domestic mobile money and recharge services are being delivered to over 20 customers worldwide, gaining global market access via a growing partner base. The financials of the business continue to strengthen, moving into EBITDA profitability in the second half of the year, and the recent placing with institutional investors has provided us with funds to pursue a strong development strategy. We therefore view the future with confidence."

+Monthly exchange rates applied for comparisons. Average over the period was 0.655 GBP to AUD.
*Excludes Foreign Exchange losses of A$3.4m (1H12 A$1.1m), non-recurring costs of A$2.9m (1H12 A$1.6m) and share based payments of A$0.6m (1H12 A$nil).

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About eServGlobal

eServGlobal specializes in Mobile Money solutions and Value-Added Services (VAS) that help Mobile and Financial Service Providers increase their revenue and gain and maintain customer ownership. eServGlobal invests heavily in product development, using carrier-grade, next-generation technology and aligning with the requirements of more than 90 customers in over 60 countries.

Introduction

The focus for the past year has been on establishing eServGlobal at the forefront of the burgeoning mobile financial services market. eServGlobal's technology fills the gap where traditional services cannot meet the need for efficient, cost-effective financial services in emerging markets. There is a large opportunity in the world's underbanked markets and eServGlobal's technology enables mobile operators and financial institutions to use their existing infrastructure to offer widely available and easy-to-use mobile financial services. As we continue this journey, we have spent the year further developing our mobile money network, both in domestic installations and in the realm of international remittances.

HomeSend, the leading mobile international remittance platform offered by our strategic partner BICS and based on eServGlobal technology, has secured significant new wins in the past six months, effectively tripling the number of subscribers under contract coverage. With the addition of major brands like Vodafone, Xpress Money (UAE Exchange), MTN, QTel, Lyca, and MoneyTrans, brands that have signed up to the HomeSend hub cover one out of every five mobile subscribers in the world.

Strategy

We have made good progress in the year, delivering on our strategic objectives.

- HomeSend: 11 multinationals have signed up to the hub, bringing with them the potential to reach over a billion subscribers.
- Core trends: Average monthly revenues grew by 33% from the prior four month accounting period, and the core business continues to add new mobile money customers.
- Financials: The Company was EBITDA profitable in H2 and ahead of consensus EBITDA estimates for the full year.

The focus for HomeSend in the coming year will be to build a critical mass of subscribers able to use the hub to send and receive funds.

- With our strategic partner, BICS, we are working to take new hub corridors live on the back of the new contracts that have been signed. These deployments will enable hub members to reach a critical mass of subscribers in emerging territories, most notably the African continent.
- In parallel we will be working to bring more sending entities onto the hub, working with not only mobile operators but also banks and money transfer organizations.

The focus for the core business in the coming year will be to extend our presence in the mobile financial services market.

- We are now present in over 65 countries and will continue to diversify our revenue base on a regional level.
- We are targeting high-profile, group-level deals made possible with our fundraising and the strength of our products and expertise in the market.
- We continue to prioritize delivering high quality, innovative products and services to our customer base.

Operational Review

Overview

We continue to see sequential improvements in revenues and costs and in FY2012 the Company achieved significant strides in lessening the high cost structure of the legacy business, and reduced overall operating expenses by 39% against the prior reported twelve month period. As we move into 2013, we are happy with our overall cost base and feel it has the right mix of high cost and low cost resources. Average monthly revenues continue to grow (+33% since the four month accounting period) and we have fulfilled the vast majority of our obligations following the divesture of our USP assets. Today eServGlobal operates 12 offices globally and employs approximately 200 staff. Our offices are strategically located to support our presence in key emerging markets and the Company is in the right position to focus on top-line growth.

Paolo Montessori has been promoted to the role of COO to support this goal of continued top-line growth. Mr Montessori joined eServGlobal in February 2012 as VP Mobile Money and has since been instrumental in repositioning the Company in the Mobile Money space and in building new opportunities. He has more than 20 years' experience in the telecommunications industry and is a well-recognized figure in the global mobile industry.

We are building an ecosystem of technology partners which enable us to compete in high-profile opportunities and to offer end-to-end mobile financial services for both emerging and developed markets. Our network includes a diverse group of service providers from mobile application developers to NFC providers, companion card vendors and suppliers of POS terminals. In FY2012 we focused on building new channels and working more closely with our existing partners. These efforts have already resulted in new wins working with system integrators, large equipment manufacturers and large software manufacturers. We are also pleased that the investments made in our technology enable top tier systems integrators to perform deployment of our services, further enhancing our ability to serve more customers.

