18 June 2013

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 28 February 2013.

Financial Highlights

	2013 £'000	2012 £'000	% change
Total revenue	56,469	46,087	+22.5%
Normalised EBITDA[1]	11,553	10,332	+11.8%
Normalised pre tax profit[1]	7,808	7,315	+6.7%
Adjusted earnings per share (pence) [1]	38.0p	37.5p	+1.3%
Total dividend for year (pence per share)	11.50p	11.15p	+3.1%

- Revenue increased 22.5% to £56.5 million (2012: £46.1 million)
    - Software revenues increased 11.4% to £15.0 million (2012: £13.5 million)
    - Transactional and recurring revenue increased 36.2%
    - Consultancy revenue increased by 27.1% to £41.5 million (2012: £32.6 million)
- Normalised EBITDA[1] increased 11.8% to £11.6 million (2012: £10.3 million)
- Normalised pre-tax profit[1] increased by 6.7% to £7.8 million (2012: £7.3 million)
- Reported pre-tax profit of £6.2 million (2012: £6.9 million)
- Normalised basic earnings per share[1] increased by 1.3% to 38.0p per share (2012: 37.5p)
- Final dividend of 8.40p per share, which together with interim dividend of 3.10p amounts to 11.50p for the year (2012: 11.15p)

[1] In our pre close trading statement on 2 April 2013 we advised the company had made a provision for a potential bad debt relating to a legacy contract from the acquisition of Cognotec which was acquired in February 2010. As this is a non recurring item the increase in provision has been removed from normalised profit. In addition normalised profit does not include currency translation loss, acquisition costs and effects of associate's income.

Business Highlights

- Successfully penetrated surveillance market through significant Delta Stream contract with ASIC
- Delta Flow FX contracts signed with new brokers as well as with top tier Japanese bank
- Further sales of Delta products to banking market
- Well positioned to capitalise on Big Data opportunities
- 15 new Consultancy customers with increasing scale enabling bidding on ever larger projects
- Centre of Excellence launched as part of multi-year contract with major investment bank

David Anderson, Chairman of First Derivatives commented: "This year has seen positive growth across the Group's activities with total revenues up over 22.5%. The investment we have made in all the Group's activities has been to ensure that we build a robust organisation with a strong asset base and service offering to ensure future growth. With the improvements to the Delta suite, its increasingly visible revenue stream along with the positioning of our service offerings, we feel that the group is well positioned to continue to grow. In addition to our traditional pipeline we have a strong pipeline of larger prospects arising from our push into the Big Data arena though given our revenue model these if successful are unlikely to have a material impact in our year to 2014. We remain excited by the potential of our software and consulting offerings and expect to be able to report further progress in the year to 28 February 2014."

For further information please contact:

First Derivatives plc	+44(0)28 3025 2242
Brian Conlon, Chief Executive	www.firstderivatives.com
Graham Ferguson, Chief Financial Officer	
Charles Stanley Securities	
(Nominated Adviser and Broker)	+44 (0)20 7149 6000
Russell Cook	
Carl Holmes	
Goodbody Corporate Finance	
(ESM Adviser and Broker)	+353 1 667 0420
Diane Hodgson	
Linda Hickey	
Walbrook PR	+44 (0)20 7933 8780
Bob Huxford	bob.huxford@walbrookpr.com
Helen Westaway	helen.westaway@walbrookpr.com

About First Derivatives

First Derivatives is a global provider of software and consulting services to the financial services industry. With over 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 over 750 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

The increasing regulatory requirements and the challenging environment for financial markets have presented us with further business opportunities. It is satisfying to report another year of strong growth for the Group. Our ongoing investment into the Group's technology, infrastructure and operations has seen the creation of a strong organisation well positioned for future growth.

Financial summary

Revenue for the year ended 28 February 2013 increased by 22.5% to £56.5 million from £46.1 million in the previous year. Normalised pre-tax profits[1] recorded growth of 6.7% to £7.8 million compared to £7.3 million in 2012. Operating margins were impacted by a rise in administration costs due primarily to investment in the expansion of our global presence in response to customer demands. We have also invested in significant growth in our sales resources for both software and consulting to assist with our growth ambitions. Reported pre-tax profits decreased by 11.3% to £6.2 million (2012: £6.9 million).

