



Date: 30 June 2010  
On behalf of: Galleon Holdings plc ('Galleon', 'the Company' or the 'the Group')  
Embargoed until: 0700hrs

**Galleon Holdings plc**  
**Interim results for the six months ended 31 March 2010**

Galleon Holdings plc (AIM: GON), the AIM listed entertainment media company that develops and produces multiplatform entertainment properties ("MEP") with a focus on emerging markets, is pleased to announce its interim results for the six months ended 31 March 2010.

**Interim Highlights:**

- Loss Before Tax\* of £0.74m (2009: Profit before tax\* of £0.64m)
- EBITDA of (£0.39m) (2009: £0.80m)
- Cash at bank at 31 March 2010 of £4.2m (2009: £1.5m)
- Multi Platform Entertainment Property ("MEP") portfolio doubled in size to set up expansion of entertainment business
- Super Fashion Stars deal completed with IMG and Fashion Fringe
- Sokator-442 Animated Feature and TV gameshow developed and Feature in production
- 1<sup>st</sup> Apollos Pad TV series commissioned and in production

\*Adjusted profit/loss before tax is before charges for the impairment of goodwill and share options expense

**Post period highlights**

- Launch of online operation in China
- Galleon China becomes one of ten official providers of international games and content for next generation handsets to China Mobile, the world's largest network operator with over 500 million subscribers.
- Super Fashion Star brand signed exclusive online partnership with QQ, China's largest online portal for news, communities, entertainment and basic web services with over 568 million user accounts
- Galleon China have secured the mobile distribution rights to the world's largest reality TV series,
- First sale for Sokator-442 to Nickelodeon Australia,
- Super Soccer Star format rights sold to Brazil
- Croco business growing again with a major new client in confectionary company Ferrero and business growth from Pepsico with new and current regional clients placing orders

**Commenting on the results, David Wong, Chairman of Galleon Holdings, said:**

"Although we have experienced a turbulent first half, following the changes in the mobile market place in China, we have made significant investments during the period to enable the business to prosper going forward.

"We have reacted swiftly to the market changes and are confident that the Company is well positioned to capitalise on the large market opportunity available to them. The management believes that the long term benefits of these changes and the investment made this year will far outweigh the short term cost."

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## **CHAIRMAN'S STATEMENT**

The first half of the year has seen rapid changes in the China mobile market place. The Board anticipated movement in the market, and has reacted quickly to reposition the Group to enable it to capitalise on these changes. The benefits of this are already coming into fruition, although this has impacted first half numbers.

Other contributing factors to the loss in the first half include the result of substantial revenues slipping into the second half of the year, with a slower than expected recovery for Croco, and a decision by the Company to defer the launch of Super Fashion Star ("SFS") and Sokator-442 with a longer term view in mind.

### **China Digital Operations**

Over the last 18 months we have grown our distribution of digital content in China through our mobile operation by focusing on embedding content in locally made handsets. At the start of the year we predicted that this business was susceptible to considerable margin erosion as more sophisticated 'smartphone handsets' came into the marketplace, leading to a demand for more sophisticated content and 'apps'. With this in mind, we have been transitioning our China digital operation away from traditional low margin mobile activities, and are now focusing our efforts on higher value branded activities and content.

The changes in China Mobile's policies early this year meant that up to 90% of the embedded games we had placed into the market could not be accessed by China Mobile's consumers. Although the Board had predicted this change, the speed in the decline of this business was rapid and has resulted in a 35% reduction in revenue from this area of our business in the first half of the year.

The fact that we have moved away from the traditional embedding of games in handsets and started to develop different 'apps' has put us in a good position to capitalise on the considerable growth this market will experience. Smartphone penetration in China is expected to increase from 15.3% of the population in 2008 to 45% of the population by 2013 (Source: In-Stat). Additionally, data revenues generated from 3G non-messaging services in 2008 stood at USD 6.8 billion and are expected to grow to USD 20 billion by 2013 (Source: iSuppli).

As a part of this strategy we have sought a much more cooperative relationship with China Mobile, the largest mobile operator in China with more than 500 million subscribers, leveraging our ability to provide high value multiplatform entertainment and our access to international content specifically for mobile.