Domestic mobile money and recharge services are being delivered to over 20 customers worldwide, and gaining global market access via a growing partner base.

eServGlobal helps banks and operators to work together to provide low cost, easy to use mobile financial services. As the first wave of mobile money deployments reaches maturity, operators worldwide are looking to technology providers to bring new functionality to deployments. The next generation of deployments we are seeing is more mature and increasingly based on group-led strategies; we anticipate that this trend will extend the breadth of mobile financial services to include micro-insurance, savings, credit and loans. These types of services will become increasingly adopted by emerging and rapidly growing economies as a way to increase financial inclusion. For the operators offering the mobile money service there are multiple benefits including increased loyalty, new revenue streams, and a competitive advantage.

Developments and customer case success stories during the year include:

- We have secured a five year deal with a South East Asian conglomerate. There are almost 100m people living in this country and we are working with one of the region's most recognized brands. The client has holdings in telco, financial and consumer goods industries, providing it with the reach and the influence to become a regional leader in mobile financial services. eServGlobal's PayMobile software will be deployed across the operator's base. We are working with a system integrator to serve this customer paving the way for new joint opportunities in the region.
- We are working with Wincor Nixdorf, one of the largest ATM and Point of Sale providers in the world, to offer a solution that enables customers using eServGlobal's mobile money services to load, withdraw and transfer money, and access their mobile money accounts from Wincor Nixdorf ATMs. This collaboration endorses the security and the scalability of eServGlobal's mobile money technology.
- The Company secured multiple license extensions during the period with fast-growing top tier mobile operators demonstrating the versatility and scalability of the platform.

HomeSend, the innovative mobile to mobile multilateral remittance hub, has achieved significant growth in coverage in FY2012, with the announcement of numerous agreements including several large, tier 1 operators. Recent landmark deals include Vodafone, Xpress Money and Airtel Africa.

Our focus to date has been on building the HomeSend platform, securing contracts in key receiving markets, and attracting key sending markets. FY2013 will see a strong emphasis on expanding the number of live corridors and working closely with our hub members as they promote the service in their local markets. Our strategy for launching new corridors is based on careful analysis of corridor and market potential. We will continue to place emphasis on connecting major markets such as the Gulf-Asia and the Europe-Africa migration corridors, but we will also be focusing on connecting regional corridors such as neighboring African nations.

In 2012, we also opened the HomeSend service to airtime transfer. This offering was in direct response to market demand for extended services and means that HomeSend can now place both mobile money transfer and airtime transfer at the fingertips of users worldwide. We intend to continue to expand our reach of services in the coming year.

Highlights:

- With top-tier clients and partners including multinational groups such as Vodafone, Airtel Africa, MTN and QTel, HomeSend is building a truly global footprint and is securing a strategic foothold in what will be a very important market in the coming years.
- In 2012, five large tier one operators joined the HomeSend community. The service now has approximately 1 billion subscribers under coverage. This means that one in five mobile subscribers worldwide belongs to a group that has signed with HomeSend.
- Earlier this year the CGAP (Consultative Group for the Assistance of the Poor) study on international remittances identified HomeSend as a disruptive, market leading technology and "one of the most intriguing innovations in the mobile international remittance market community… [which] would lend itself to reaching more people, faster, and would likely lead to greater financial inclusion."
- In October 2012, Vodafone signed to integrate its MPESA mobile money services with HomeSend. The size of the opportunity is significant; in Vodafone's Kenyan M-PESA deployment alone Vodafone estimates there are currently 165m domestic transactions per month (averages to 2 bn per annum), generating US$200m in annual transactional revenues.
- In October 2012, Xpress Money signed a deal to expand its mobile money services, launching a new remittance corridor in Africa via HomeSend. Xpress Money, a subsidiary of the UAE Exchange, is one of the fastest growing money transfer companies with a strong presence in MEA.
- In November 2012, Airtel Africa joined the hub, significantly expanding both sending and receiving communities for HomeSend both within Africa and internationally, and later in the month. MoneyTrans, a leading worldwide money transfer company to joined the hub, bringing EU senders.
- The World Bank continues to support the mobile remittances ecosystem from a lobbying and a regulatory perspective.

Market Review

The proliferation of mobile phones throughout the developing world continues to transform the way customers conduct their financial activities. As emerging markets continue to shift away from cash and towards the use of electronically stored and transferred funds. eServGlobal's extensive market experience in holding customer balances positions us to take advantage of existing mobile infrastructure to deliver mobile money services that are faster, cheaper and easier to use than the current alternatives.

