28 May 2012

First Derivatives plc
("First Derivatives" the "Company" or the "Group")

Final Results

First Derivatives (AIM: FDP.L, ESM:FDP.I), a leading provider of software and consulting services to the capital markets industry, today announces its results for the twelve months ended 29 February 2012.

Financial Highlights:

- Total revenue increased 25.4% to £46.1 million (2011: £36.7 million)
  - Software license revenue increased 7.6% to £13.5 million (2011: £12.5 million)
  - Transactional and recurring revenue increased 102.2% to 44% of software revenues (2011: 23%)
  - Consultancy revenue increased by 34.7% to £32.6 million (2011: £24.2million)
- EBITDA increased 26.7% to £10.9 million (2011: £8.6 million)
- Normalised pre-tax profit increased by 25.0% to £7.3 million (2011: £5.9 million) after adjusting for associate and currency translation
- Pre-tax profit increased by 7.0% to £6.9 million (2011: £6.5 million)
- Normalised basic earnings per share increased by 32.2% to 37.5p per share (2011: 28.6p)
- Fully diluted earnings per share increased by 13.1% to 32.8p per share (2011: 29.0p)
- Final dividend of 8.15p per share, which together with interim dividend of 3.0p amounts to 11.15p for the year (2011: 10.15p)

Business Highlights:

- Growing customer base with software and services being provided to over 91 different investment banks, exchanges, brokers and hedge funds
- New initiatives to position consulting divisions for global trends
  - Launch of Capital Markets Legal services stream
  - Launch of Vendor Managed Services
  - Launch of Data Management Team
- New software releases to enhance "Big Data" and FX offerings major wins achieved including Thomson Reuters, SGX, ANZ and Direct FX
- Significant investment into staff, headcount at year end 662 (2011 year end: 524)
- Earnings visibility improving as revenue contribution from transactional / recurring revenue increases

David Anderson, Chairman of First Derivatives commented:

"This year has seen continued strong growth across the Group's activities with total revenues up over 25%. As the economic recovery has been taking a fragile hold we have continued to make a substantial investment in the development of all the group's activities. The goal of this investment has been to ensure that we build a robust organisation with a strong asset base and service offering to ensure future growth. We expect the market in coming years will continue to be challenging as the full effects of budget constraints, regulation and globalisation continue to impinge our customers. With the improvements made to the Delta suite and its revenue stream and the positioning and improvements to our service offerings, we feel that the group is well positioned to continue to grow. We continue to have a strong pipeline of prospects and have made a strong start to the current year and expect to be able to report further progress in the year to 28 February 2013."

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About First Derivatives

First Derivatives is a global provider of software and consulting services to the financial services industry. With almost 16 years experience working with leading financial institutions, it continues to deliver technologically advanced products and services that anticipate and respond to the evolving needs of global capital markets.

First Derivatives currently employs around 700 people worldwide and counts many of the world's top investment banks, brokers and hedge funds as its customers. It has operations in London, New York, Stockholm, Shanghai, Singapore, Toronto, Sydney, Dublin, Newry and Hong Kong.

For further information please visit www.firstderivatives.com

CHAIRMAN'S STATEMENT

I am pleased to report another year of continued growth in profitability for the group, the sixteenth year of continued progression. This achievement is all the more satisfying given the market backdrop where we are seeing market trends that are significantly altering the economics of the financial services industry. In response to these market opportunities and building upon prior years, we have continued to implement the Board's strategy of continued investment into the group's technology, infrastructure and operations in order to create a platform for continued success and future growth. Our ability to generate continued growth in this challenging market, while implementing our investment growth strategy, demonstrates the strength of the organisation.

Financials

Revenues for the year ended 29 February 2012 increased by 25.4% to £46.087 million from £36.740 million in the previous year. Normalised pre-tax profits (after adjusting for currency translation and associate) increased by 25.0% to £7.315 million compared to £5.852 million in 2011 reported pre-tax profits increased by 7.0% to £6.947 million (2011: £6.495 million). Normalised basic earnings fully diluted earnings per share increased by 40.2% to 34.2p per share (2011: 24.4p).