Dividend

The Group continues to generate positive operating cash flows and this has allowed the Board to recommend payment of a final dividend of 8.40p per share which, together with the interim dividend of 3.10p per share paid on 6 December 2012, gives a total dividend for the year of 11.50p.

The final dividend, if approved at the AGM, will be paid on 26 July 2013 to those shareholders on the register on 28 June 2013. The shares will be marked ex-dividend on 26 June 2013.

Operational Review - Software

Software sales of £15.0 million (2012: £13.5 million) represented an increase of 11.4%. The growth in total software revenues belies the progress made by the Group in developing a strong recurring source of income. The increase of 36.2% in transactional and recurring revenues over the previous year gives a more appropriate indication of the strong underlying growth in software across the Group. This was in part offset by a reduction of 62.4% in one off license fee income. Total software sales growth was further impacted by the planned and continuing decline in legacy technology income which arose from the migration of the clients who came to FDP through the acquisition of Cognotec in 2010.

The expansion of computing on a global basis is seeing data volumes grow exponentially, this along with the complexity of the financial markets, creates a significant IT challenge for the industry generically known as the "Big Data" problem. Changes in the regulatory landscape, ever more complex trading strategies, increased data sources for data mining and a need for global risk management, among others, is driving the need to converge data sources to enable examination of all the data across a financial entity's organisation. Given the data volume, the need for timely examination of the data and varying types of data sources, incumbent technologies are struggling to store and analyse the data for efficient use. Our Delta suite products, developed on the Delta technology platform, are specifically

---

[1] In our pre close trading statement on 2 April 2013 we advised the company had made a provision for a potential bad debt relating to a legacy contract from the acquisition of Cognotec which was acquired in February 2010. As this is a non recurring item the increase in provision has been removed from normalised profit. In addition normalised profit does not include currency translation loss, acquisition costs and effects of associate's income.

engineered to meet the complex calculations and large volumes of data that exist in the capital markets sector. Our software, along with the investment we have made to establish the physical infrastructure necessary to operate the software in the 'cloud' or on a Software as a Service ("SaaS") model gives us the ability to meet the growing need and desire of our clients to address their problems.

On 13 December 2012 we announced a sale of Delta Stream to the Australian Securities and Investment Commission to meet its statutory obligation to oversee Australia's licensed financial markets. This sale demonstrates Delta Stream's Big Data capabilities in handling large volumes of data at high velocity, as the system will be monitoring various instrument types in differing asset classes such as equities and fixed income, across multiple exchanges. With this reference site, along with our win at the Singapore Stock Exchange, we consider our Big Data capabilities in the area of surveillance, positions us well to attack the exchange market. We anticipate that we will announce a number of new contracts in this area over the coming months.

We achieved a number of contract wins for our flagship products during the period, including sales of Delta Stream and Delta Algo to some of the world's largest banks. Also, the launch of the latest version of our foreign exchange trading platform Delta Flow, which is focused on management of the ever increasing data volumes and volatility in the FX market, has secured further new broker clients in the year. Delta Flow has also been selected and implemented by a large Japanese Bank, demonstrating the product's capabilities for the banking segment. In the coming year we plan to add forwards, swaps and request-for-quote to Delta Flow. We will continue to target the traditional FX spot trading broker market while these new applications will give us the ability to cross-sell to our more traditional banking client base.

We have focused our sales efforts in establishing license contracts with our software customers on a recurring and, when hosted, on a transactional revenue basis. While this creates high revenue visibility for future periods it does mean contributions in initial periods are lower than would be achieved under more traditional models. In addition, as with any cloud application, building confidence takes time and this bedding down period is underway with the Delta suite. This year we have focused our efforts on developing the sales organisation to increase our market presence. In October we announced the appointment of a Head of Product Sales which has been followed by further appointments to strengthen our sales team. This has allowed us to develop a healthy pipeline of prospects across our range of potential customers – banks, content providers, brokers, exchanges and regulators - which give us confidence that we can deliver continued growth in software revenues.

