



Galleon Holdings plc

Annual Report 2009-2010

GALLEON HOLDINGS PLC

REPORT OF THE DIRECTORS

For the year ended 30 September 2010

The Directors present their report together with the financial statements for the year ended 30 September 2010.

Principal activities

The Company's principal activity is that of a publisher of digital games and content across online and mobile platforms primarily in China which is supported by activities in the development and exploitation of multiplatform entertainment, intellectual property rights and premiums and promotions.

Business review and results

Galleon Holdings plc has had a difficult year with changes in the China mobile marketplace contributing to a fall in revenues resulting in significant write-offs of assets on the balance sheet as at 30 September 2010. The performance of the business is considered in more detail in the Chairman's and Chief Executive statements.

The results are set out on page 11. The Group loss after tax for the year ended 30 September 2010 was £19,923,000 (2009: profit after tax of £1,002,000). The loss for the year will be transferred from reserves.

Principal risks and uncertainties

This annual report contains certain forward looking statements. These statements are made by the directors in good faith, based on the information available to them up to the time of approval of this report. Actual results may differ to those expressed in such statements depending on a variety of factors. These factors include variability in the levels of demand in the market, restrictions to market access, competitive pressures on pricing, delays or additional cost in property design and launch programmes and overall economic conditions.

A substantial part of the Group's operations are in China and this presents a number of significant commercial and operational risks.

- Foreign exchange rate fluctuations and management of this risk
- Transactions with politically different economies where legal frameworks and accounting practices differ to the UK
- Regulatory changes by government and other regulatory bodies
- Operating in a new and rapidly growing market which is changing according to changing consumer needs
- Cultural differences and sensitivities
- Competition and a new and uncertainty over market stability

To mitigate these risks the Group's senior management are based in both the UK and China. Senior management regularly visit and monitor the financial and operational performance of overseas sites ensuring they are in line with monthly budgets

Another significant commercial and operational risk that the Group faces is the failure of one or more of the properties it has developed to be sold in the market once costs have been incurred on its development. The Group has hoped to mitigate this risk by developing a number of diverse properties across different genres and aimed at different target market audiences. Despite this, the difficult market conditions facing this part of the business during the current year has resulted in the Directors reviewing the carrying value of these properties during the year which in turn has resulted in an impairment charge of £5.8 million, as discussed in more detail in the Chief Executive's statement.

Other risks that the business continues to be faced with due to the sector in which it operates include the following:

- Technological changes
- Intellectual property infringement and piracy
- Recruitment and retention of highly skilled workforce
- Regulatory changes

Financial instruments

The Group's principal financial instrument is cash which is used to provide finance for the Group's operations. The Group has various other financial instruments such as trade receivables and trade payables, which arise directly from its operations. The Group does not enter into derivative transactions.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are currency risk, credit risk, liquidity risk and interest rate risk. The Board's policies in these areas are detailed further in note 18 to these financial statements.

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For the year ended 30 September 2010

Credit risk

For the product business, the Group relies on maintaining a high quality customer base and places a strong emphasis on good credit management. This is managed by strict control over trade receivables and the application of credit limits wherever possible.

In respect of the digital operations in China the business deals predominantly with large reputable organisations and receives payments upfront from direct to consumer sales online, with other customers subject to management approval. The Group takes the appropriate steps to carry out adequate due diligence before entering into any transactions. In addition, receivable balances are monitored on an ongoing basis and unpaid debts are assessed on a case by case basis.

In respect of the exploitation of intellectual property rights all customers are subject to management approval and the Group take the appropriate steps to carry out adequate due diligence before entering into any transactions. In addition, receivable balances are monitored on an ongoing basis and unpaid debts are assessed on a case by case basis.

Interest rate risk

At the present time, the directors do not consider it necessary to use specific measures to control this risk. The Group does not have any borrowings and the relatively low interest rate available on cash deposits means the interest rate risk on cash deposits is currently not significant.

Liquidity risk

The Group seeks to manage liquidity risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Foreign currency risk

The Group has overseas subsidiaries as detailed in note 5 of the Company financial statements. Their revenues and expenses are denominated substantially in their local currencies. The Group does not hold derivative financial instruments or forward currency contracts.

