



11 November 2015

**First Derivatives plc**  
**("FD", the "Company" or the "Group")**  
**Interim results for the six months ended 31 August 2015**

FD (AIM:FDP.L, ESM:FDP.I), a leading provider of software and consulting services, announces its results for the six months ended 31 August 2015.

**Financial highlights**

- |  |      |
|--|------|
| • Revenue £53.8m (H1 2015: £37.5m)                   | +44% |
| • EBITDA £10.8m (H1 2015: £6.2m)                     | +73% |
| • Profit before tax £4.6m (H1 2015: £3.7m)           | +27% |
| • Adjusted* profit before tax £7.6m (H1 2015: £4.5m) | +69% |
| • Reported diluted EPS 13.9p (H1 2015: 13.5p)        | +3%  |
| • Adjusted* diluted EPS 23.9p (H1 2015: 16.5p)       | +44% |
| • Interim dividend 5.0p per share (H1 2015: 3.3p)    | +52% |
| • Net debt £10.5m (H1 2015: £9.1m)                   |      |

*\*Adjusted for amortisation of acquired intangibles, share based payments, profit on disposal of property, acquisition costs, finance translation income/charges (and associated taxation impact for EPS).*

**Business highlights**

- Multi-year investment in software continuing to pay off with new clients within financial services markets driving software revenue growth of 87%.
- Further growth and strategic progress in consulting, with increased scale and broader expertise resulting in revenue growth of 28%.
- Strategic acquisitions of Affinity Systems and ActivateClients for a combined initial consideration of £7.1m generating positive results in the digital marketing and utilities sectors.
- Pipeline of software opportunities outside financial services growing, with increased sales and marketing effort.
- Board further strengthened through the appointments of Virginia Gambale and Jon Robson.

**Post period-end highlights**

- Formation of FD Labs to focus innovation and enable the widespread adoption and deployment of kdb+.

**Seamus Keating, Chairman of FD, commented:** "This was another period of strong progress across the Group. Our consulting division delivered revenue growth of 28% and during the period a number of initiatives laid the foundations for FD to continue our remarkable track record of more than 20% per annum growth in consulting revenue. Although we remain at an early stage of full commercialisation of our software products we are pleased to report an impressive 87% growth in software revenue as we continued to penetrate our key target markets in the period.

"The positive performance in the first half of our financial year has continued into the second half and the high visibility within both consulting and software gives the Board confidence that the Group expects to meet market expectations for the full year. We will continue to invest to position ourselves to benefit from our software's technology lead, to build upon this and look to convert our pipeline of opportunities within capital markets and other sectors. We continue to believe the work and investments we have made, along with our market positioning in both consulting and software, provide a strong platform to meet our exciting growth ambitions."

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**About FD**

FD is a global technology provider with nearly 20 years of experience of working with some of the world's largest finance, technology and energy institutions. FD is the developer of the world-leading database technology kdb+. FD employs over 1,500 people worldwide and has operations in London, New York, Stockholm, Singapore, Hong Kong, Tokyo, Sydney, Palo Alto, Toronto, Philadelphia, Dublin, Belfast and its headquarters in Newry.

For further information, please visit [www.firstderivatives.com](http://www.firstderivatives.com)

## CHAIRMAN'S STATEMENT

I am pleased to report continued growth during the first half of the Company's financial year. In the six months ended 31 August 2015 we increased our revenue by 44% to £53.8m, from £37.5m in the corresponding period a year ago, while EBITDA was £10.8m compared to £6.2m in the prior period, representing 73% growth.

Software revenue increased by 87% to £18.3m (H1 2015: £9.8m) with recurring software revenue, which is a key indicator for the Company, increasing by 153%. This growth was mainly achieved within the financial services segment, where our products are generating momentum as we penetrate our client base further. We are seeing continued growth in our software pipeline and are encouraged with our progress during the period.

