

Company First Derivatives PLC
TIDM FDP
Headline Interim Results
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**First Derivatives plc
AIM : FDP
("FDP" or "the Company")**

Interim results for the six months ended 31st August 2006

The principal activities of FDP are the provision of a range of support services to the investment banking market and the derivatives technology industry and the provision of its own range of e-business applications.

Financial Highlights

- Turnover £4.178 million (2005: £2.744 million) + 52%
- Profit before tax £1.173 million (2005: £0.651 million) + 80%
- Earnings per share 6.2p (2005: 3.7p) + 68%
- Maiden interim dividend of 1.4p per share

Business Highlights

- Increased staff utilisation in capital markets activities.
- Further Kx sales to existing and new customers.
- Continuing pipeline of R&D products moving to evaluation
- Improved performance expected to continue during the second half of the year.

David Anderson, Chairman of FDP commented:

"The Company has now reached the point where it is starting to exploit its own software products and is continuing to experience strong demand for Kx products and services to the capital markets. The Directors regard the outlook for the year as extremely encouraging."

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First Derivatives plc (FDP)
Interim results for the six months ended 31st August 2006

CHAIRMAN'S STATEMENT

The Company announces an increased interim pre-tax profit of £1.173 million compared with £0.651 million in the corresponding period of the previous year. Revenues were £4.178 million (2005: £2.744 million) and earnings per share increased by 68% to 6.2p (2005: 3.7p).

The Board is pleased to announce the payment of a maiden interim dividend. An interim dividend of 1.4p per ordinary share will be paid on 16th October 2006 to those shareholders on the register on 29th September 2006. The shares will be ex-dividend on 27th September 2006.

In my statement sent to shareholders in May I referred to the fact that two major Kx contracts had been signed during the first half of the current year. Further sales have continued to new and existing customers and the sales pipeline is encouraging.

Our capital markets activity has achieved a further increase in business levels resulting in more effective staff utilisation. We continue to expand our geographical reach with assignments in Australia, Singapore, Japan and Dublin undertaken during the period. Appointments were made during the period to further strengthen the senior management team.

The Company continues to generate a significant cash flow from operations. Further properties have been acquired during the period for staff accommodation largely from operational cashflow. The net asset value per share at the end of the period was 29.6p.

The Company has now reached the point where it is starting to exploit its own software products and is continuing to experience strong demand for Kx products and services to the capital markets. The Directors regard the outlook for the year as extremely encouraging.

David Anderson
Chairman
25th September 2006

Profit and Loss Account (unaudited)
For the period ended 31 August 2006

	6 months ended 31 August 2006	6 months ended 31 August 2005	12 months ended 28 February 2006
	£'000	£'000	£'000
Turnover	4,178	2,744	6,313
Cost of sales	(2,679)	(1,747)	(3,959)
Gross profit/(loss)	1,499	997	2,354
Administrative expenses	(313)	(297)	(812)
Other income	38	23	101
Operating profit – continuing operations	1,224	723	1,643
Interest receivable	14	1	7
Interest payable and other similar charges	(65)	(73)	(113)
Profit on ordinary activities before taxation	1,173	651	1,537
Tax on profit on ordinary activities	(385)	(193)	(468)
Profit on ordinary activities after taxation	788	458	1,069
Retained profit brought forward	2,334	1,265	1,446
	3,122	1,723	2,515
Dividends paid	(381)	(181)	(181)
Transfer from reserves	-	-	-
Retained profit carried forward	2,741	1,542	2,334
	Pence	Pence	Pence
Earnings per Share			
Basic	6.2	3.7	8.6

Balance Sheet (unaudited)
As at 31 August 2006

	6 months ended 31 August 2006 £'000	6 months ended 31 August 2005 £'000	12 months ended 28 February 2006 £'000
Fixed Assets			
Intangible assets	270	450	360
Tangible assets	4,871	2,460	3,439
	<u>5,141</u>	<u>2,910</u>	<u>3,799</u>
Current Assets			
Debtors	2,790	1,098	2,251
Cash at bank and in hand	860	1,161	1,061
	<u>3,650</u>	<u>2,259</u>	<u>3,312</u>
Creditors			
Amounts falling due within one year	<u>(2,910)</u>	<u>(1,491)</u>	<u>(2,082)</u>
Net current assets	<u>740</u>	<u>768</u>	<u>1,230</u>
Total assets less current liabilities	<u>5,881</u>	<u>3,678</u>	<u>5,029</u>
Creditors			
Amounts falling due after more than one year	(2,102)	(1,252)	(1,717)
Provision for liabilities and charges	-	(3)	-
Net assets	<u>3,779</u>	<u>2,423</u>	<u>3,312</u>
Share capital and reserves			
Called Up Share Capital	64	62	64
Share Premium & Shares To Be Issued	974	819	914
Profit and loss account	<u>2,741</u>	<u>1,542</u>	<u>2,334</u>
Equity Shareholders' funds	<u>3,779</u>	<u>2,423</u>	<u>3,312</u>