Dividend

The group continues to generate strong operating cash flow and this, along with our retained cash at the year end, allows the Board to recommend a final dividend of 8.15p per share which together with the interim dividend of 3.0p per share paid on 8 December 2011, totals 11.15p and is covered approximately three times by earnings. This will be paid on 6 July 2012 to those shareholders on the register on 8 June 2012. The shares will be marked ex-dividend on 6 June 2012.

Software

Software sales at £13.458million (2011: £12.511 million) were up 7.6% on the previous year. While this revenue stream increased it does not reflect the progress made in revenue generated from the Delta Suite. Transactional and recurring revenues were up 102.2% on the previous year showing the significant progress achieved. This was partly offset by a reduction of 54.1% in one off license fee income and a reduction of 68.9% in technology income stream (Auto Deal+) obtained as part of the acquisition of "Cognotec" in 2010.

The technical challenges are extensive in the capital markets particularly when dealing with complex instruments on a global scale. This complexity, in combination with continually increasing data volumes and the subsequent IT processing requirements, create many challenges for the industry. Our products are all developed on the common Delta technology platform which is specifically engineered to meet the complex calculations and large volume of data issues that exist in the capital markets sector. We also have made a significant investment in establishing the physical infrastructure necessary to operate the software in the 'cloud' or on a Software as a Service model ("SaaS") to meet the growing trend and desire of our clients to operate this model. This allows clients to seek economies of scale by outsourcing elements of their infrastructure, while removing the need for internal expertise in the support of the software. The investment in expanding this capability enables many of our products to be sold under annual license or transactional revenue based pricing models. Both models allow us to secure a continued and visible stream of software revenue.

Sales success has been achieved across all our key products in the year with contract wins for our complex event processing ("CEP") engine (Delta Stream), algorithmic trading engine (Delta Algo), data management engine (Delta Data Factory) and FX trading platform (Delta Flow). As our customer base has expanded, our opportunity to cross sell to our consulting and software clients has been enhanced. At the year-end we concluded the sale of our CEP, Algorithmic engine and FX platform to one customer and are in further discussions with a number of other existing customers for the provision of other products within our suite.

We have a healthy pipeline of prospects within our specific domain and are actively looking for partners to help bring the products to new markets and new industries. This continuing investment in our platform, increasing the channels to market and the successful deployment of our solutions, allied with our flexible licensing and service model, gives us confidence in our ability to deliver continued growth in software revenues.

Consulting

Consulting revenues increased 34.7% to £32.629 million from £24.229 million in the previous year. It has been another year of continued growth across the division, both in our client base, expansion of the number of assignments undertaken with new and existing customers and our penetration into the global market place. The key to this continued growth continues to be the quality of our people, our commitment to training and the quality and the flexibility of our service.

Selling services to the market continued to be a challenge this year with ongoing regulatory changes, continued globalisation challenges, increasing complexity, fast moving technology innovation and margin pressures affecting our customer base. To meet the challenges facing our customers, we have continued to invest in our service offerings, launching three major initiatives in the period, in addition to the continual reinvestment and refinement of our existing portfolio. We undertook a new legal services initiative aimed at providing resources to banks in areas such as non-core asset disposal, regulatory compliance and securitisation, where personnel with a combination of IT, finance and legal skills are in short supply. Secondly, we have launched a strategic vendor service practice focused on the delivery of global, large scale implementation and support services for leading third party trading technology platforms. Finally we have formed a dedicated data management team, bringing together a group of highly experienced and respected professionals from the data management industry. Market reaction has proven positive with a number of engagements already underway and we expect that these new initiatives combined with continued development of existing services will have the company well positioned in the changing market.