Operational Review - Consulting

Consulting revenues increased 27.1% to £41.5 million from £32.6 million in the previous year. In a market that is subject to increasing pressure on customer budgets, this level of growth continues to demonstrate the strength of our offering. The contracting by our customers' procurement departments of preferred supplier lists in order to target economies of scale further demonstrates the pressure on budgets within our market, yet we have continued to penetrate into new customers, adding a further fifteen major financial institutions as clients this year.

The success of our core consulting business continues to be built on the quality of our people, our commitment to training, the flexibility of our service and our focus on being responsive to the changing market. Over the last few years the Group has expanded its capabilities in key technologies, such as Calypso, Murex and Wall Street Systems; in order to meet our customers' ever growing need to develop and expand their core technologies to meet regulatory, compliance and business requirements. By deepening our domain knowledge in these technologies we have been able to offer more comprehensive services allowing our customers to maximise efforts within the budget constraints they may have. We will continue to seek to develop our knowledge and experience in these key technologies and enhance our overall capabilities to allow our customers to benefit.

One of our core strategies is to focus on complex assignments being undertaken by many of our larger clients. This generally leads to repeat business thereby establishing a recurring revenue stream, as our inherent knowledge of their eco system becomes key for future upgrades, ongoing development and support. An example of our ability to develop recurring revenue streams from consulting is demonstrated by our launch of a centre of excellence for one of our major global investment bank clients which has operated out of First Derivatives' head office premises since October 2012. This is a multi-year agreement to provide development and support services for parts of the client's capital markets infrastructure, the opportunity for which arose following the previous successful delivery of services on a component of the system. The success of this project has led to further assignments being undertaken with this client and similar discussions are ongoing with certain other global banking groups.

We consider a flexible service model is critical in the current market to allow customers to achieve their goals. Our ability to flex our delivery is resonating with customers with a number of assignments now being run with multi resource teams operating on-site and from our premises on either a full or part time basis. Utilising this we can provide the relevant market or domain expertise across multiple assignments while maintaining a competitive cost operating model for our customers.

Acquisitions

On 27 September 2012 the Company acquired Cowrie Financial Limited ("Cowrie"), Redshift Horizons Limited ("Redshift") and Redshift Horisons LLP. These acquisitions were focused on expanding our knowledge base of the key technologies in our sector. Cowrie brought key domain knowledge and expertise in the delivery and management of Murex Technology, software which is widely used across asset classes for trading, risk management and processing. Redshift deepened our expertise in the provision of managed services for data and trading systems. Since acquisition these services have been fully integrated into the Group's suite of service offerings and have assisted in the provision of overall services to the Group's customer base.

Property

The Board acknowledged some time ago that the retention of a large property portfolio within the Group Balance Sheet was no longer entirely appropriate. The programme of disposals has continued over the year with the sale of seven individual properties generating a profit on sale of £0.7million. The Group will continue its strategy of disposing of further properties as suitable, profitable opportunities arise. As at 28 February 2013 six properties were listed for sale with selling agents and have been classified as such in the accounts.

Board changes

The Company announced on 9 May 2013 the creation of an Executive Management Committee with responsibility for the organisational structure and central management functions of the Group. The Group Board remains responsible for strategic development and all matters of corporate governance, shareholder responsibilities and for meeting the Group's obligations to the public markets. At the same time the retirement of Michael O'Neil from his role as a Non-Executive Director was announced. I would like to thank Michael for his substantial contribution in both an Executive and Non-Executive capacity during his time with the group.

The Company also announced the appointment of Seamus Keating to the Board as a Non-Executive Director on 10 December 2012. Seamus was a director of Logica Group PLC from 2002 until 2012 and we are delighted to have him on the Board.

I have been Chairman since the Company's flotation on the AIM Market in 2002. During that time the market capitalisation has increased from £5 million to over £100 million today. As the final part of the Board re-structuring I intend to step down from my role as Non-Executive Chairman following the AGM in July but will continue as a Non-Executive Director. I would like to thank those who have worked with me and supported me during my Chairmanship. It is proposed that Seamus Keating will take on the role of Non-Executive Chairman.