Environmental risk

The Group's policy is to ensure that it fully understands and manages the actual and potential environmental impact of its activities. The Group's operations are conducted in such a way that it complies with the legal requirements relating to the environment in all areas of our business.

Directors

The membership of the Board at the end of the year is set out below.

Stephen Green
Leonard Dunne
Pritesh Desai
David Wong
Hayden Eastwood
Yu Peng (appointed 9 September 2010)

In accordance with the Company's articles of association Hayden Eastwood and Stephen Green are required to retire and offer themselves for re-election at the Annual General Meeting.

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REPORT OF THE DIRECTORS

For the year ended 30 September 2010

Substantial shareholders

At 19 January 2010 the following held a disclosable interest in 3% or more of the issued share capital of the Company:

	Ordinary shares of 1p	%
Mojito Holdings Inc*	34,569,871	20.6
Imagination Holdings Limited**	21,349,306	12.8
HSBC Global Custody Nominee (UK) Limited	12,335,715	7.4
HSBC Client Holdings Nominee (UK) Limited	11,286,266	6.7
Winterflood Securities Limited	7,298,030	4.4
Pershing Nominees Limited	5,414,338	3.2
Chase Nominees Limited	5,373,276	3.2
TD Waterhouse Nominees Limited	5,319,911	3.2

* Yu Peng is a director of Mojito Holdings

** David Wong and Pritesh Desai are directors of Imagination Holdings Limited.

The market price of the company's ordinary 1p shares at 30 September 2010 was 6.5p per share. The highest and lowest share price in the year was 16.5p and 6.5p respectively.

Creditor payment policy

The Group and the Company's current policy concerning the payment of trade payables is to:

- a) settle the terms of payment with suppliers when agreeing the terms of each transaction
- b) ensure that suppliers are made aware of the terms of payment by inclusion of relevant terms in contracts, and
- c) pay in accordance with the Group and the Company's contractual and other legal obligations.

At the year end Group trade payables represented 98 days purchases (2009: 54 days).

Employees

It is Group policy to provide employment opportunities and retraining where possible for disabled people and to care for people who become disabled whilst in the Group's employment. The Group operates an equal opportunities employment policy.

The Group has well established structures and procedures for consultation, communication and negotiation with its employees, appropriate to the company concerned. Importance is placed on this aspect of the business and all managers have a responsibility to this end.

Remuneration Committee

The Group's Remuneration Committee comprises Pritesh Desai (Chairman), David Wong and Stephen Green. The Remuneration Committee make recommendations to the Board and set the remuneration package for the Executive Directors and Senior Officers of the Company. The remuneration of the Non Executive Director is fixed by the Board as a whole.

Remuneration policy

The Group's policy on remuneration is to attract, retain and motivate high quality executives capable of achieving the Group's objectives and thereby enhancing shareholder value. In doing so the Group pays competitive remuneration packages, including share options, relevant to each executive's role, experience, the external market and based on performance.

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REPORT OF THE DIRECTORS

For the year ended 30 September 2010

Audit Committee

The Audit Committee comprises Pritesh Desai (Chairman), Hayden Eastwood and Stephen Green. The Audit Committee has written terms of reference that require it to report to the Board on such issues as:

- the Group's annual accounts and interim reports
- the scope and findings of the external audit
- the appointment of the external auditors and the audit fee

Going concern

The Group ended the year with a net cash balance of £2.85 million. As reported in the Chairman's statement, the Group has had a challenging year and this, coupled with a change in strategic focus and market conditions, has resulted in the impairment of a number of the Group's assets and a loss for the period of £19,923,000. Whilst the impairment of intangible assets and goodwill of £15,807,000 is non cash, it is illustrative of the difficult market the Group is operating in and the resultant pressure on cash flows. In light of these events, the directors have prepared cashflow forecasts for the period ending 31 January 2012 which are aligned to the Group's revised strategy. The forecasts take account of the revenues from the launch of online games in China which are expected to generate significant revenues going forward in a growing market. The forecasts also take account of cost reduction measures that have been implemented in the business. Management will take further steps to reduce the overhead base should this be required to meet the working capital and cash flow requirements of the group.

The forecasts, which have been sensitized to reflect the uncertain market within which the Group operates, demonstrate that the Group has adequate resources to continue to fund the working capital and cash flow requirements of the Group for the foreseeable future.