Outside financial services, we see our product suite providing key advantages in the areas of Streaming Analytics, Operational Intelligence and In Memory Computing coupled with our ability to provide real time visualisation. We are identifying those markets which offer the most compelling opportunities for these characteristics and are progressing discussions with a number of potential customers. Whilst we are currently working primarily on a direct basis, we also are targeting selected partner organisations to work with. As expected, we are making greatest progress in those markets where we have made acquisitions to accelerate our route to market, namely in digital marketing and utilities.

Consulting revenues continued to grow strongly, rising by 28% to £35.5m (H1 2015: £27.7m). As our scale and range of capabilities grow, we continue to see an increase in the size and strategic importance of the engagements we undertake with clients. We are increasingly viewed as a strategic partner in the delivery of IT strategies for clients, further assisting our revenue visibility and offering the potential to cross sell software products. To support the growth plans of the Group we have worked on enhancing recruitment and training programmes. Overall, headcount now stands at more than 1,500 (H1 2015: 1,000). This continued investment in our staff gives us a strong platform for future growth.

The Group continues to generate positive operating cash flows and the Board has again decided to increase the interim dividend, by 52% to 5.00p per share (H1 2015: 3.30p per share). This will be paid on 11 December 2015 to those shareholders on the register on 20 November 2015.

During the period we completed the acquisitions of Affinity Systems and ActivateClients. Affinity Systems strengthens our capabilities in utilities and sensor data management while ActivateClients accelerated the development of our HTML5 capabilities. Both acquisitions continue to be integrated into the Group and are performing in line with our expectations.

There were two new appointments to the Board during the period. In addition to the appointment of Virginia Gambale as reported in our full year results in June 2015, on 3 August 2015 we were pleased to announce the appointment of Jon Robson as a Non-Executive Director. Jon, based in the United States, is a former CEO of NYSE Technologies and former President of the Enterprise Division of Thomson Reuters and he brings a breadth of global capital markets experience.

David Anderson will step down from the Board at the end of the financial year. On behalf of the Company and my Board colleagues, I thank David sincerely for the role he has played since joining as chairman at the time of the Group's AIM listing in 2002. His support and advice to Brian and the team have been invaluable as the Company has grown from c. 20 to more than 1,500 people and shareholders have enjoyed returns of more than 2,800% over that period.

The positive performance in the first half of our financial year has continued into the second half and the high visibility within both consulting and software gives the Board confidence that the Group expects to meet market expectations for the full year. The Group will continue to invest to benefit from its software

technology lead position and to build and convert our pipeline of opportunities within financial services and other sectors. The work and investments we have made, along with our market positioning in both consulting and software, provide a strong platform to meet our exciting growth ambitions.

Seamus Keating  
Chairman

## **CHIEF EXECUTIVE'S STATEMENT**

I am pleased to report continued growth during the first half of the Company's financial year. In the six months ended 31 August 2015 we increased our revenue by 44% to £53.8m, from £37.5m in the corresponding period, while EBITDA was £10.8m compared to £6.2m in the prior period, representing 73% growth.

Within the capital markets sector, market conditions for our services remained healthy, driven by complex and widespread regulatory change with pressure to introduce efficiencies and reduce costs. As these require the use of new technology or changes to the way that technology is delivered it has a positive impact on both our consulting and software activities.

Outside capital markets, we are establishing a pipeline of opportunities across a number of markets. Within digital marketing and utilities, our activities have been bolstered by the acquisitions of Prelytix and Affinity Systems. We have also been pleased with the progress we have made in markets such as pharma as we seek to assist leading companies in these markets address their data analytics challenges.

We are positioning the Group to benefit from the growing need for organisations to deploy technology to deal with real time, structured data. We believe kdb+, which has a proven track record for in-memory analytics solutions, is ideally placed to meet this requirement.