As a result of this strategic shift we are one of the few official partners licensed to market and distribute international mobile content to China Mobile customers. We believe that given the barriers to entry in China, being established as a licensed distributor of International content for the largest mobile phone operator in the world, adds considerable value to our business. We currently have deals in place with international mobile phone content developers to fill this pipeline and are in a position to take more premium value digital entertainment content for mobile or online.

Galleon China has also entered into a co-production agreement with China's leading producer of talent shows, Tianyu, to produce a series of live music events featuring some of China's biggest musical talent. Galleon China will be the exclusive mobile distribution partner for the music and video content from Tianyu's library, which will include hits from "Superboy" and "Supergirl" the largest talent shows in the world. Galleon has already created premium media content from the last series of Superboy which will be made available to download through China Mobile's wireless portal to its 500 million subscribers.

Despite the fact that the first half of the year was difficult we decided in May of this year to set up our online operation allowing us to manage online games and also act as an online advertising agency. This will have an impact on this year's profit but will contribute greatly in future years. This is the fastest growing sector of the China media marketplace and both of these areas of operation have a great synergy with the other aspects of our multi platform approach to entertainment. We have recruited a team of industry veterans to run this operation all of whom are motivated by a performance based equity scheme. We see the growth of this business being rapid and predict that it will be profitable within six months of operation.

Direct control of both online and mobile distribution gives Galleon China extensive reach and a direct route to market for digital content at a critical time in the development of China's media marketplace. The management believes that the long term benefits of these changes and the investment made this year will far outweigh the short term downturn in the second half of the current financial year.

## **Galleon Media**

The media division has been working on the launch of two new properties, Super Fashion Stars and Sokator-442. The launch of these brands to market has been pushed to the back end of the year.

SFS discussions in China have grown in scale and expectation with sponsors and media partners. For this reason we have decided to launch the property in 2011. We will now be working with China's largest online portal QQ.com as disclosed to the market in the announcement dated 30 June 2010. Working with a partner of this size, with daily interactive audiences of such scale, is a significant opportunity for Super Fashion Stars and Galleon. We are in discussions with traditional TV broadcast partners to support the project. Internationally, we are negotiating deals with partners in India, South East Asia, the Middle East, and Latin America for 2011 onwards.

TV broadcast partners feel that Sokator-442 has real potency due to its unique mix of online game, animated movie and live action TV gameshow. The Board believed it was beneficial to release this following the World Cup, to create maximum impact, and consequently, we will target September as a "back to school" marketing event while also coinciding with many international starts to the football season. Our negotiations with a number of international territories are well under way and we have already secured a deal in Australia with Nickelodeon. However, the result of this for the Group is that our sales have slipped into the second half of the year.

Super Soccer Star continues to perform well. We are happy to announce a sale for the rights in Brazil for an advance of \$195,000 with a participation in the profits from the territory. This is our first sale into Latin America and has triggered other discussions in the region. Meanwhile, Super Soccer Star India is scheduled to be aired later this year by ESPN following on from the World Cup.

## **Croco**

Uncertainty of economic recovery at the start of the year amongst Croco's clients has meant that a lot of business has fallen outside of the period. In the second half of the year Croco has secured a major new client; Ferrero as well seeing our traditional Pepsico business returning with new orders coming from new regions within the Pepsico group. Croco has received orders of USD\$2.5 million in the last quarter of trading USD900k during the same period in 2009.

## **OUTLOOK**

The second half of the year is set to be strong and the Board believes that we are on track to hit our full year market expectations.

Croco appears to have come through the recession stronger than before with fewer competitors and a wider client base. We expect, once again, to see good growth for our China digital distribution business through our new online activities and from the higher value added next generation mobile activities. Continued sales of Super Soccer Star and the introduction of Super Fashion Stars and Sokator-442 is widening the reach of our MEP's and we now have operations in India, Africa, the Middle East, South East Asia and Latin America.

We remain focused on our strategy of creating multi platform entertainment and launching this in emerging markets. Now that we have a strong portfolio of MEP's, we are looking at opportunities to create operations of scale in other emerging markets to exploit all of our MEP's within a region.

The bold decisions we have made in the first half of the year, particularly in regard to China, are paying off and have put us in good stead to maintain our aggressive growth for the next 18 months.