On this basis the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result if the assumptions detailed above are not met.

Auditors

A resolution to re-appoint Grant Thornton UK LLP as auditors for the ensuing year will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Hayden Eastwood
Company Secretary
04 February 2011

GALLEON HOLDINGS PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the year ended 30 September 2010

The directors are responsible for preparing the Annual Report and the financial statements of the Group and the parent company in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The AIM Rules for Companies requires that the directors prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). The directors have elected to prepare financial statements for the Company in accordance with United Kingdom Generally Accepted Accounting Practices. The financial statements are required by law to give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- for the Group financial statements, state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements
- for the parent Company financial statements, state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

In so far as the Directors are aware:

- there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information held on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Company number : NI30649

By order of the Board

Hayden Eastwood
04 February 2011

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF GALLEON HOLDINGS PLC

For the year ended 30 September 2010

We have audited the financial statements of Galleon Holdings plc for the year ended 30 September 2010 which comprise the group statement of financial position and parent company balance sheet, the group statement of comprehensive income, the group statement of cash flows, the group statement of changes in equity and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2010 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

David Munton
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
04 February 2011

GALLEON HOLDINGS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2010

	Note	Year ended 30 September 2010 £'000	Year ended 30 September 2009 £'000
Revenue	3	14,661	27,068
Cost of sales		<u>(12,102)</u>	<u>(21,247)</u>
Gross profit		2,559	5,821
Administrative expenses		(22,869)	(4,847)
Administrative expenses			
Depreciation, amortisation		(996)	(959)
Provision against loans and receivables	15	(2,167)	-
Impairment of assets	10,11,13	(15,807)	(109)
other		(3,899)	(3,779)
(Loss) / profit from operations	3	<u>(20,310)</u>	<u>974</u>
Finance income	5	148	165
Finance costs	6	(2)	(5)
(Loss) / profit before taxation	4	<u>(20,164)</u>	<u>1,134</u>
Taxation	8	241	(132)
(Loss) / profit for the financial year attributable to the equity holders of the Company		<u>(19,923)</u>	<u>1,002</u>
Other comprehensive income			
Foreign Exchange		152	1,590
Total comprehensive (expenditure) / income for the period		<u>(19,771)</u>	<u>2,592</u>
(Loss) / earnings per share	9		
- Basic		<u>(12.1p)</u>	<u>0.8p</u>
- Diluted	9	<u>(12.1p)</u>	<u>0.6p</u>

All of the activities of the group are classed as continuing.

GALLEON HOLDINGS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2010

		30 September 2010 £'000	30 September 2009 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	253	336
Available for sale financial assets	13	-	249
Goodwill	10	2,922	11,018
Intangible assets	11	515	4,455
Loans and receivables	15	-	1,888
		<u>3,690</u>	<u>17,946</u>
Current assets			
Inventories	14	548	2,484
Trade and other receivables	15	2,639	6,753
Cash and cash equivalents		2,850	4,514
		<u>6,037</u>	<u>13,751</u>
Total assets		<u>9,727</u>	<u>31,697</u>
LIABILITIES			
Non-current liabilities			
Deferred taxation	19	-	301
Current liabilities			
Trade and other payables	16	1,952	4,230
Borrowings	17	-	8
Corporation tax		437	575
		<u>2,389</u>	<u>4,813</u>
Total liabilities		<u>2,389</u>	<u>5,114</u>
EQUITY			
Share capital	20	1,674	1,400
Shares to be issued		-	4,018
Reserves		5,664	21,165
Equity interests attributable to equity holders of the company		<u>7,338</u>	<u>26,583</u>
Total equity and total liabilities		<u>9,727</u>	<u>31,697</u>

The financial statements were approved by the Board of Directors on 04 February 2011.