The global market opportunity for our software is significant and we recognise that to fulfil our potential requires a commitment to increasing awareness of the capabilities of our platform and an understanding of our competitive advantages. During the period we have introduced a range of initiatives to achieve these aims including: increasing our investment in our direct sales team; holding discussions with potential sales partners; working with industry analysts such as Gartner to provide greater understanding of our capabilities; and organising tutorials on our technology with potential customers in 62 cities across 37 countries. In addition we are relaunching our corporate web site to clearly communicate the strengths and range of use cases for our software.

### **Market positioning**

FD is a world leader in Big Fast Data, the capture and analysis of large data sets and/or streaming data. Our software products are based on kdb+, a proven world-leading time series database, that time stamps data to the nanosecond and has geolocation capability built in. Our platform is complete and has been used extensively within capital markets for more than a decade, ensuring it is a robust technology. Furthermore, a key attraction of our technology is that it is hardware efficient and thus total cost of ownership of a solution is lower than competing solutions.

We see evidence that Big Fast Data is increasing in importance to user organisations, both in the context of our conversations with potential clients and also through industry analyst comment. For example, Gartner recommends to its clients that they use high-performance messaging infrastructure to transport data; adopt event stream processing for real time pattern detection; leverage in-memory database management systems for faster and deeper analysis of data; and deploy in-memory analytics for data at rest. These recommendations are all attributes and capabilities of our technology and are already contained in a complete, integrated solution deployed in many of the world's leading banks.

Our research and development efforts are aimed at maintaining the performance lead kdb+ enjoys over competing solutions, increasing the ease of deployment of the platform and building applications applicable to our target markets. Our development spend is heavily geared to the commercialisation of the technology, but we also recognise that the technology landscape is evolving rapidly and that we need to innovate constantly. To this end we announced the formation of FD Labs in September, with the additional remit to

aid the deployment of kdb+ wherever it is required, be that at device level within embedded systems, across enterprise deployments or within Cloud/SaaS environments.

## Software

Software sales during the period increased by 87% to £18.3m (H1 2015: £9.8m). The technical capabilities of our software continue to assist us develop a market share within capital markets. Kdb+, our enterprise platform, can be sold on a standalone basis or as a horizontal play. In addition we have developed a suite of applications on top to address a number of areas within capital markets, such as market surveillance, trading, regulatory reporting, transaction cost analysis and algorithmic testing. Our software products address market opportunities valued at hundreds of millions of dollars per annum. They can be deployed or hosted in multi-tenanted solutions so that the incremental cost of signing new customers is low. Key wins over the year to date have included:

- **kdb+:** In July the Group was awarded a contract by the **U.S. Security and Exchange Commission (SEC)** for the use of kdb+ and the **Shenzhen Stock Exchange** also signed a deal. It is now used by more than 100 organisations and there were 12 new deals signed across hedge funds, banks and technology suppliers during the period.
- **Market Surveillance and Algo Testing:** The Group implemented Surveillance at **IEX**, a high-growth equity trading venue based in New York and the **National Stock Exchange of India (NSE)**. The latter was for a platform that allows NSE clients to test their algorithms before they go live on the Exchange. This is a strategically important win as many market regulations, including MiFID II that comes into effect in 2017, state that algorithms must be tested prior to live use. We believe there is likely to be global market demand, from Exchanges and Regulators as well as market participants, for testing solutions, such as that developed by FD for the NSE, which provides a measurable and objective test of the efficacy of algorithms.
- **Energy Markets:** We secured our first customer within energy trading surveillance – a leading European oil and gas company is using our product to monitor trading activity in the futures market as regulators tighten controls within the industry.
- **Liquidity Management:** Our kdb+ Flow platform signed a significant global player, EBS, **ICAP's** market leading electronic FX business, who are using our software for streaming analytics. ICAP also purchased Molten Markets, one of FD's customers. The fact that Molten Markets will continue to use our technology post the transaction is further validation of the strength of our solution.
- **Operations:** Our kdb+ SCOUT solution has been successfully deployed at six banks in Europe and is offered as a managed service. These tools cover areas such as application monitoring, regulatory reporting, single customer views, reconciliations and testing.