**David Wong , Executive Chairman**

# **INDEPENDENT REVIEW REPORT TO GALLEON HOLDINGS PLC**

## **INTRODUCTION**

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2010 which comprises the statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of financial position, consolidated cash flow statement and related notes. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusion we have formed.

## **DIRECTORS' RESPONSIBILITIES**

The half-yearly financial report is the responsibility of, and has been approved by, the directors.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in the half-yearly financial report have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union.

## **OUR RESPONSIBILITY**

Our responsibility is to express to the Company a conclusion on the financial information in the half-yearly financial report based on our review.

## **SCOPE OF REVIEW**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial information in the half-yearly financial report for the six months ended 31 March 2010 is not prepared, in all material respects, in accordance with the International Accounting Standard 34, as adopted by the European Union.

GRANT THORNTON UK LLP  
AUDITOR

Birmingham  
30 June 2010

GALLEON HOLDINGS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 March 2010

		<b>Unaudited Six months ended 31 March 2010 £'000</b>	Unaudited Six months ended 31 March 2009 £'000	Audited Year ended 30 September 2009 £'000
<b>Revenue</b>	3	<b>7,973</b>	15,414	27,068
Cost of sales		<u>(6,779)</u>	<u>(13,122)</u>	<u>(21,247)</u>
<b>Gross profit</b>		<b>1,194</b>	2,292	5,821
Administrative expenses		<b>(2,073)</b>	(1,783)	(4,847)
EBITDA		<b>(386)</b>	803	2,042
Depreciation, amortisation and impairment		<b>(493)</b>	(294)	(1,068)
<b>(Loss) / profit from operations</b>		<b>(879)</b>	509	974
Finance income		<b>61</b>	67	165
Finance costs		<b>(1)</b>	(2)	(5)
<b>(Loss) / profit before taxation</b>		<b>(819)</b>	574	1,134
Taxation credit / (expense)	4	<b>7</b>	(112)	(132)
<b>(Loss) / profit for the financial period attributable to the equity holders of the Company</b>		<b>(812)</b>	462	1,002
<b>Other comprehensive income</b>				
Foreign exchange		<b>598</b>	3,269	1,590
<b>Total comprehensive (expenditure) / income for the period</b>		<b>(214)</b>	3,731	2,592
<b>(Loss) / earnings per share</b>				
- Basic	5	<b>(0.5p)</b>	0.4p	0.8p
- Diluted	5	<b>(0.5p)</b>	0.3p	0.6p

GALLEON HOLDINGS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 March 2010

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Capital redemption reserve £'000	Other reserves £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
<b>At 30 September 2008 (audited)</b>	<b>998</b>	<b>16,418</b>	<b>5,864</b>	<b>9,601</b>	<b>210</b>	<b>182</b>	<b>(13,761)</b>	<b>19,512</b>
Issue of share capital	106	2,418	-	-	-	-	-	2,524
Deferred consideration paid	-	-	(349)	-	-	-	-	(349)
Share based payments	-	-	-	-	-	-	62	62
Transactions with owners	106	2,418	(349)	-	-	-	62	2,237
Profit for the year and total recognised income and expenditure for the period	-	-	-	-	-	-	462	462
Foreign exchange gain	-	-	-	-	-	3,269	-	3,269
Total comprehensive income for the period	-	-	-	-	-	3,269	462	3,731
<b>At 31 March 2009 (unaudited)</b>	<b>1,104</b>	<b>18,836</b>	<b>5,515</b>	<b>9,601</b>	<b>210</b>	<b>3,451</b>	<b>(13,237)</b>	<b>25,480</b>
Issue of share capital	296	3,554	-	-	-	-	-	3,850
Cost of issue of share capital	-	(183)	-	-	-	-	-	(183)
Deferred consideration paid	-	-	(1,497)	-	-	-	-	(1,497)
Share based payments	-	-	-	-	-	-	72	72
Transactions with owners	296	3,371	(1,497)	-	-	-	72	2,242
Profit for the year and total recognised income and expense for the period	-	-	-	-	-	-	540	540
Foreign exchange loss	-	-	-	-	-	(1,679)	-	(1,679)
Total comprehensive (expenditure)/income for the period	-	-	-	-	-	(1,679)	540	(1,139)
<b>At 30 September 2009 (audited)</b>	<b>1,400</b>	<b>22,207</b>	<b>4,018</b>	<b>9,601</b>	<b>210</b>	<b>1,772</b>	<b>(12,625)</b>	<b>26,583</b>
Issue of share capital	274	4,060	-	-	-	-	-	4,334
Deferred consideration paid	-	-	(4,018)	-	-	-	-	(4,018)
Share based payments	-	-	-	-	-	-	81	81
Transactions with owners	274	4,060	(4,018)	-	-	-	81	397
Loss for the year and total recognised income and expenditure for the period	-	-	-	-	-	-	(812)	(812)
Foreign exchange gain	-	-	-	-	-	598	-	598
Total comprehensive income/(expenditure) for the period	-	-	-	-	-	598	(812)	(214)
<b>At 31 March 2010 (unaudited)</b>	<b>1,674</b>	<b>26,267</b>	<b>-</b>	<b>9,601</b>	<b>210</b>	<b>2,370</b>	<b>(13,356)</b>	<b>26,766</b>