Stephen Green
Director

Hayden Eastwood
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

GALLEON HOLDINGS PLC

CONSOLIDATED STATEMENT CASH FLOW

AT 30 SEPTEMBER 2010

	Notes	Year ended 30 September 2010 £'000	Year ended 30 September 2009 £'000
Operating activities			
(Loss) / profit for the year		(19,923)	1,002
Taxation		(241)	132
Finance income		(146)	(160)
Loss on sale of property, plant and equipment		53	-
Depreciation of property, plant and equipment		193	336
Impairment of goodwill		8,390	109
Impairment of intangible assets		6,534	623
Amortisation of intangible assets		803	-
Impairment of available for sale financial asset		883	-
Impairment of loan advanced to supplier		2,167	-
Decrease in inventories		535	1,450
Decrease / (Increase) in trade and other receivables		4,054	(2,460)
(Decrease) / Increase in trade and other payables		(2,370)	1,515
Share based payments		208	134
Foreign exchange		(116)	(350)
		<u>1,024</u>	<u>2,331</u>
Taxation paid		(210)	(142)
Interest received		27	8
		<u>841</u>	<u>2,197</u>
Net cash inflow/(outflow) from operating activities			
Investing activities			
Purchase of property, plant and equipment		(141)	(271)
Purchase of intangible assets		(1,989)	(2,280)
Purchase of subsidiary undertakings		(58)	(126)
Purchase of available for sale financial assets		(317)	(178)
		<u>(2,505)</u>	<u>(2,855)</u>
Net cash outflow from investing activities			
Financing activities			
Issue of shares		-	3,850
Expenses paid in connection with share issues		-	(184)
Receipts from borrowings		-	182
		<u>-</u>	<u>3,848</u>
Net cash inflow from financing activities			
		<u>(1,664)</u>	<u>3,190</u>
Movement in cash and cash equivalents			
Cash and cash equivalents brought forward		4,514	1,324
		<u>2,850</u>	<u>4,514</u>
Cash and cash equivalents carried forward			

The accompanying accounting policies and notes form an integral part of these financial statements.

GALLEON HOLDINGS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AT 30 SEPTEMBER 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
At 1 October 2008	998	16,418	5,864	9,601	210	182	(13,761)	19,512
Issue of share capital	402	5,972	-	-	-	-	-	6,374
Cost of issue of share capital	-	(183)	-	-	-	-	-	(183)
Deferred consideration	-	-	(1,846)	-	-	-	-	(1,846)
Share based payments	-	-	-	-	-	-	134	134
Transactions with owners	402	5,789	(1,846)	-	-	-	134	4,479
Profit for the year	-	-	-	-	-	-	1,002	1,002
Foreign exchange	-	-	-	-	-	1,590	-	1,590
Total comprehensive income for the year	-	-	-	-	-	1,590	1,002	2,592
At 30 September 2009	1,400	22,207	4,018	9,601	210	1,772	(12,625)	26,583
Issue of share capital	274	4,065	-	-	-	-	-	4,339
Cost of issue of share capital	-	(3)	-	-	-	-	-	(3)
Deferred consideration	-	-	(4,018)	-	-	-	-	(4,018)
Share based payments	-	-	-	-	-	-	208	208
Transactions with owners	274	4,062	(4,018)	-	-	-	208	526
Loss for the year	-	-	-	-	-	-	(19,923)	(19,923)
Foreign exchange	-	-	-	-	-	152	-	152
Total comprehensive income for the year	-	-	-	-	-	152	(19,923)	(19,771)
At 30 September 2010	1,674	26,269	-	9,601	210	1,924	(32,340)	7,338

*Retained earnings include a share based payment reserve of £532,000 at 30 September 2010 (2009: £324,000).

GALLEON HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2010

1 ACCOUNTING POLICIES

a) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use in the European Union and IFRIC interpretations issued by the International Accounting Standards Board and the Companies Act 2006. The company has elected to prepare its parent company financial statements in accordance with UK Generally Accepted Accounting Practice (UK GAAP). These are presented on pages 38 to 44. The Company's shares are listed on the AIM market of the London Stock Exchange.

The Group has applied all accounting standards and interpretations issued relevant to its operations for the year ending 30 September 2010. The consolidated financial statements have been prepared on a going concern basis.

The financial statements have been prepared under the historic cost convention.

b) New standards and Interpretations

IAS 1 (revised) 'Presentation of financial statements' (effective 1 January 2009)

The revised standard prohibits the presentation of items of income and expenses (that is, „non-owner changes in equity“) in the statement of changes in equity, requiring „non-owner changes in equity“ to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. The change in accounting policy only impacts presentational aspects.