While our revenues to date have mostly been derived from within capital markets, we are convinced that our competitive advantages in dealing with Big Fast Data are applicable to additional markets. During the period we continued discussions with a range of organisations that face challenges due to their need to capture and analyse very large data sets and we are encouraged by the reaction. We will continue to work through the use cases with these potential clients in the coming months.

In sectors where we have acquired companies we are significantly more advanced with our development and our commercialisation is significantly more advanced, namely digital marketing and utilities.

## Digital Marketing

Our Marketing Cloud product was successfully launched earlier this year and is now being used by many of the world's leading technology companies such as Cisco, Commvault and Citrix. Using the Marketing Cloud platform, powered by kdb+, we analyse 93% of the B2B web to determine the buying intent of organisations. We are able to marry that intent data to our clients' data and our own proprietary databases of corporate technology environments and decision makers. This enables us to provide fully qualified leads to our clients and to execute those leads on their behalf.

The business model for the Marketing Cloud is subscription based, which will add to the Group's recurring revenues. New client wins during the period included several global technology firms and we are pleased with the level of growth and the pipeline of opportunities.

Unlike many of the heavily funded start-ups that have emerged in this area, we believe that the unique combination of our global presence, our hosting capability, our data science credentials, the maturity of our platform, the domain knowledge of our marketing team and our ability to deal with vast amounts of data leaves us strongly placed to win significant market share in this fast growing market. We believe that our investment in this area can generate significant returns for the Group.

## Other vertical markets

Within the utilities space, our relationship with a major American Independent System Operator (ISO) continues to deepen as it evaluates the use of FD's Sensor Data Management (SDM) platform. Our platform is applicable to smart meters and other connected devices. We are engaged in discussions with a number of utilities and other organisations regarding the potential for our software to solve their analytics challenges for streaming data from devices and these discussions reinforce our view of the market leading performance of our platform.

As reported in June, we continue to advance discussions with prospects in areas such as:

- **Telecoms:** customer profile monitoring/analysis; customer marketing; sensor data monitoring; network optimisation.
- **Pharma:** drug trial data capture, analysis and simulation; gene sequencing and analysis; regulatory reporting.
- **Others:** automotive plant monitoring; proximity marketing; preventative maintenance in manufacturing, web analytics.

Our product roadmap includes a number of exciting new initiatives to accelerate our penetration in these markets such as the creation of a sensors analytics product. We have identified a number of partnership opportunities and we hope to cement some of these relationships in the near future. The establishment of FD Labs is a clear statement of our intent to continue to push the boundaries of what our technology can achieve and to keep kdb+ at the forefront of innovation.

## Consulting

Our consulting business continues to grow strongly with revenue increasing by 28% to £35.5m (H1 2015: £27.7m). Demand for our consulting services has been high during the first six months of the year as the market continues to value the skills and capabilities of our staff. In addition our growing scale allows us to deliver more complex and comprehensive assignments.

FD is one of the leading niche capital marketing consulting companies in the world, with ongoing contracts with the majority of the largest global investment banks. We provide implementation, support and development services across a range of asset classes including credit, interest rate, foreign exchange, equity,

cash and derivatives markets. Our breadth of expertise and delivery capability provides a broad base for growth and our focus on mission critical applications protects us from over reliance on any particular trend within our clients' workload. Currently, many of our clients are involved in meeting complex regulatory requirements such as MiFID II and the European Market Infrastructure Regulation (EMIR).

As well as growing our presence in established clients we continue to win new customers, with a number of major, multi-year assignments initiated during the period. These assignments typically involve a combination of on site and near shore resources and also increasingly comprise our own software tools. Our increasing range of capabilities has elevated our standing within many clients to partner with internal IT as a trusted advisor on their mission critical systems. We continue to see significant growth opportunities within our consulting business.