Mobile-centric international remittance services will be boosted by continual growth in remittance flows to the developing world. The World Bank has reported that this year, the level of remittances to the developing world is expected to exceed earlier estimates and total $406 billion, an increase of 6.5% over the previous year.

"Remittances to developing countries are projected to grow by 7.9 percent in 2013, 10.1 percent in 2014 and 10.7 percent in 2015 to reach $534 billion in 2015.

Worldwide remittances, including those to high-income countries, are expected to total $534 billion in 2012, and projected to grow to $685 billion in 2015, according to the latest issue of the Bank's Migration and Development Brief."[1]

In developed markets, mobile commerce is spreading rapidly, making mobile payments a reality. Operators are beginning to realize the potential that exists to not only bring increased accessibility to users, but to build convergence around the entire payment ecosystem. These markets are swiftly moving towards a payment landscape where one electronic wallet combines all the promotions, coupons and payment methods a user desires and is easily accessible through methods such as contactless payment terminals or ATMs.

This view is echoed by IDC, a market research, analysis and advisory firm which predicts that more than a trillion dollars will be spent around the world using mobile devices by 2017. IDC's expectation is that this growth is driven as NFC payments gain traction as a point-of-sale device and mobile device technology takes hold.[2]

eServGlobal has a long and successful track record of bridging the divide between technologies suited to developed economies and those applicable in emerging markets, with innovations such as the HomeSend technology. eServGlobal's mobile money and recharge suite, which manages approximately €3.5 billion in transactions per year on behalf of mobile operators and financial service providers, adapts to the differing needs of companies in emerging and developing markets. In emerging markets, we help operators to leverage their airtime sales team and distribution network to provide mobile money services for the unbanked. In developed markets, we play a mobilizing role for the existing financial structure, creating mobile accounts linked to prepaid debit cards, integrated with ATMs, using contactless technologies such as NFC or 2D barcode readers and combining mobile money and promotion services. We bridge the two worlds via our market-leading offering, HomeSend, the only mobile-centric international remittance hub endorsed by the GSM Association. Person-to-person remittances are predicted to grow every year and are forecast by the World Bank to exceed international foreign aid, making this an extraordinarily interesting, competitive and lucrative market.

[1] World Bank, November 2012. Developing countries to receive over $400 billion in remittances
[2] http://www.finextra.com/News/FullStory.aspx?newsitemid=24289

Financial Review

The consolidated entity achieved sales revenue for the year of $28.1 million (four month period to 31 October 2011: $7.0 million).

The EBITDA loss was $1.9 million before non-recurring costs of $2.9 million, foreign exchange losses of $3.4 million and share based payments of $0.6 million (four month period to 31 October 2011 EBITDA loss $5.1 million before non-recurring costs of $0.2 million, foreign exchange losses of $0.6 million and share based payments of $0.3 million). The net result of the consolidated entity for the year to 31 October 2012 was a loss after tax and minority interest for the period of $15.7 million (four month period to 31 October 2011: loss after tax and minority interest $9.3 million). Loss per share was 8.0 cents (four month period to 31 October 2011: loss per share: 4.7 cents).

The operating cash flow for the period was a net outflow of $21.2 million. Total cash flow for the period was a net outflow of $6.3 million. Cash at 31 October 2012 was $3.8 million.

Placing

- The company completed a Placing and Subscription post year end on 6 December, raising gross proceeds of A9.5m (£6.20 m).
  - These proceeds will be used to strengthen the Company's balance sheet, enhance the Company's ability to compete for larger contracts and partnerships, and further accelerate technology development.
- An additional Second Placing to raise AA7.3m (£4.8 m), conditional on shareholder approval on 22 January 2013, will be used to repay outstanding shareholder loans.

Outlook

Having made good progress in 2012 against our strategic objectives, our focus in the coming year will be on building a critical mass of subscribers able to send and receive funds using HomeSend, taking new corridors live while working to bring in more sending entities. In the core business we will be seeking to extend our presence in the mobile financial services market, diversifying our revenue base on a regional level and targeting high-profile, group-level deals.