Outlook

This year has seen positive growth across the Group's activities with total revenues up over 22.5%. The investment we have made in all the Group's activities has been to ensure that we build a robust organisation with a strong asset base and service offering to ensure future growth. With the improvements to the Delta suite, its increasingly visible revenue stream along with the positioning of our service offerings, we feel that the group is well positioned to continue to grow. In addition to our traditional pipeline we have a strong pipeline of larger prospects arising from our push into the Big Data arena though given our revenue model these if successful are unlikely to have a material impact in our year to 2014. We remain excited by the potential of our software and consulting offerings and expect to be able to report further progress in the year to 28 February 2014.

I would like to thank Brian Conlon and his team for achieving another successful year of growth for the Group.

David Anderson
Chairman

CHIEF EXECUTIVE'S STATEMENT

It has been another interesting year in the financial markets with widespread co-ordinated quantitative easing being the policy response of many major governments to continued recession. Regulation continues to be a dominant theme for our customers with banks under continued pressure to shore up their capital bases and to cut costs. Against this challenging market backdrop I am pleased to report that First Derivatives has had another successful year. We continue to invest for expansion and I believe that we have never been better placed to grow our operations and to expand our 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 more than 100 different investment banks, brokers, exchanges, regulators and hedge funds. Whilst the majority of our customer assignments are undertaken in major financial centres such as New York, London, Toronto, Chicago, Singapore, Hong Kong, Tokyo and Sydney, we also have engagements underway in locations such as Dubai, Johannesburg, Stockholm and Mexico City.

We operate in a vast market with thousands of potential customers, many of whom spend billions of pounds annually on technology and associated services. We differentiate ourselves by providing a combination of domain knowledge and technical expertise. This is relatively unique in the industry and First Derivatives has strong brand recognition. We are focussed on building visible recurring revenue and in our consulting business we target assignments that last for many years. We sell software on a subscription model which reduces earnings volatility and provides more determinism for our investment decisions.

Software

Our Delta technology platform is designed around volume and velocity – the analysis of large volumes of data in small time periods. We build ecosystems in the cloud to allow our customers to co-operate and to share data and liquidity management functionality. Big Data, as it is known, is the major growth area in software at the moment. Our platform is designed to meet the challenges of Big Data and recent product wins and interest from prospective customers gives us confidence that we have a product poised to challenge some of the major players in the technology arena.

We announced in December that the body charged with overseeing Australia's financial markets, the Australian Securities and Investment Commission, had chosen Delta Stream to help monitor the markets. Our software will help them analyse trading in real-time to spot anomalies indicating insider trading, market abuse and "flash crash" conditions. We displaced the incumbent software provider and this win has put us on the radar of many of the world's leading regulators and exchanges who have a regulatory imperative to upgrade their surveillance systems. We are currently in discussions with a number of exchanges and regulators throughout the world who have an interest in our software and we expect to announce further wins in the coming months.

The FX market continues to grow with $4.7 trillion traded daily in 2012. Our foreign exchange product, Delta Flow, was successfully deployed into production in late 2012 and we have signed up a number of new customers in the period. We are working on a strategic initiative with one of the biggest banks in Japan to replicate our North American trading ecosystem to allow them to expand their franchise in

Asia. This is an exciting new initiative and should pave the way for further expansion in the region which accounts for much of the world's trading volume.

Unlike some of our competitors, we have a firm commitment to investing in our product suite to exploit advances in general technology and to improve and enhance existing product lines. Our common technology platform makes it easier to develop new products and bring them quickly to market – this "quick to fail" approach promotes innovation and enables us to respond quickly to new opportunities. Our consulting engagements also allow us to keep abreast of, and respond to, trends in the market.

We continue to work closely with our sister company Kx Systems, and with their customers, who had another successful year last year. As a 20% shareholder we will continue to benefit from their success and their passion in making their technology the world's leading time series database. Their product is used by some of the world's largest financial institutions and Kx Systems lists organisations such as Goldman Sachs, JP Morgan, Zurich Financial Group, Morgan Stanley, Fidelity Investments and Total Gas & Power as customers.