We were pleased to be recognised recently for the quality of the training and opportunities we provide to staff through our inclusion, for the first time, in the Times Top 100 Graduate Employers. This is an influential publication that will assist our ongoing mission to recruit leading talent from around the world. The strength of our training programmes and the range and quality of opportunities we provide to graduates is a key differentiator for FD.

## **Acquisitions**

We announced two acquisitions during the period:

- **Affinity Systems:** Affinity Systems, an Ontario, Canada based software company specialising in utility, retail and healthcare data management, was acquired in March 2015 for an initial consideration of £3.8m. This acquisition boosts our non-financial software solution delivery capabilities and provides us with an accelerated path to market in the utilities sector as well as domain expertise in sensor analytics.
- **ActivateClients:** ActivateClients, a software business with a deep pedigree in producing sophisticated visualisation software and based in Dublin, was acquired in March 2015 for an initial £3.3m. The visualisation of large streaming data sets in real-time is the unique selling point of the recent beta version of our new dashboards, which has been well received by the market.

We will continue to evaluate acquisition opportunities where they meet our strict acquisition criteria which is focused on growth acceleration in target markets. Our ability to fund any such deals we may identify is assisted by the strength of our cash generation and EBITDA growth.

## **Management and personnel**

The Group now employs more than 1,500 people, up from more than 1,000 people at the same time last year. We continue to attract highly-qualified talent and achieve high retention rates. I would like to pay tribute to all FD employees for their hard work, talent, flexibility and dedication in what has been another period of strong growth for the Group.

## **Summary**

The first half of our financial year has seen important operational progress as we build the capability to win and deliver larger contracts across our business in both software and consulting. At the same time, our financial performance has been strong, delivering growth for our shareholders. Our high levels of revenue visibility across the Group and the continued strengthening of our pipeline gives us confidence in our ability to achieve full year expectations and we remain excited about the potential of the business.

Brian Conlon  
Chief Executive Officer



## Financial Review

The Company performed strongly in the first six months of the year with revenue increasing by 44% to £53.8m, of which 27% was organic and the remainder attributable to the strategic acquisitions made during the past year. Software revenue increased by 87% to £18.3m, with consulting revenue growing by 28% to £35.5m. The Group's EBITDA margin increased to 20.0% for the period (H1 2015: 16.6%) the principal driver being the greater proportion of higher margin software sales achieved in the period against consulting sales.

The Group continued to invest in R&D to maintain its technology lead and to enable the deployment of its software on devices, across the enterprise and in Cloud/SaaS environments. R&D capitalisation was £3.7m (H1 2015: £3.0m) with amortisation of our capitalised software £1.8m, up from £1.3m a year ago.

Reported profit before tax for the period was £4.6 million (H1 2015: £3.7 million) representing growth of 27%. Adjusting for non-operational costs and income results in an adjusted profit before tax of £7.6m (H1 2015: £4.5m), an increase of 69% over the prior year.

The Group's effective tax rate has increased to 25% from 20% in H1 2015. The main driver for this has been increased revenue in higher rate tax jurisdictions such as the U.S. Adjusted after tax profits for the period were £6.0m (H1 2015: £3.6m), a 67% increase over the prior year. A reconciliation to reported profit is provided below.