Appendix 4E

Preliminary Final Report

for the year ended 31 October 2012

eServGlobal Limited

ABN 59 052 947 743

1. Reporting Period

Current reporting period : Twelve months ended 31 October 2012

Previous reporting period : Four months ended 31 October 2011

2. Results (unaudited) for announcement to the market

Results				**A$ '000**
Revenue	Up	300%	to	$28,070
Profit/(Loss) after tax	Up	68.4%	to	(15,589)
Profit/(Loss) after tax attributable to members	Up	68.9%	to	(15,715)
The above results are in respect of the twelve month period to 31 October 2012 compared to the previous reporting period of four months to 31 October 2011				

Dividends (distributions)	Amount per security	Franked amount per security
Current period		
Interim dividend	Nil ¢	0%
Final dividend	Nil ¢	0%
Previous corresponding period		
Interim dividend	Nil ¢	0%
Final dividend	Nil ¢	0%
Record date for determining entitlements to the dividend.	-	

Brief explanation of the figures above

The consolidated entity achieved sales revenue for the year of $28.1million (four month period to 31 October 2011 $7.0 million).

The EBITDA loss was $1.9 million before non-recurring costs of $2.9 million, foreign exchange losses of $3.4 million and share based payments of $0.6 million (four month period to 31 October 2011 EBITDA loss $5.1 million before non-recurring costs of $0.2 million, foreign exchange losses of $0.6 million and share based payments of $0.3 million). The net result of the consolidated entity for the year to 31 October 2012 was a loss after tax and minority interest for the period of $15.7 million (four month period to 31 October 2011 loss after tax and minority interest $9.3 million). Loss per share was 8.0 cents (four month period to 31 October 2011: loss per share: 4.7 cents).

The operating cash flow for the period was a net outflow of $21.2 million. Total cash flow for the period was a net outflow of $6.3 million. Cash at 31 October 2012 was $3.8 million.

Subsequent Events

The Company raised approximately £3.740 million ($5.736 million) through the placing (the “First Placing”) of 17,807,815 new ordinary shares (the “First Placing Shares”) with institutional investors in the UK and approximately £2.457 million ($3.768 million) by means of a direct subscription for 11,700,000 new ordinary shares (the “Subscription Shares”) by investors in Australia (the “Subscription).The issue price for the First Placing Shares and the Subscription Shares (together the “New Shares”) was 21 pence ($0.32) per share.

The First Placing and Subscription resulted in the issue of a total of 29,507,815 new ordinary fully paid shares which represents 14.99% percent of the current issued ordinary share capital of the Company. Following completion of the First Placing and Subscription, the Company has 226,355,521 ordinary shares in issue (the “Enlarged Share Capital”).

The Company proposes to raise approximately £4.765 million ($7.308 million) through the placing (the “Second Placing”) of 22,690,476 new ordinary shares (the “Second Placing Shares”). The Second Placing is conditional on obtaining shareholder approval at a general meeting of the Company on 22nd January 2013.

The issue price for the Second Placing Shares is 21 pence ($0.32) per share. The Second Placing Shares will represent approximately 10 percent of the Enlarged Share Capital. Following completion of the First Placing, Subscription and Second Placing the Company will have 249,045,997 ordinary shares in issue.

The proceeds of the First Placing and Subscription will strengthen the balance sheet, enhance the Company’s ability to compete for larger contracts and partnerships, and will enable the Company to accelerate technology development for HomeSend and mobile money services. The proceeds of the Second Placing will accelerate payment of the Company’s $7.2 million outstanding shareholder loans.

3. Consolidated statement of comprehensive income

	12 months ended 31 Oct 2012 $'000	4 months ended 31 Oct 2011 $'000
Revenue	28,070	7,017
Cost of sales	(12,267)	(4,234)
Gross profit	15,803	2,783
Interest income	389	769
Research and development expenses	(2,289)	(547)
Sales and marketing expenses	(6,132)	(2,782)
Administration expenses	(16,427)	(6,409)
(Loss)/Earnings before interest expense, tax, depreciation and amortisation	(8,656)	(6,186)
Amortisation expense	(4,704)	(1,581)
Depreciation expense	(637)	(326)
(Loss)/Earnings before interest expense and tax	(13,997)	(8,093)
Finance costs	(1,405)	(605)
Loss before tax	**(15,402)**	**(8,698)**
Income tax expense	(187)	(560)
Loss for the year	**(15,589)**	**(9,258)**
Other comprehensive (loss) income		
Exchange differences arising on the translation of foreign operations	1,277	146
Total comprehensive loss for the year	**(14,312)**	**(9,112)**
Loss attributable to:		
Equity holders of the parent	(15,715)	(9,304)
Non controlling interest	126	46
	(15,589)	**(9,258)**
Total comprehensive (loss)/income attributable to:		
Equity holders of the parent	(14,438)	(9,158)
Non controlling interest	126	46
	(14,312)	**(9,112)**
(Loss)/Earnings per share:		
Basic (cents per share)	**(8.0)**	**(4.7)**
Diluted (cents per share)	**(8.0)**	**(4.7)**