I am pleased to report that our recurring software revenue increased by 36.2% this year and the trend has continued into the new financial year. Commitment to this annual recurring/transactional model is key to building a sustainable and profitable software business.

Consulting

First Derivatives is now well established as one of the world's premium providers of specialised consulting services to the capital markets. In a fragmented market our increasing scale means that we are bidding for larger projects and competing (and indeed sometimes co-operating on joint bids) with global powerhouses such as IBM. 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 Group has been working in this area for seventeen years and our areas of expertise continue to broaden and deepen.

In response to increased regulation, the dearth of availability of equity capital and more stringent capital adequacy requirements many of our customers are looking at creative ways of reducing their cost bases. The trend towards outsourcing to ostensibly cheaper locations such as India has not been universally successful. We have developed a compelling competing alternative in the form of a hybrid nearshore model. This involves deploying a team of consultants onsite at the customer supplemented by similar expertise at a lower cost in our headquarters. This model addresses some of the concerns around outsourcing – cultural dissonance, domain expertise, face to face relationships, governance and supply and sustainability – and is proving popular with our customers. One of our biggest successes last year was the awarding of a competitive tender to us by a major US investment bank, having beaten off competition from some of the world's largest technology companies. We were tasked with setting up a nearshore Centre of Excellence in Newry supported by consultants onsite in London, Hong Kong and New York. This multi-year project has the potential to grow to 100 people over time and is indicative of the size of the opportunities we are working on.

We have had significant success in establishing expertise across a range of widely used third party technologies. This has helped us to significantly broaden our customer base, with new opportunities opening up across the globe. Implementing and supporting these technologies on a managed services basis helps us secure significant visible recurring revenue.

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 helps maintain operational efficiencies.

Management and Personnel

The Group now employs over 750 people and our success in retaining staff and senior management means that the experience profile of our consultants continues to improve. The strength of the First Derivatives brand means that we can attract top talent in the industry and we are seen as an exciting and progressive company to work for. This is evidenced by having leading industry personnel such as Keith McDonald, Seamus Keating and Pat Brazel on our Board and Gerry Buggy and Tom Kozlowski on our Executive Management team. 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

Post-tax profit for the year was £5.1 million (2012: £5.9 million) on turnover of £56.5 million (2012: £46.1 million). Gross margin was broadly maintained (data centre costs were reclassified from administrative expenses to cost of sales). Our balance sheet is strong with equity attributable to shareholders up to £39.4 million (2012: £32.2 million), an increase of 22.4%. This, and our confidence in the Group's ability to generate cash, enables the Board to recommend a final dividend of 8.40p per share (2012: 8.15p) which means that we will have paid a total dividend of 11.50p (2012: 11.15p) 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 2014. 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 28 February 2013

	Note	2013 £'000	2012 £'000
	8		*Restated*
Continuing operations			
Revenue	*2*	**56,469**	46,087
Cost of sales		**(38,951)**	(31,127)
Gross profit		**17,518**	14,960
Other operating income		**1,616**	1,414
Administrative expenses		**(11,982)**	(8,413)
Results from operating activities		**7,152**	7,961
Finance income		**1**	2
Finance expense		**(661)**	(648)
Loss on foreign currency translation		**(538)**	(455)
Net financing expense		**(1,198)**	(1,101)
Share of profit of associate using the equity method, net of tax		**249**	458
Loss on dilution in associate using the equity method		**(43)**	(371)
Profit before income tax		**6,160**	6,947
Tax expense		**(1,015)**	(1,001)
Profit for the year		**5,145**	5,946
Other comprehensive income			
Deferred tax on share options outstanding		**461**	(309)
Net exchange gains on net investment in foreign subsidiaries and associate		**905**	214
Net loss on hedge of net investment in foreign subsidiaries and associate		**(214)**	(121)
Other comprehensive income for the period, net of		**1,152**	(216)
Total comprehensive income for the period attributable to equity holders' of the company		**6,297**	5,730
Earnings per share		**Pence**	Pence
Basic	*4*	**30.2**	36.0
Diluted	*4*	**27.9**	32.8