We undertake complex assignments for our clients and our inherent knowledge of their systems leads to repeat business from upgrades and ongoing development. This repeat recurring business model is a key focus for us. We are able to achieve this by our ability to ensure that our services are integrated into our customers' strategy and operations assisting them to streamline their services and products. We do this while ensuring we provide the relevant market or domain expertise along with a competitive cost operating model to ensure that we maximize the recurring revenue stream.

Accommodation

No further acquisition of employee residential accommodation has been made. Disposal of four individual properties was made in the year with a resulting profit on sale of £528k. At year end three properties were listed for sale with selling agents and have been classified as such in the accounts. We will continue to dispose of properties when suitable profitable opportunities arise. The remaining properties held by the group have a carrying value of £15.524 million and at the year-end were independently valued by external valuers at £18.915 million on an open market basis.

Outlook

This year has seen continued strong growth across the Group's activities with total revenues up over 25%. As the economic recovery has been taking a fragile hold we have continued to make a substantial investment in the development of all the group's activities. The goal of this investment has been to ensure that we build a robust organisation with a strong asset base and service offering to ensure future growth. We expect the market in coming years will continue to be challenging as the full effects of budget constraints, regulation and globalisation continue to impinge our customers. With the improvements made to the Delta suite and its revenue stream and the positioning and improvements to our service offerings, we feel that the group is well positioned to continue to grow. We continue to have a strong pipeline of prospects and have made a strong start to the current year and expect to be able to report further progress in the year to 28 February 2013.

I would like to thank Brian Conlon and his team for making it another successful year for the group.

David Anderson
Chairman

CHIEF EXECUTIVE'S STATEMENT

I am pleased to report that First Derivatives has had another successful year, despite continuing uncertainty in the financial markets resulting largely from the European sovereign debt crisis. We have continued to expand and consider that we are well positioned to continue to grow our operations and customer base.

Review of activities

First Derivatives sells software products to the capital markets and provides a range of associated consulting services. Our customer base continues to grow and this year we provided services to 91different investment banks, brokers, exchanges and hedge funds. We continue to expand our global reach with assignments underway in countries such as Chile, Russia, Hungary, Turkey and South Africa as well as in major financial centres such as New York, London, Toronto, Chicago, Singapore, Hong Kong, Tokyo and Sydney.

The broad but yet focused nature of our product and consulting offerings and our geographical spread is key to our continued organic growth. Our target industry segment is extensive and gives us a vast potential market to penetrate and our success has been built on treating our customers as partners to build strong recurring revenue streams both in consulting and software. In consulting we target assignments that are vital to the customers' infrastructure that will be in existence for years. We sell software on a subscription model or on a Software as a Service basis.

Software

We continue to invest heavily in improving our Delta technology platform and applications. We have made significant scientific progress in areas such as messaging and in-memory capacity. Our Delta technology platform is designed to work with large volumes of data analytics in the cloud on any desktop or handheld device. Allied with our hosting and data centre expertise this means that we are well placed to take advantage of the wider trends in the technology market - Cloud computing, "Big Data" and mobile devices.

We continue to add new features to our existing flagship products and have successful reference implementations. Delta Stream for example is now in use at several large financial institutions including ANZ and Singapore Exchange and Delta Algo is firmly embedded in one of the largest investment banks in the world. We are very excited about the prospects for Delta Data Factory which has been successfully deployed by Thomson Reuters. The sales pipeline is very healthy and we are cautiously optimistic for the year ahead.

We have successfully migrated RealStream - an acquired legacy technology – to our architecture and relaunched this as Delta Flow. We believe that this product has the potential to be a disruptive technology in the FX trading arena. It is a hosted technology and we have mobile (iPhone, iPad and Android) and desktop versions. This view has been further reinforced during recent preliminary demos with a number of leading players in the market and our order book for this product is very encouraging. Indeed we have recently signed up one of the biggest banks in Asia and one of the biggest brokers in Russia.