4. Consolidated statement of financial position

	Note	31 Oct 2012 $'000	31 Oct 2011 $'000
Current Assets			
Cash and cash equivalents		3,794	10,129
Trade and other receivables		14,094	40,425
Inventories		158	170
Current tax assets		90	90
Total Current Assets		18,136	50,814
Non-Current Assets			
Property, plant and equipment		912	1,541
Deferred tax assets		6,005	5,359
Goodwill		5,878	6,382
Other intangible assets		3,508	6,808
Total Non-Current Assets		16,303	20,090
Total Assets		34,439	70,904
Current Liabilities			
Trade and other payables		7,816	15,247
Borrowings		1,200	14,000
Current tax payables		69	6,904
Provisions		1,724	2,515
Deferred revenue		2,125	2,190
Total Current Liabilities		12,934	40,856
Non-Current Liabilities			
Borrowings	6	6,000	-
Deferred tax liabilities		-	790
Provisions for employee benefits		431	385
Total Non-Current Liabilities		6,431	1,175
Total Liabilities		19,365	42,031
Net Assets		15,074	28,873
Equity			
Issued capital	5	90,770	90,770
Reserves	5	(82)	(1,983)
Accumulated Losses		(75,699)	(59,984)
Parent entity interest		14,989	28,803
Non controlling interest		85	70
Total Equity		15,074	28,873

5. Consolidated statement of changes in equity

	Issued Capital $'000	Foreign Currency Translation Reserve $'000	Employee equity-settled benefits Reserve $'000	Accumu-lated Losses $'000	Attributable to owners of the parent $'000	Non controlling Interest $'000	Total $'000
Balance at 1 November 2011	90,770	(3,376)	1,393	(59,984)	28,803	70	28,873
Loss for the year	-	-	-	(15,715)	(15,715)	126	(15,589)
Exchange differences arising on translation of foreign operations	-	1,277	-	-	1,277	-	1,277
Total comprehensive loss for the year	-	1,277	-	(15,715)	(14,438)	126	(14,312)
Payment of dividends	-	-	-	-	-	(111)	(111)
Equity settled payments	-	-	624	-	624	-	624
Balance at 31 October 2012	90,770	(2,099)	2,017	(75,699)	14,989	85	15,074
Balance at 1 July 2011	123,946	(3,522)	1,132	(26,770)	94,786	24	94,810
Loss for the period	-	-	-	(9,304)	(9,304)	46	(9,258)
Exchange differences arising on translation of foreign operations	-	146	-	-	146	-	146
Total comprehensive loss for the period	-	146	-	(9,304)	(9,158)	46	(9,112)
Capital distribution	(33,176)	-	-	-	(33,176)	-	(33,176)
Payment of dividends	-	-	-	(23,910)	(23,910)	-	(23,910)
Equity settled payments	-	-	261	-	261	-	261
Balance at 31 October 2011	90,770	(3,376)	1,393	(59,984)	28,803	70	28,873

6. Borrowings

On 31 October 2012 certain shareholders of the company agreed to extend the due date of the loans payable, amounting to $6,000,000, to 15 February 2014. Accordingly the total loan of $6,000,000 from the shareholders is classified as non-current borrowings at 31 October 2012.

7. Consolidated statement of cash flows

	12 months ended 31 Oct 2012 $'000	4 months ended 31 Oct 2011 $'000
Cash Flows from Operating Activities		
Receipts from customers	30,182	11,007
Payments to suppliers and employees	(42,083)	(19,067)
Interest and other finance cost paid	(1,536)	(331)
Income tax paid	(7,813)	(448)
Net cash used in operating activities	(21,250)	(8,839)
Cash Flows From Investing Activities		
Proceeds from asset disposal escrow deposit	23,307	-
Interest received	562	1,817
Payment for property, plant and equipment	(140)	(29)
Software development costs	(1,826)	(500)
Net cash provided by investing activities	21,903	1,288
Cash Flows From Financing Activities		
Dividends paid to owners of the company	-	(23,910)
Capital distribution	-	(33,176)
Dividend paid by controlled entity to non-controlling interest	(111)	-
Proceeds from borrowings	2,500	14,000
Repayment of borrowings	(9,300)	-
Net cash used in financing activities	(6,911)	(43,086)
Net (decrease)/increase In Cash and Cash Equivalents	(6,258)	(50,637)
Cash At The Beginning Of The Year	10,129	60,820
Effects of exchange rate changes on the balance of cash held in foreign currencies	(77)	(54)
Cash and Cash Equivalents At The End Of The Year	3,794	10,129