**GALLEON HOLDINGS PLC**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 31 March 2010

	Note	Unaudited 31 March 2010 £'000	Unaudited 31 March 2009 £'000	Audited 30 September 2009 £'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		338	494	336
Available for sale investments	6	882	245	249
Intangible assets		18,453	16,300	15,473
Loans and receivables		2,080	2,262	1,888
		<u>21,753</u>	<u>19,301</u>	<u>17,946</u>
<b>Current assets</b>				
Inventories		130	4,022	2,484
Trade and other receivables		3,755	5,176	6,753
Cash and cash equivalents		4,217	1,503	4,514
		<u>8,102</u>	<u>10,701</u>	<u>13,751</u>
<b>Total assets</b>		<u>29,855</u>	<u>30,002</u>	<u>31,697</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		2,324	3,881	4,230
Provisions		-	-	8
Corporation Tax		415	283	575
		<u>2,739</u>	<u>4,164</u>	<u>4,813</u>
<b>Non-current liabilities</b>				
Deferred Tax		350	358	301
		<u>350</u>	<u>358</u>	<u>301</u>
<b>Total liabilities</b>		<u>3,089</u>	<u>4,522</u>	<u>5,114</u>
<b>EQUITY</b>				
Share capital	7	1,674	1,104	1,400
Shares to be issued	7	-	5,515	4,018
Reserves		25,092	18,861	21,165
<b>Equity interests attributable to equity holders of the company</b>		<u>26,766</u>	<u>25,480</u>	<u>26,583</u>
<b>Total equity and total liabilities</b>		<u>29,855</u>	<u>30,002</u>	<u>31,697</u>

**GALLEON HOLDINGS PLC**

**CONSOLIDATED STATEMENT OF CASHFLOWS**

For the six months ended 31 March 2010

	<b>Unaudited Six months ended 31 March 2010 £'000</b>	Unaudited Six months ended 31 March 2009 £'000	Audited Year ended 30 September 2009 £'000
<b>Operating activities</b>			
(Loss)/profit for the period	<b>(812)</b>	462	1,002
Taxation	<b>(7)</b>	112	132
Net finance income	<b>(60)</b>	(65)	(160)
Depreciation of property, plant and equipment	<b>66</b>	91	336
Amortisation of intangible assets and impairment of goodwill	<b>433</b>	203	732
(Increase)/decrease in inventories	<b>2,473</b>	(88)	1,450
Decrease/(increase) in trade and other receivables	<b>2,973</b>	(1,539)	(2,460)
(Decrease)/increase in trade and other payables	<b>(1,907)</b>	996	1,515
Share based payments	<b>81</b>	63	134
Foreign exchange (gain)/loss	<b>(172)</b>	200	(350)
	<b>3,068</b>	435	2,331
Taxation paid	<b>(211)</b>	(101)	(142)
Net interest (paid)/received	<b>(1)</b>	65	8
<b>Net cash inflow from operating activities</b>	<b>2,856</b>	399	2,197
<b>Investing activities</b>			
Purchase of property, plant and equipment	<b>(89)</b>	(213)	(271)
Purchase of intangible assets	<b>(2,805)</b>	(13)	(2,280)
Purchase of subsidiary undertakings	-	-	(126)
Purchase of investment (note 6)	<b>(309)</b>	(176)	(178)
<b>Net cash outflow from investing activities</b>	<b>(3,203)</b>	(402)	(2,855)
<b>Financing activities</b>			
Issue of shares	-	-	3,850
Expenses paid in connection with share issues	-	-	(184)
Repayment/(loan advanced) from/(to) supplier	<b>50</b>	182	182
<b>Net cash inflow from financing activities</b>	<b>50</b>	182	3,848
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(297)</b>	179	3,190
Cash and cash equivalents brought forward	<b>4,514</b>	1,324	1,324
Cash and cash equivalents carried forward	<b>4,217</b>	1,503	4,514