Cash Flow Statement (unaudited)
For the period ended 31 August 2006

	6 months ended 31 August 2006	6 months ended 31 August 2005	12 months ended 28 February 2006
	£'000	£'000	£'000
Cash inflow from operating activities	1,290	1,043	1,606
Return on investment and servicing of finance	(51)	(72)	(106)
Taxation	-	-	(232)
Capital expenditure	(1,410)	(398)	(1,389)
Equity dividends paid	(381)	(181)	(181)
Investment in Shares	(76)	-	-
Cash inflow/(outflow) before financing	<u>(628)</u>	<u>392</u>	<u>(302)</u>
Financing	428	(19)	574
Increase/(decrease) in cash in the period	<u>(200)</u>	<u>373</u>	<u>272</u>

Reconciliation of net cash flow to movement in net debt (unaudited)
For the period ended 31 August 2006

	6 months ended 31 August 2006	6 months ended 31 August 2005	12 months ended 28 February 2006
	£'000	£'000	£'000
Increase/(Decrease) in cash in the period	(200)	373	272
(Increase)/Decrease in debt	85	36	103
Change in net debt resulting from cash flows	<u>(115)</u>	<u>409</u>	<u>375</u>
Long term loan	(500)	-	(550)
Movement in net funds/(debt) in the period	<u>(615)</u>	<u>409</u>	<u>(175)</u>
Net debt at start of the period	<u>(797)</u>	<u>(622)</u>	<u>(622)</u>
Net debt at end of the period	<u><u>(1,412)</u></u>	<u><u>(213)</u></u>	<u><u>(797)</u></u>

Notes to the Interim Results

1. Basis of Preparation

The results for the six months ended 31st August 2006 are unaudited and have not been reviewed by the Auditors. They have been prepared on accounting bases and policies that are consistent with those used in the preparation of the financial statements of the Company for the period ended 28th February 2006.

The financial statements contained in this report do not constitute statutory accounts within the meaning of Section 248 of the Companies (Northern Ireland) Order 1986 (as amended by Article 12 of the Companies (Northern Ireland) Order 1990). The results for the period ended 28th February 2006 were reported on by the auditors and received an unqualified audit report. Full accounts for the period ended 28th February 2006 have been delivered to the Registrar of Companies.

2. Dividends

An Interim Dividend of 1.4p per share is proposed for the year ending 28 February 2007. This will be paid to shareholders on 16th October to shareholders on the register on 29th September 2006. Shares will Ex-Dividend on 27th September 2006.

3. Earnings per Share

The earnings per share for the six months ended 31 August 2006 has been calculated on the basis of the profit after taxation. The calculation of earnings per share is based on the profit on ordinary activities. Earnings per share has been calculated based on 12,764,858 shares outstanding.

4. Reconciliation of operating profit to net cash inflow from operating activities

	6 months ended 31 August 2006	6 months ended 31 August 2005	12 months ended 28 February 2006
	£'000	£'000	£'000
Operating profit	1,224	723	1,643
Depreciation on tangible fixed assets	51	42	93
Amortisation of intangible asset	90	90	180
Decrease/(increase) in debtors	(538)	(52)	(1,184)
(Decrease)/increase in creditors	413	240	879
Issue of in the money share options	-	-	(5)
Provision for Shares To Be Issued	50	-	-
	<hr/>	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	1,290	1,043	1,606
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5. Analysis of net changes in debt during the period

	6 months ended 31 August 2006	6 months ended 31 August 2005	12 months ended 28 February 2006
	£'000	£'000	£'000
Cash in hand and bank	860	1,161	1,060
Bank overdraft	-	-	-
Debt due within one year	(171)	(121)	(140)
Debt due after one year	(2,102)	(1,253)	(1,717)
	<u>(1,413)</u>	<u>(213)</u>	<u>(797)</u>

6. Dividend

Following the adoption of FRS21: Events after the balance sheet date, dividends have been accounted for in the financial year in which they were declared and approved.