Six months ended 31 August	2015	2014	Increase
	£'000	£'000	%
<b>Reported profit for the period</b>	<b>3,479</b>	<b>2,936</b>	<b>18.5%</b>
Adjustments for:			
Amortisation of acquired intangibles	2,015	776	
Share based payment charges	504	607	
Profit on disposal of property	-	(554)	
Acquisition costs	442	-	
Finance translation income	(28)	(12)	
Tax effect of the above	(434)	(173)	
<b>Adjusted profit for the period</b>	<b>5,978</b>	<b>3,580</b>	<b>67.0%</b>
Reported tax	1,151	723	
Tax effect of the above	434	173	
<b>Adjusted profit before tax</b>	<b>7,563</b>	<b>4,476</b>	<b>69.0%</b>
<b>EPS (fully diluted)</b>	<b>23.87</b>	<b>16.52</b>	<b>44.5%</b>

Net debt was £10.5m at the period end (H1 2015: £9.1m) reflecting the continuing good conversion of operating profit into cash. Net assets at the period end were £106.6m, up from £54.3m a year ago.

## Consolidated Statement of Comprehensive Income (unaudited)

		6 months ended 31 August 2015	6 months ended 31 August 2014
	Notes	£'000	£'000
Revenue	2	53,834	37,506
Cost of sales		(37,976)	(28,213)
<b>Gross profit</b>		<hr/> 15,858	<hr/> 9,293
Other income		544	938
Administrative expenses		(11,144)	(6,575)
<b>Results from operating activities</b>		<hr/> 5,258	<hr/> 3,656

Acquisition costs		442	-
Share based payments		504	607
Gain on disposal of property, plant and equipment		-	(554)
Depreciation and amortisation		2,542	1,729
Amortisation of acquired intangible assets (IFRS3)		2,015	776
<b>Adjusted EBITDA</b>		<hr/> 10,761	<hr/> 6,214

Financial income		5	1
Financial expense		(661)	(249)
Gain on foreign currency translation		28	12
<b>Net financing expense</b>		<hr/> (628)	<hr/> (236)

<b>Profit before tax and associate income</b>		<hr/> 4,630	<hr/> 3,420
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Income from associates		-	239
<b>Profit before tax</b>		<hr/> 4,630	<hr/> 3,659

Income tax expense		(1,151)	(723)
<b>Profit for the period</b>		<hr/> 3,479	<hr/> 2,936

		Pence	Pence
<b>Earnings per Share</b>			
Basic	4	15.0	14.6
Diluted	4	13.9	13.5

## Consolidated Statement of changes in equity

	Share capital	Share premium	Share option reserve	Revaluation reserve	Currency translation adjustment	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 March 2014</b>	98	22,251	6,627	167	(3,040)	25,959	52,062
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	2,936	2,936
<b>Other comprehensive income</b>							
Net loss on net investment in foreign subsidiary and associate	-	-	-	-	(443)	-	(443)
Net profit on hedge of movement in foreign subsidiary and associate	-	-	-	-	4	-	4
<b>Total other comprehensive income</b>	-	-	-	-	(439)	-	(439)
<b>Total comprehensive income for the period</b>	-	-	-	-	(439)	2,936	2,497
<b>Transactions with owners, recorded directly in equity</b>							
Income tax on share options	-	-	(1,146)	-	-	-	(1,146)
Exercise or issue of shares	3	3,139	(715)	-	-	-	2,427
Share based payment charge	-	-	308	-	-	-	308
Transfer or forfeiture	-	-	(20)	-	-	20	-
Dividends to equity holders	-	-	-	-	-	(1,813)	(1,813)
<b>Total contributions by and distributions to owners</b>	3	3,139	(1,573)	-	-	(1,793)	(224)
<b>Balance at 31 August 2014</b>	101	25,390	5,054	167	(3,479)	27,102	54,335

Consolidated Statement of changes in equity (continued)