## **NOTES TO THE INTERIM REPORT**

For the six months ended 31 March 2010

### **1 GENERAL INFORMATION**

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Galleon Holdings plc, a Public Limited Company is incorporated and domiciled in the United Kingdom.

The Company's principal activity is that of a creator and distributor of multi-platform branded entertainment focused on emerging markets. The holding company and its subsidiaries have interests in the development and exploitation of intellectual property rights creating multi-platform branded entertainment solutions and premiums and promotions.

The financial information set out in the interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 30 September 2009, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498 of the Companies Act 2006.

The interim report was approved by the Board on 30 June 2010.

### **2 BASIS OF PREPARATION**

This consolidated financial information for the six months ended 31 March 2010 has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. The half yearly consolidated financial report should be read in conjunction with the annual financial statements for the year ended 30 September 2009, which have been prepared in accordance with IFRS as adopted by the European Union.

The principal accounting policies of the Group are consistent with those detailed in the 30 September 2009 financial statements, which are prepared in accordance with International Financial Reporting Standards (IFRSs, as adopted by the European Union) except that as reported in these financial statements, IAS 1 'Presentation of Financial Statements (Revised 2007)' and IFRS 8 'Operating Segments' have been adopted.

The adoption of IAS 1 (revised 2007) does not affect the financial position or profits of the Group, but gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged, however some items that were recognised directly in equity are now recognised in other comprehensive income. IAS 1 (Revised 2007) affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'.

The adoption of IFRS 8 has required management to review the disclosure of segmental information based on internal management reporting practices, as opposed to the risks and rewards approach as required within IAS 14.

Copies of the interim results for the six months ended 31 March 2010 are being sent to all shareholders. A copy can also be found on the Company's website.

### 3 SEGMENTAL ANALYSIS

An analysis of segmental performance is as follows;

<b>Unaudited period ended 31 March 2010</b>	<b>Product £'000</b>	<b>Entertainment £'000</b>	<b>Mobile and online £'000</b>	<b>Total £'000</b>
<b>Revenue</b>				
From external customers	2,209	12	5,752	7,973
From other segments	7	3	-	10
<b>Segment revenues</b>	<b>2,216</b>	<b>15</b>	<b>5,752</b>	<b>7,983</b>
<b>Profit / (loss) before taxation</b>	<b>334</b>	<b>(1,017)</b>	<b>(136)</b>	<b>(819)</b>

<b>Unaudited period ended 31 March 2009</b>	<b>Product £'000</b>	<b>Entertainment £'000</b>	<b>Mobile and online £'000</b>	<b>Total £'000</b>
<b>Revenue</b>				
From external customers	4,347	910	10,157	15,414
From other segments	11	1	-	12
<b>Segment revenues</b>	<b>4,358</b>	<b>911</b>	<b>10,157</b>	<b>15,426</b>
<b>Profit before taxation</b>	<b>99</b>	<b>160</b>	<b>315</b>	<b>574</b>

<b>Audited year ended 30 September 2009</b>	<b>Product £'000</b>	<b>Entertainment £'000</b>	<b>Mobile and online £'000</b>	<b>Total £'000</b>
<b>Revenue</b>				
From external customers	5,445	2,930	18,693	27,068
From other segments	21	222	-	243
<b>Segment revenues</b>	<b>5,466</b>	<b>3,152</b>	<b>18,693</b>	<b>27,311</b>
<b>(Loss) / profit before taxation</b>	<b>(158)</b>	<b>1,003</b>	<b>289</b>	<b>1,134</b>