Although our software revenue has only grown by a small amount in total relative to 2011 the mix has changed considerably. As expected there has been a tapering off of revenue from a legacy technology Auto Deal+, with recurring transactional revenue now accounting for 44% of our software revenue (2011: 23%). We will continue to endeavour to sell our software on an annual recurring or transactional model.

Our common technology platform makes it easier to develop new products and bring them quickly to market. In addition, the problems at which we excel – analysing large volumes of data in millisecond periods of time – are issues which are common to many industry sectors. The success of our technology in the capital markets industry should make it easier to sell in other areas. We have had some success in this respect and I am pleased to report that we have secured our first customers of Delta in the telecoms and utilities markets. We have launched a new prototype of a bandwidth exchange (in partnership with BT and Nokia at the recent TM Forum) and are launching an alpha version of a carbon credits trading platform at the Rio+ Earth Summit in June this year. This follows the success of an initial prototype at the recent Clinton Global Initiative in New York. This gives further validation as to the flexibility of our technology and gives us confidence that the market for our software is extensive.

We have further cemented our relationship with Kx Systems by recently signing an OEM and hosting agreement which gives us increased access to the kdb+ database for all products in a hosted or installed basis. We have been working with Kx Systems for 14 years and they had another profitable year last year. As a 20% shareholder we will continue to benefit from their success and continued investment in making their technology the world's leading time series database. Their products are used by some of the world's largest financial institutions and Kx Systems lists organisations such as JP Morgan, Goldman Sachs, Zurich Financial Group, Morgan Stanley, Fidelity Investments and Total Gas & Power.

Consulting

First Derivatives provides highly skilled resources to the capital markets in the areas of consulting, support and development services. We have ongoing contracts with many of the leading global banks, supporting their activities across a range of asset classes including credit, interest rate, foreign exchange, equity cash and derivatives markets. The Company has been working in this area for sixteen years and we have seen a trend in the last year for us to work on increasingly large projects. The major trends in the industry at the moment are around outsourcing and trying to implement various regulatory initiatives introduced throughout the world as a response to the global crisis in 2008. We have launched three major initiatives to respond to these trends:–

- A legal stream offering services around the disposal of non-core assets by banks and the impact of regulations and compliance
- A managed services for outsourced third party product support and
- The creation of a dedicated data management team.

The market has responded positively to these initiatives and we have been able to draw upon the strength of our brand to win new customers in these areas. We continue to derive significant recurring revenue in this division from the long-term nature of the projects we undertake and these three new initiatives will also generate long-term work.

Our consultants continue to work closely with our development team by providing market intelligence and competitor analysis. They can also assist the product team with business analyst work and testing. The fungible nature of our resource pool gives us significant operational efficiencies.

Management and Personnel

The Company now employs almost 700 people and our success in retaining staff and senior management means that the experience profile of our consultants continues to improve. We continue to enhance our Capital Markets Training Programme and have now included legal stream modules which gives employees the opportunity to qualify for the New York Bar. Once again I would like to pay tribute to all First Derivatives employees who are hard working, talented, flexible and dedicated. Our customer retention rates are evidence of this.

Financial Review

The group has reported revenues and profits significantly higher than last year. Post-tax profit for the year was £5.946 million (2011: £5.112 million) on turnover of £46.087 million (2010: £36.740 million). Our balance sheet is strong with equity attributable to shareholders up to £32.236 million (2011: £24.888 million), an increase of 29.5%. This, and our confidence in the Group's ability to generate cash, enables the Board to recommend a final dividend of 8.15p per share (2011: 7.25p) which means that we will have paid a total dividend of 11.15p (2011: 10.15p) per share for the full year.

Outlook

Based on the health of our current sales pipeline we anticipate reporting further growth in the year to 28 February 2013. As well as organic growth the Board will continue to pursue acquisition opportunities where we see a strategic fit and have access to the necessary sources of finance. On a macro level we are confident that we have positioned ourselves to benefit from global trends in technology and consulting and that with our recurring revenue model and continued reinvestment in the business we will deliver further significant benefits in the years ahead.