	Share capital	Share premium	Share option reserve	Revaluation reserve	Currency translation adjustment	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 March 2015</b>	114	55,286	6,262	-	(1,690)	38,352	98,324
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	3,479	3,479
<b>Other comprehensive income</b>							
Net loss on net investment in foreign subsidiary and associate	-	-	-	-	(410)	-	(410)
Net profit on hedge of movement in foreign subsidiary and associate	-	-	-	-	76	-	76
<b>Total other comprehensive income</b>	-	-	-	-	(334)	-	(334)
<b>Total comprehensive income for the period</b>	-	-	-	-	(334)	3,479	3,145
<b>Transactions with owners, recorded directly in equity</b>							
Income tax on share options	-	-	246	-	-	-	246
Exercise or issue of shares	2	4,198	-	-	-	-	4,200
Issue of shares as purchase consideration	1	2,599	-	-	-	-	2,600
Share based payment charge	-	-	420	-	-	-	420
Dividends to equity holders	-	-	-	-	-	(2,371)	(2,371)
<b>Total contributions by and distributions to owners</b>	3	6,797	666	-	-	(2,371)	5,095
<b>Balance at 31 August 2015</b>	117	62,083	6,928	-	(2,024)	39,460	106,564

## Consolidated statement of financial position (unaudited)

	As at 31 August 2015 £'000	As at 31 August 2014 £'000	As at 28 February 2015 £'000
<b>Assets</b>			
Property, plant and equipment	6,010	5,335	5,948
Intangible assets	136,399	39,415	134,293
Investment in associate	-	5,488	-
Trade and other receivables	2,648	2,721	2,634
Deferred tax asset	7,289	4,344	6,450
<b>Non-current assets</b>	<u>152,346</u>	<u>57,303</u>	<u>149,325</u>
Trade and other receivables	29,015	22,022	29,952
Cash and cash equivalents	19,965	2,569	14,705
Assets held for sale	-	1,840	-
<b>Current assets</b>	<u>48,980</u>	<u>26,431</u>	<u>44,657</u>
<b>Total assets</b>	<u>201,326</u>	<u>83,734</u>	<u>193,982</u>
<b>Equity</b>			
Share capital	117	101	114
Share premium	62,083	25,390	55,286
Share option reserve	6,928	5,054	6,262
Revaluation reserve	-	167	-
Currency translation adjustment reserve	(2,024)	(3,479)	(1,690)
Retained earnings	39,460	27,102	38,352
<b>Equity attributable to shareholders</b>	<u>106,564</u>	<u>54,335</u>	<u>98,324</u>
<b>Liabilities</b>			
Interest bearing borrowings	25,534	7,101	27,025
Trade and other payables	29,489	2,042	29,490
Deferred tax liability	11,641	4,328	11,284
Contingent deferred consideration	1,134	-	1,132
<b>Non-current liabilities</b>	<u>67,798</u>	<u>13,471</u>	<u>68,931</u>
Interest bearing borrowings	4,899	4,531	3,429
Trade and other payables	16,135	7,774	18,936
Current tax payable	2,117	755	490
Employee benefits	3,813	2,868	3,872
<b>Current liabilities</b>	<u>26,964</u>	<u>15,928</u>	<u>26,727</u>
<b>Total liabilities</b>	<u>94,762</u>	<u>29,399</u>	<u>95,658</u>
<b>Total equity and liabilities</b>	<u>201,326</u>	<u>83,734</u>	<u>193,982</u>