An analysis by geographical territory is as follows;

<b>Unaudited period ended 31 March 2010</b>	<b>United Kingdom £'000</b>	<b>Europe £'000</b>	<b>Rest of the World £'000</b>	<b>Total £'000</b>
<b>Revenue</b>				
From external customers	46	310	7,617	7,973
From other segments	10	-	-	10
<b>Segment revenues</b>	<b>56</b>	<b>310</b>	<b>7,617</b>	<b>7,983</b>

<b>Unaudited period ended 31 March 2009</b>	<b>United Kingdom £'000</b>	<b>Europe £'000</b>	<b>Rest of the World £'000</b>	<b>Total £'000</b>
<b>Revenue</b>				
From external customers	112	2,890	12,412	15,414
From other segments	12	-	-	12
<b>Segment revenues</b>	<b>124</b>	<b>2,890</b>	<b>12,412</b>	<b>15,426</b>

<b>Audited period ended 30 September 2009</b>	<b>United Kingdom £'000</b>	<b>Europe £'000</b>	<b>Rest of the World £'000</b>	<b>Total £'000</b>
<b>Revenue</b>				
From external customers	905	2,769	23,394	27,068
From other segments	243	-	-	243
<b>Segment revenues</b>	<b>1,148</b>	<b>2,769</b>	<b>23,394</b>	<b>27,311</b>

#### 4 TAXATION

The tax charge for the period ended 31 March 2010 arises in the UK and China after allowing for tax losses brought forward.

#### 5 EARNINGS PER SHARE

	<b>Unaudited 31 March 2010 £'000</b>	Unaudited 31 March 2009 £'000	Audited 30 September 2009 £'000
(Loss) / profit for the period	<b>(812)</b>	462	1,002
	<b>Number</b>	Number	Number
Weighted average number of shares in 000's	<b>160,516</b>	109,450	119,474
Shares to be issued	-	31,489	10,676
Share options	-	3,586	24,559
Dilutive average weighted number of shares in 000's	<b>160,516</b>	144,525	154,709
Basic (loss) / earnings per share (pence)	<b>(0.5p)</b>	0.4p	0.8p
Diluted (loss) / earnings per share (pence)	<b>(0.5p)</b>	0.3p	0.6p

## 6 AVAILABLE FOR SALE INVESTMENTS

On 5 February 2010, Galleon Holdings plc acquired a 19% interest in the share capital of Dragonfruit Studios LLC, a company registered in the US for a consideration of US\$500,000 cash, 2,850,318 ordinary shares at 11.125 pence per share and Galleons 19% stake in Dragonfruit Entertainment LLC.

## 7 SHARE CAPITAL

	<b>Unaudited 31 March 2010 £'000</b>	Unaudited 31 March 2009 £000	Audited 30 September 2009 £'000
Authorised			
275,000,000 ordinary shares of 1p each	<u>2,750</u>	<u>2,750</u>	<u>2,750</u>
Allotted, issued and fully paid			
167,426,002 (31 March 2009: 110,400,888, 30 September 2009: 140,016,273) ordinary shares of 1p	<u>1,674</u>	<u>1,104</u>	<u>1,400</u>

### Allotments during the period

On 9 November 2009 the Company issued 24,559,411 new ordinary shares at 16.357p per share as settlement of deferred consideration in respect of the acquisition of Lushy Assets Limited. The premium on issue of £3,771,589 has been recognised within the share premium account.

On 12 February 2010 the Company placed 2,850,318 new ordinary shares at 11.125p per share as consideration for the investment in Dragonfruit Entertainment. The premium on issue of £288,595 has been recognised within the share premium account.

## 8 INTANGIBLE ASSETS

In accordance with the Group's accounting policy, during the half year management have reviewed the criteria determining when a property within work in progress should be transferred to Intangible assets. As a result of this review £1,315,550 has been transferred from work in progress to Intangible assets. In addition £960,697 of additional property development costs have been capitalised within Intangible assets during the period