Brian Conlon
Chief Executive Officer

Consolidated statement of comprehensive income
Year ended 29 February 2012

	Note	2012 £'000	2011 £'000
Continuing operations			
Revenue	*2*	**46,087**	36,740
Cost of sales		**(30,172)**	(23,423)
Gross profit		**15,915**	13,317
Other operating income		**1,414**	1,974
Administrative expenses		**(9,368)**	(8,723)
Results from operating activities		**7,961**	6,568
Finance income		**2**	7
Finance expense		**(648)**	(723)
Loss on foreign currency translation		**(455)**	(198)
Net financing expense		**(1,101)**	(914)
Share of profit of associate using the equity method, net of tax		**458**	841
Share of loss on dilution in associate using the equity method		**(371)**	-
Profit before income tax		**6,947**	6,495
Tax expense		**(1,001)**	(1,383)
Profit for the year		**5,946**	5,112
Other comprehensive income			
Deferred tax on share options outstanding		**(309)**	1,030
Net exchange gains/(losses) on net investment in foreign subsidiaries and associate		**214**	(1,091)
Net (loss)/gain on hedge of net investment in foreign subsidiaries and associate		**(121)**	594
Other comprehensive income for the period, net of tax		**(216)**	533
Total comprehensive income for the period attributable to equity holders' of the company		**5,730**	5,645
Earnings per share		**Pence**	Pence
Basic	*4*	**36.0**	33.2
Diluted	*4*	**32.8**	29.0

Consolidated balance sheet
Year ended 29 February 2012

	Note	2012 £'000	2011 £'000
Assets			
Property, plant and equipment	*5*	**14,738**	18,292
Intangible assets and goodwill	*6*	**30,053**	26,732
Investment in associate		**7,059**	7,447
Trade and other receivables		**437**	-
Deferred tax asset		**1,750**	1,860
Non current assets		**54,037**	54,331
Trade and other receivables		**13,767**	12,563
Cash and cash equivalents		**1,318**	3,501
Assets held for sale		**1,598**	-
Current assets		**16,683**	16,064
Total assets		**70,720**	70,395
Equity			
Share capital		**83**	80
Share premium		**10,502**	7,846
Share option reserve		**2,673**	2,384
Revaluation reserve		**167**	174
Currency translation adjustment reserve		**290**	197
Retained earnings		**18,521**	14,207
Equity attributable to shareholders		**32,236**	24,888
Liabilities			
Loans and borrowings		**18,598**	21,544
Deferred tax liabilities		**2,224**	1,319
Contingent deferred consideration		**-**	1,993
Provisions		**-**	344
Trade and other payables		**2,901**	2,034
Non-current liabilities		**23,723**	27,234
Loans and borrowings		**3,603**	1,124
Trade and other payables		**7,456**	7,955
Current tax payable		**702**	1,176
Employee benefits		**2,110**	2,401
Contingent deferred consideration		**890**	5,617
Current liabilities		**14,761**	18,273
Total liabilities		**38,484**	45,507
Total equity and liabilities		**70,720**	70,395