Consolidated balance sheet
Year ended 28 February 2013

	Note	2013 £'000	2012 £'000
Assets			
Property, plant and equipment	*5*	**9,094**	14,738
Intangible assets and goodwill	*6*	**37,545**	30,053
Investment in associate		**6,295**	7,059
Trade and other receivables		**1,673**	437
Deferred tax asset		**1,969**	1,750
Non current assets		**56,576**	54,037
Trade and other receivables		**19,837**	13,767
Cash and cash equivalents		**1,902**	1,318
Assets held for sale		**3,364**	1,598
Current assets		**25,103**	16,683
Total assets		**81,679**	70,720
Equity			
Share capital		**87**	83
Share premium		**12,895**	10,502
Share option reserve		**3,341**	2,673
Revaluation reserve		**167**	167
Currency translation adjustment reserve		**981**	290
Retained earnings		**21,903**	18,521
Equity attributable to shareholders		**39,374**	32,236
Liabilities			
Loans and borrowings		**17,842**	18,598
Deferred tax liabilities		**2,622**	2,224
Trade and other payables		**2,224**	2,901
Non-current liabilities		**22,688**	23,723
Loans and borrowings		**6,213**	3,603
Trade and other payables		**8,505**	7,456
Current tax payable		**649**	702
Employee benefits		**3,038**	2,110
Contingent deferred consideration		**762**	890
Deferred consideration		**450**	-
Current liabilities		**19,617**	14,761
Total liabilities		**42,305**	38,484
Total equity and liabilities		**81,679**	70,720

Consolidated statement of changes in equity

Year ended 28 February 2013

	Share capital £000	Share premium £000	Share option reserve £000	Revaluation reserve £000	Currency translation adjustment £000	Retained earnings £000	Total equity £000
Balance at 1 March 2012	**83**	**10,502**	**2,673**	**167**	**290**	**18,521**	**32,236**
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	5,145	**5,145**
Other comprehensive income							
Deferred tax on share options outstanding	-	-	461	-	-	-	**461**
Change in effective rate of deferred tax	-	-	-	2	-	(2)	**-**
Net exchange gains on net investment in foreign subsidiaries and associate	-	-	-	-	905	-	**905**
Net exchange loss on hedge of net investment in foreign subsidiaries and associate	-	-	-	-	(214)	-	**(214)**
Transfer on dilution of investment in associate	-	-	-	(2)	-	2	**-**
Total other comprehensive income	-	-	461	-	691	-	**1,152**
Total comprehensive income for the year	-	-	461	-	691	5,145	**6,297**
Transactions with owners, recorded directly in equity							
Exercise of share options	3	1,294	(334)	-	-	-	**963**
Issue of shares as purchase consideration	1	1,099	-	-	-	-	**1,100**
Share based payment charge	-	-	686	-	-	-	**686**
Transfer on forfeit of share options	-	-	(145)	-	-	145	**-**
Dividends to equity holders	-	-	-	-	-	(1,908)	**(1,908)**
Total contributions by and distributions to owners	4	2,393	207	-	-	(1,763)	**841**
Balance at 28 February 2013	**87**	**12,895**	**3,341**	**167**	**981**	**21,903**	**39,374**