7.1 Notes to the consolidated statement of cash flows

	31 Oct 2012 $'000	31 Oct 2011 $'000
a) Reconciliation of cash		
Cash and cash equivalents	3,794	10,129

	12 months ended 31 Oct 2012 $'000	4 months ended 31 Oct 2011 $'000
b) Reconciliation of loss for the year to net cash flows from operating activities		
Loss for the year	(15,589)	(9,258)
Interest received	(562)	(1,816)
Depreciation of non-current assets	637	326
Amortisation of non-current assets	4,704	1,581
Loss/(profit) on disposal of non-current assets	123	31
Unrealised foreign exchange loss	2,290	411
Equity settled share-based payments	624	261
Proceeds from asset disposal escrow deposit	(23,307)	-
Increase/(decrease) in current income tax balances	(6,835)	163
Increase/(decrease) in deferred tax balances	(1,435)	(701)
Changes in net assets and liabilities:		
- (Increase)/decrease in assets:		
- Trade and other receivables	26,331	5,505
- Inventories	12	109
Increase/(decrease) in liabilities:		
- Trade and other payables	(7,428)	(948)
- Provisions	(747)	(4,571)
- Other liabilities	(68)	68
Net cash used in operating activities	(21,250)	(8,839)

8. Net Tangible Assets per security

	31 October 2012	31 October 2011
Net tangible assets per security	2.9 cents	8.0 cents

9. 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 year	Nil	N/A	N/A	N/A	N/A
Final dividend:	Current year	Nil	N/A	N/A	N/A	N/A
	Previous year	Nil	N/A	N/A	N/A	N/A

There are no Dividend Reinvestment Plans.

10. Control gained over entities

N/A

10.1 Loss of control over entities

N/A

11. Details of associates and joint venture entities

Name of entity	**Percentage of ownership interest held at end of period**		**Aggregate share of net profit (loss) contributed to the reporting entity**	
	Current period	Previous corresponding period	Current period $A'000	Previous corresponding period $A'000
Total	N/A	N/A	N/A	N/A

12. Subsequent Events

The Company raised approximately £3.740 million through the placing (the “First Placing”) of 17,807,815 new ordinary shares (the “First Placing Shares”) with institutional investors in the UK and approximately £2.457 million ($3.768 million) by means of a direct subscription for 11,700,000 new ordinary shares (the “Subscription Shares”) by investors in Australia (the “Subscription).The issue price for the First Placing Shares and the Subscription Shares (together the “New Shares”) was 21 pence ($0.32) per share.

The First Placing and Subscription resulted in the issue of a total of 29,507,815 new ordinary fully paid shares which represents 14.99% percent of the current issued ordinary share capital of the Company. Following completion of the First Placing and Subscription, the Company has 226,355,521 ordinary shares in issue (the “Enlarged Share Capital”).

The Company proposes to raise approximately £4.765 million ($7.308 million) through the placing (the “Second Placing”) of 22,690,476 new ordinary shares (the “Second Placing Shares”). The Second Placing is conditional on obtaining shareholder approval at a general meeting of the Company on 22nd January 2013.

The issue price for the Second Placing Shares is 21 pence ($0.32) per share. The Second Placing Shares will represent approximately 10 percent of the Enlarged Share Capital. Following completion of the First Placing, Subscription and Second Placing the Company will have 249,045,997 ordinary shares in issue.

The proceeds of the First Placing and Subscription will strengthen the balance sheet, enhance the Company’s ability to compete for larger contracts and partnerships, and will enable the Company to accelerate technology development for HomeSend and mobile money services. The proceeds of the Second Placing will accelerate payment of the Company’s $7.2 million outstanding shareholder loans.

13. Commentary on Results for the Period

Refer to the explanation of results in Section 2 and the results commentary announcement.

14. Accounts

This report is based on accounts which are in the process of being audited.

Signed by a Director

Print name: CRAIG HALLIDAY Date : 21 December 2012