Consolidated statement of changes in equity
Year ended 29 February 2012

	Share capital	Share premium	Share option reserve	Revaluation reserve	Currency translation adjustment	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 March 2011	**80**	**7,846**	**2,384**	**174**	**197**	**14,207**	**24,888**
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	5,946	**5,946**
Other comprehensive income							
Deferred tax on share options outstanding	-	-	(309)	-	-	-	**(309)**
Change in effective rate of deferred tax	-	-	-	5	-	(5)	
Net exchange gains on net investment in foreign subsidiaries and associate	-	-	-	-	214	-	**214**
Net exchange loss on hedge of net investment in foreign subsidiaries and associate	-	-	-	-	(121)	-	**(121)**
Transfer on dilution of investment in associate	-	-	-	(12)	-	12	**-**
Total other comprehensive income	-	-	(309)	(7)	93	7	**(216)**
Total comprehensive income for the year	-	-	(309)	(7)	93	5,953	**5,730**
Transactions with owners, recorded directly in equity							
Exercise of share options	1	442	(83)	-	-	-	**360**
Issue of shares as purchase consideration	2	2,214	-	-	-	-	**2,216**
Share based payment charge	-	-	725	-	-	-	**725**
Transfer on forfeit of share options	-	-	(44)	-	-	44	**-**
Dividends to equity holders	-	-	-	-	-	(1,683)	**(1,683)**
Total contributions by and distributions to owners	3	2,656	598	-	-	(1,639)	**1,618**
Balance at 29 February 2012	**83**	**10,502**	**2,673**	**167**	**290**	**18,521**	**32,236**

Consolidated cash flow statement
Year ended 29 February 2012

	2012	2011
	£'000	£'000
Cashflows from operating activities		
Profit for the year	**5,946**	5,112
Adjustments for:		
Net finance costs	**1,101**	914
Share of profit of associate	**(458)**	(841)
Share of loss on dilution in associate	**371**	-
Provision release	**(266)**	-
Depreciation	**592**	475
Amortisation of intangible assets	**1,821**	1,532
Gain on sale of property, plant & equipment	**(528)**	-
Equity settled share-based payment transactions	**486**	340
Tax expense	**1,001**	1,383
	10,066	8,915
Changes in:		
Trade and other receivables	**(1,331)**	(2,711)
Trade and other payables	**196**	880
Onerous provisions	**(78)**	(301)
Taxes paid	**(699)**	(1,422)
Net cash from operating activities	**8,154**	5,361
Cash flows from investing activities		
Interest received	**2**	7
Acquisition of subsidiaries, net of cash acquired	**-**	(585)
Acquisition of property, plant and equipment	**(866)**	(842)
Disposal of property, plant and equipment	**2,705**	-
Acquisition of intangible assets	**(4,636)**	(3,477)
Dividend received from associate	**570**	654
Payment of deferred consideration	**(3,316)**	(1,795)
Net cash used in investing activities	**(5,541)**	(6,038)
Cash flows from financing activities		
Proceeds from issue of share capital	**360**	3,579
Receipt of new long term loan	**1,553**	19,878
Repayment of borrowings	**(3,602)**	(19,426)
Payment of finance lease liabilities	**(26)**	(66)
Interest paid	**(767)**	(537)
Dividends paid	**(1,683)**	(1,435)
Net cash from financing activities	**(4,165)**	1,993
Net (decrease) / increase in cash and cash equivalents	**(1,552)**	1,316
Cash and cash equivalents at 1 March 2011	**3,501**	1,711
Effects of exchange rate changes on cash held	**(631)**	474
Cash and cash equivalents at 29 February 2012	**1,318**	3,501

Notes

1 Basis of preparation

The consolidated financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

Both the consolidated financial statements and the Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("IFRSs").

2 Operating segments

Business segments

The group has disclosed below certain information on its revenue by geographical location. Details regarding total can be found in the statement of comprehensive income.

The group's two revenue streams are separated as follows:

- Consulting activities which includes services to capital markets; and
- Software activities which includes the sale of intellectual property and related services.

Revenue by division

	Consulting		**Software**		**Total**	
	2012	2011	**2012**	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Total Segment Revenue	**32,629**	24,229	**13,458**	12,511	**46,087**	36,740

Geographical location analysis

	UK		**Rest of Europe**		**America**		**Australasia**		**Total**	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
	£'000	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
Revenue from external customers	**18,387**	15,811	**3,795**	2,627	**18,969**	14,812	**4,936**	3,490	**46,087**	36,740
Non Current Assets	**20,873**	22,376	**8,655**	5,930	**22,727**	24,333	**1,782**	1,692	**54,037**	54,331

3 Dividends

	2012 £'000	2011 £'000
Final dividend relating to the prior year	**1,187**	976
Interim dividend paid	**496**	459
	1,683	1,435

The dividends recorded in each financial year represent the final dividend of the preceding financial year and the interim dividend of the current financial year.