Consolidated cash flow statement
Year ended 28 February 2013

	Note	2013 £'000	2012 £'000
Cashflows from operating activities			
Profit for the year		**5,145**	5,946
Adjustments for:			
Net finance costs		**1,198**	1,101
Share of profit of associate		**(249)**	(458)
Share of loss on dilution in associate		**43**	371
Provision release		**-**	(266)
Depreciation		**699**	592
Amortisation of intangible assets		**2,527**	1,821
Gain on sale of property, plant & equipment		**(717)**	(528)
Equity settled share-based payment transactions		**576**	486
Grant income		**(1,589)**	(1,411)
Tax expense		**1,015**	1,001
		8,648	8,655
Changes in:			
Trade and other receivables		**(6,058)**	(1,331)
Trade and other payables		**1,372**	1,607
Onerous provisions		**-**	(78)
Taxes paid		**(765)**	(699)
Net cash from operating activities		**3,197**	8,154
Cash flows from investing activities			
Interest received		**1**	2
Acquisition of subsidiaries, net of cash acquired		**(811)**	-
Acquisition of property, plant and equipment		**(1,098)**	(866)
Disposal of property, plant and equipment		**5,046**	2,705
Acquisition of intangible assets		**(6,054)**	(4,636)
Dividend received from associate		**1,267**	570
Payment of deferred consideration		**(471)**	(3,316)
Net cash used in investing activities		**(2,120)**	(5,541)
Cash flows from financing activities			
Proceeds from issue of share capital		**963**	360
Receipt of new long term loan		**3,131**	1,553
Repayment of borrowings		**(1,835)**	(5,155)
Payment of finance lease liabilities		**(126)**	(26)
Interest paid		**(565)**	(767)
Dividends paid		**(1,804)**	(1,683)
Net cash from financing activities		**(236)**	(5,718)
Net increase/ (decrease) in cash and cash equivalents		**841**	(3,105)
Cash and cash equivalents at 1 March 2012		**(235)**	3,501
Effects of exchange rate changes on cash held		**(928)**	(631)
Cash and cash equivalents at 28February 2013	**7**	**(322)**	(235)

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**	
	2013	2012	**2013**	2012	**2013**	2012
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Total Segment Revenue	**41,475**	32,629	**14,994**	13,458	**56,469**	46,087

Geographical location analysis

	UK		**Rest of Europe**		**America**		**Australasia**		**Total**	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	£'000	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
Revenue from external customers	**19,485**	18,387	**8,047**	3,795	**23,075**	18,969	**5,862**	4,936	**56,469**	46,087
Non Current Assets	**21,766**	20,873	**10,437**	8,655	**22,648**	22,727	**1,725**	1,782	**56,576**	54,037

3 Dividends

	2013 £'000	2012 £'000
Final dividend relating to the prior year	**1,370**	1,187
Interim dividend paid	**538**	496
	1,908	1,683

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 8.40 (previous year: 7.25) pence per share and the interim dividend paid during the year amounted to 3.10 (previous year: 3.00) pence per share. The cumulative dividend paid during the year amounted to 11.50 (previous year: 10.25) 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.

	2013 £'000	2012 £'000
8.40 pence per ordinary share (2012: 8.15 pence)	**1,499**	1,370

4 (a) Earnings per ordinary share

Basic

The calculation of basic earnings per share at 28 February 2013 was based on the profit attributable to ordinary shareholders of £5,145k (2012: £5,946k), and a weighted average number of ordinary shares ranking for dividend of 17,048k (2012: 16,510k).

	2013 Pence per share	2012 Pence per share
Basic earnings per share	**30.2**	36.0

Weighted average number of ordinary shares

	2013 Number '000	2012 Number '000
Issued ordinary shares at 1 March	**16,633**	15,924
Effect of share options exercised	**317**	170
Effect of shares issued as purchase consideration	**98**	416
Weighted average number of ordinary shares at 28 February	**17,048**	16,510

Diluted

The calculation of diluted earnings per share at 28 February 2013 was based on the profit attributable to ordinary shareholders of £5,145k (2012: £5,946k) and a weighted average number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares of 18,432k (2012: 18,128k).

	2013 Pence per share	2012 Pence per share
Diluted earnings per share	**27.9**	32.8

Weighted average number of ordinary shares (diluted)

	2013 Number '000	2012 Number '000
Weighted average number of ordinary shares (basic)	**17,048**	16,510
Effect of dilutive share options in issue	**1,384**	1,618
Weighted average number of ordinary shares (diluted) at 28 February	**18,432**	18,128

At 28 February 2013 1,183k options (2012: 600k) were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

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.

b) Earnings before tax per ordinary share

Earnings before tax per share are based on profit before taxation of £6,160k (2012: £6,947k). The number of shares used in this calculation is consistent with note 4(a) above.