## Consolidated statement of cash flows (unaudited)

	6 months ended 31 August 2015 £'000	6 months ended 31 August 2014 £'000
<b>Cash flows from operating activities</b>		
Profit for the period	3,479	2,936
Net finance costs	628	236
Share of profit of associate	-	(239)
Depreciation	756	410
Amortisation of intangible assets	3,801	2,095
Gain on sale of property, plant and equipment	-	(554)
Equity settled share-based payment transactions	504	607
Grant income	(544)	(938)
Tax expenses	1,151	723
	<u>9,775</u>	<u>5,276</u>
<i>Changes in:</i>		
Trade and other receivables	1,169	(1,048)
Trade and other payables	(3,984)	(722)
Taxes	429	(234)
<b>Net cash from operating activities</b>	<u>7,389</u>	<u>3,272</u>
<b>Cash flows from investing activities</b>		
Interest received	5	1
Acquisition of property, plant and equipment	(747)	(404)
Disposal of property, plant and equipment	-	1,877
Disposal of investment	6,296	-
Acquisition of intangible assets	(3,703)	(2,993)
Acquisition of subsidiaries	(4,745)	-
<b>Net cash (used)/generated in investing activities</b>	<u>(2,894)</u>	<u>(1,519)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	3,699	2,425
Repayment of borrowings	(1,490)	(2,605)
Payment of finance lease liabilities	(45)	(533)
Interest paid	(661)	(249)
Dividends paid	(2,280)	(1,813)
<b>Net cash from financing activities</b>	<u>(777)</u>	<u>(2,775)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,718</b>	<b>(1,022)</b>
Cash and cash equivalents at 1 March 2015	14,705	1,544
Effects of exchange rate changes on cash and cash equivalents	28	9
<b>Cash and cash equivalents at 31 August 2015</b>	<u><b>18,451</b></u>	<u><b>531</b></u>

## Notes to the Interim Results

### 1 Basis of Preparation

The results for the six months ended 31 August 2015 are unaudited and have not been reviewed by the Company's Auditors. They have been prepared on accounting basis and policies that are consistent with those used in the preparation of the financial statements of the Company for the year ended 28 February 2015.

The financial statements contained in this report do not constitute statutory accounts within the meaning of Section 477 of the Companies Act 2006. The results for the period ended 28 February 2015 were prepared under International Financial Reporting Standards (IFRSs) as adopted by the EU ("adopted IFRSs") and reported on by the auditors and received an unqualified audit report. Full accounts for the period ended 28 February 2015 have been delivered to the Registrar of Companies.

### 2 Segmental Reporting

#### *Revenue by division*

	<b>2015</b> <b>£'000</b>	2014 £'000
Consulting	<b>35,503</b>	27,727
Software	<b>18,331</b>	9,779
	—————	—————
Total	<b>53,834</b>	37,506
	—————	=====

#### *Geographical location analysis*

	<b>2015</b> <b>£'000</b>	2014 £'000
UK	<b>20,496</b>	16,983
Rest of Europe	<b>8,623</b>	4,513
America	<b>21,572</b>	12,744
Australasia	<b>3,143</b>	3,266
	—————	—————
Total	<b>53,834</b>	37,506
	—————	=====

### 3 Dividends

An Interim Dividend of 5.00p per share will be made for the six months to 31 August 2015. This will be paid to shareholders on 11 December 2015 to shareholders on the register on 20 November 2015. The shares will be marked Ex-Dividend on 19 November 2015.

#### **4 Earnings per Share**

Basic earnings per share for the six months ended 31 August 2015 has been calculated on the basis of the reported profit after taxation of £3.5m (H1 2015: £2.9m) and the weighted average number of shares for the period of 23,257,740 (H1 2015: 20,094,940). This provides basic earnings per share of 15.0 pence (H1 2015: 14.6 pence).

Diluted earnings per share for the six months ended 31 August 2015 has been calculated on the basis of the reported profit after taxation of £3.5m (H1 2015: £2.9m) and the weighted average number of shares after adjustment for the effects of all dilutive potential ordinary shares 25,039,799 (H1 2015: 21,678,504). This provides diluted earnings per share of 13.9 pence (H1 2015: 13.5 pence).

Adjusted earnings of £6.0m excludes the amortisation of acquired intangibles, share based payments, profit on disposal of property, finance translation income/charges and associated taxation impact. Using the same weighted average of shares as above provides adjusted basic earnings per share of 25.7 pence (H1 2015: 17.8 pence) and adjusted diluted earnings per share of 23.9 pence (H1 2015: 16.5 pence).

#### **5 Interim Report**

Copies can be obtained from the Company's head and registered office: 3 Canal Quay, Newry, Co. Down, BT35 6BP and are available to download from the Company's website [www.firstderivatives.com](http://www.firstderivatives.com).