The final dividend relating to the prior year amounted to 7.25 (previous year: 6.75) pence per share and the interim dividend paid during the year amounted to 3.00 (previous year: 2.90) pence per share. The cumulative dividend paid during the year amounted to 10.25 (previous year: 9.65) pence per share.

After the respective reporting dates, the following dividends were proposed by the directors. The dividends have not been provided for and there are no income tax consequences.

	2012 £'000	2011 £'000
8.15 pence per ordinary share (2011: 7.25 pence)	**1,370**	1,185

4 (a) Earnings per ordinary share

Basic

The calculation of basic earnings per share at 29 February 2012 was based on the profit attributable to ordinary shareholders of £5,946k (2011: £5,112k), and a weighted average number of ordinary shares ranking for dividend of 16,510k (2011: 15,415k).

	2012 Pence per share	2011 Pence per share
Basic earnings per share	**36.0**	33.2

Weighted average number of ordinary shares

	2012 Number '000	2011 Number '000
Issued ordinary shares at beginning of period	**15,924**	14,421
Effect of share options exercised	**170**	132
Effect of shares issued as purchase consideration	**416**	46
Effect of shares issued for cash	**-**	816
Weighted average number of ordinary shares at end of period	**16,510**	15,415

Diluted

The calculation of diluted earnings per share at 29 February 2012 was based on the profit attributable to ordinary shareholders of £5,946k (2011: £5,112k) and a weighted average number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares of 18,128k (2011: 17,606k).

	2012 Pence per share	2011 Pence per share
Diluted earnings per share	**32.8**	29.0

Weighted average number of ordinary shares (diluted)

	2012 Number '000	2011 Number '000
Weighted average number of ordinary shares (basic)	**16,510**	15,415
Effect of dilutive share options in issue	**1,618**	2,191
Weighted average number of ordinary shares (diluted) at end of period	**18,128**	17,606

The average market value of the group's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period the options were outstanding.

At 29 February 2012, 600k options (2011: 315k) were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

b) Earnings before tax per ordinary share

Earnings before tax per share are based on profit before taxation of £6,947k (2011: £6,495k). The number of shares used in this calculation is consistent with note 4(a) above.

	2012 Pence per share	2011 Pence per share
Basic earnings before tax per ordinary share	**42.1**	42.1
Diluted earnings before tax per ordinary share	**38.3**	36.9

Reconciliation from earnings per ordinary share to earnings before tax per ordinary share.

	2012 Pence per share	2011 Pence per share
Basic earnings per share	**36.0**	33.2
Impact of taxation charge	**6.1**	8.9
Adjusted basic earnings before tax per share	**42.1**	42.1
Diluted earnings per share	**32.8**	29.0
Impact of taxation charge	**5.5**	7.9
Adjusted diluted earnings before tax per share	**38.3**	36.9

Earnings before tax per share has been presented to facilitate pre-tax comparison returns on comparable investments.

(c) Normalised earnings after tax per ordinary share

Normalised earnings after tax per share are based on profit after taxation of £6,195k (2011: £4,415k). The adjusted profit after tax has been calculated by adjusting for the Group's share of loss on dilution of investment in associate £371k (2011: nil), share of profit of associate £458k (2011: £841k) and loss on foreign currency translation after tax effect £336k (2011: £143k). The number of shares used in this calculation is consistent with note 4 (a) above.