	2013 Pence per share	2012 Pence per share
Basic earnings before tax per ordinary share	**36.1**	42.1
Diluted earnings before tax per ordinary share	**33.4**	38.3

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

	2013 Pence per share	2012 Pence per share
Basic earnings per share	**30.2**	36.0
Impact of taxation charge	**5.9**	6.1
Adjusted basic earnings before tax per share	**36.1**	42.1
Diluted earnings per share	**27.9**	32.8
Impact of taxation charge	**5.5**	5.5
Adjusted diluted earnings before tax per share	**33.4**	38.3

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 £6,480k (2012: £6,195k). The adjusted profit after tax has been calculated by adjusting for the Group's share of loss on dilution of investment in associate £43k (2012: £371k), share of profit of associate £249k (2012: £458k), an increase in bad debt provision £1,009k (2012: £Nil), acquisition costs £124k (2012: £Nil) and loss on foreign currency translation after tax effect £408k (2012: £336k). The number of shares used in this calculation is consistent with note 4(a) above.

	2013 Pence per share	2012 Pence per share
Basic earnings after tax per ordinary share	**38.0**	37.5
Diluted earnings after tax per ordinary share	**35.2**	34.2

5 Property, plant and equipment

	Land and buildings £'000	Plant and equipment £'000	Office furniture £'000	Total £'000
Cost				
At 1 March 2012	14,855	1,688	128	16,671
Additions	134	928	36	1,098
Acquisition through business combinations	-	4	-	4
Disposals	(2,843)	-	-	(2,843)
Reclassification to assets held for sale	(3,630)	-	-	(3,630)
Exchange adjustments	(22)	76	1	55
At 28 February 2013	**8,494**	**2,696**	**165**	**11,355**
Depreciation				
At 1 March 2012	929	919	85	1,933
Charge for the year	254	420	25	699
Disposals	(160)	-	-	(160)
Reclassification to assets held for sale	(266)	-	-	(266)
Exchange adjustments	5	49	1	55
At 28 February 2013	**762**	**1,388**	**111**	**2,261**
Net book value				
At 28 February 2013	**7,732**	**1,308**	**54**	**9,094**

5 Property, plant and equipment *(continued)*

	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 1 March 2011	**17,670**	**556**	**66**	**18,292**
At 29 February 2012	**13,926**	**769**	**43**	**14,738**

6 Intangible assets

Cost	Goodwill £'000	Customer lists £'000	Acquired Software £'000	Brand name £'000	Internally developed software £'000	Total £'000
Balance at 1 March 2012	12,890	2,362	8,645	304	10,951	35,152
Development costs	-	-	-	-	5,608	5,608
Additions	-	-	553	-	-	553
Acquisition through business combinations	1,919	1,350	-	72	-	3,341
Adjustment to deferred consideration	(317)	-	-	-	-	(317)
Exchange adjustments	451	98	316	11	202	1,078
Balance at 28 February 2013	**14,943**	**3,810**	**9,514**	**387**	**16,761**	**45,415**
Amortisation and impairment losses						
Balance at 1 March 2012	-	924	2,433	107	1,635	5,099
Exchange adjustment	-	51	157	6	30	244
Amortisation for the year	-	381	1,063	43	1,040	2,527
Balance at 28 February 2013	**-**	**1,356**	**3,653**	**156**	**2,705**	**7,870**
Carrying amounts						
At 28 February 2013	**14,943**	**2,454**	**5,861**	**231**	**14,056**	**37,545**

Cost	Goodwill £'000	Customer lists £'000	Acquired Software £'000	Brand name £'000	Internally developed software £'000	Total £'000
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 1 March 2011	**13,941**	**1,710**	**5,828**	**237**	**5,016**	**26,732**
At 29 February 2012	**12,890**	**1,438**	**6,212**	**197**	**9,316**	**30,053**

7 Cash and cash equivalents

For the purposes of the Statement of Cashflows, cash and cash equivalents compromises bank balances less the bank overdraft £2,224k (2012: £1,553k).

8 Comparative amounts

Certain comparable amounts have been restated in the current year to ensure comparability. A comparative amount of £955k in respect of computer and data centre costs has been reclassified from administrative expense to cost of sales in the current year.

9 Report and accounts

Copies of the Annual Report will be available as of 2 July 2013 on the Group's website, www.firstderivatives.com and from the Group's headquarters at 3 Canal Quay, Newry, BT35 2BP.