	2012 Pence per share	2011 Pence per share
Basic earnings after tax per ordinary share	**37.5**	28.6
Diluted earnings after tax per ordinary share	**34.2**	24.4

5 Property, plant and equipment

	Land and buildings £'000	Plant and equipment £'000	Office furniture £'000	Total £'000
Cost				
At 1 March 2011	18,592	1,143	127	19,862
Additions	320	545	1	866
Disposals	(2,352)	-	-	(2,352)
Reclassification to assets held for sale	(1,734)	-	-	(1,734)
Exchange adjustments	29	-	-	29
At 29 February 2012	**14,855**	**1,688**	**128**	**16,671**
Depreciation				
At 1 March 2011	922	587	61	1,570
Charge for the year	242	326	24	592
Disposals	(99)	-	-	(99)
Reclassification to assets held for sale	(136)	-	-	(136)
Exchange adjustments	-	6	-	6
At 29 February 2012	**929**	**919**	**85**	**1,933**
Net book value				
At 29 February 2012	**13,926**	**769**	**43**	**14,738**

	Land and buildings £'000	Plant and equipment £'000	Office furniture £'000	Total £'000
Cost				
At 1 March 2010	18,296	696	72	19,064
Additions	297	489	56	842
Exchange adjustments	(1)	(42)	(1)	(44)
At 28 February 2011	**18,592**	**1,143**	**127**	**19,862**
Depreciation				
At 1 March 2010	696	385	45	1,126
Charge for the year	227	232	16	475
Exchange adjustments	(1)	(30)	-	(31)
At 28 February 2011	**922**	**587**	**61**	**1,570**
Net book value				
At 1 March 2010	**17,600**	**311**	**27**	**17,938**
At 28 February 2011	**17,670**	**556**	**66**	**18,292**

6 Intangible assets

	Goodwill	Customer lists	Acquired Software	Brand name	Internally developed software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
Balance at 1 March 2011	13,941	2,327	7,252	302	6,168	29,990
Development costs	-	-	-	-	4,819	4,819
Additions	-	-	1,340	-	-	1,340
Adjustment to deferred consideration	(1,354)	-	-	-	-	(1,354)
Exchange adjustments	303	35	53	2	(36)	357
Balance at 29 February 2012	12,890	2,362	8,645	304	10,951	35,152
Amortisation and impairment losses						
Balance at 1 March 2011	-	617	1,424	65	1,152	3,258
Exchange adjustment	-	14	6	4	(4)	20
Amortisation for the year	-	293	1,003	38	487	1,821
Balance at 29 February 2012	-	924	2,433	107	1,635	5,099
Carrying amounts At 29 February 2012	**12,890**	**1,438**	**6,212**	**197**	**9,316**	**30,053**

	Goodwill	Customer lists	Acquired Software	Brand name	Internally developed software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
Balance at 1 March 2010	11,427	2,039	7,590	300	2,701	24,057
Development costs	-	-	-	-	3,475	3,475
Additions	-	-	2	-	-	2
Adjustment to deferred consideration	2,302	-	-	-	-	2,302
Acquisition through business combinations	690	401	-	18	-	1,109
Exchange adjustments	(478)	(113)	(340)	(16)	(8)	(955)
Balance at 28 February 2011	13,941	2,327	7,252	302	6,168	29,990
Amortisation and impairment losses						
Balance at 1 March 2010	-	372	447	30	930	1,779
Exchange adjustment	-	(30)	(21)	(2)	-	(53)
Amortisation for the year	-	275	998	37	222	1,532
Balance at 28 February 2011	-	617	1,424	65	1,152	3,258
Carrying amounts						
At 1 March 2010	**11,427**	**1,667**	**7,143**	**270**	**1,771**	**22,278**
At 28 February 2011	**13,941**	**1,710**	**5,828**	**237**	**5,016**	**26,732**

7 Report and accounts

Copies of the Annual Report will be available as of 7 June 2012 on the Group's website, www.firstderivatives.com and from the Group's headquarters at 3 Canal Quay, Newry, BT35 2BP.