IAS 1 requires presentation of a comparative balance sheet as at the beginning of the first comparative period, in some circumstances. The Directors consider that this is not necessary this year because the 2008 balance sheet is the same as previously published.

IFRS 8 'Operating segments'

IFRS 8 was issued in November 2006 and has been adopted for the first time in these financial statements. The standard replaces IAS 14, „Segment reporting“, with its requirement to determine primary and secondary reporting segments. Under the requirements of the revised standard, the Group's external segment reporting will be based on the internal reporting to the Group executive board (in its function as the chief operating decision-maker), which makes the decisions on the allocation of resources and assesses the performance of the reportable segments. The application of IFRS 8 does not have any material effect for the Group, but does have an impact on segmental disclosure.

Standards, amendments and interpretations to published standards effective in 2009/10 but with no significant impact on the Group's financial statements

IAS 32 (amendment)	Financial Instruments: Presentation
IFRS 2 (amendment)	Amendments to IFRS 2 share based payment – vesting conditions and cancellations
IFRS 7 (amendment)	Financial Instruments – Disclosures
IAS 39 (amendment)	Financial Instruments: Recognition and measurement

The Directors anticipate that the adoption of new standards which are in issue but not yet effective and have not been early adopted by the Group will not result in significant changes to the Group's accounting policies except for the adoption of IFRS 3 Revised.

The adoption of IFRS 3 (revised 2008) has changed the accounting requirements for the business combinations. The most significant changes that had an impact on the Group's acquisitions in 2010 are as follows:

- acquisition-related costs of the combination are recorded as an expense in the income statement. Previously, these costs would have been accounted for as part of the cost of the acquisition.
 - the assets acquired and liabilities assumed are generally measured at their acquisition-date fair values
- any contingent consideration is measured at fair value at the acquisition date. If the contingent consideration arrangement gives rise to a financial liability, any subsequent changes are generally recognised in profit or loss. Previously, contingent consideration was recognised at the acquisition date only if its payment was probable. Business combinations for which the acquisition date is before 1 January 2010 have not been restated.

c) Going concern

As reported in the Chairman's statement, the Group has had a challenging year and this, coupled with a change in strategic focus and market conditions, has resulted in the impairment of a number of the Group's assets and a loss for the period of £19,923,000. Whilst the impairment of intangible assets and goodwill of £15,807,000 is non cash, it is illustrative of the difficult market the Group is operating in and the resultant pressure on cash flows. In light of these events, the directors have prepared cashflow forecasts for the period ending 31 January 2012 which are aligned to the Group's revised strategy. The forecasts take account of the revenues from the launch of online games in China which are expected to generate significant revenues going forward in a growing market. The forecasts also take account of cost reduction measures that have been implemented in the business. Management will take further steps to reduce the overhead base should this be required to meet the working capital and cash flow requirements of the group.

GALLEON HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2010

The forecasts, which have been sensitised to reflect the uncertain market within which the Group operates, demonstrate that the Group has adequate resources to continue to fund its working capital and cash flow requirements for the foreseeable future.

On this basis the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result if the assumptions detailed above are not met.

d) Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to the reporting date. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The Group obtains and exercises control through voting rights.

All intra group transactions have been eliminated on consolidation. Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Contingent consideration is recognised at its acquisition date fair value. Subsequent changes to this fair value resulting from events after the acquisition date are recognised through profit or loss in connection with acquisitions. Where material, the cost of business combinations are discounted to their present value at the date of exchange to allow for deferred payment terms. The difference between the fair value and the total amounts payable at future dates is a finance cost and is charged in the income statement over the period the liability is outstanding.

e) Goodwill

Goodwill representing the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is capitalised and reviewed annually for impairment. Goodwill is carried at cost less accumulated impairment losses.

f) Revenue

The Group follows IAS18, Revenue, in determining the appropriate revenue recognition policies. In principle revenue is recognised to the extent that the Group has obtained the right to consideration through its performance.

Group turnover is the total amount receivable by the Group for goods supplied and services provided, including development income, excluding VAT and trade discounts.

Revenues from up-front fixed licensing fees are recognised on contract signature if the following additional criteria are met:

- the contract is non-cancellable
- the licensee is able to exploit its rights freely, and
- the Group has no significant remaining obligations to perform under the contract.

Clearly identifiable costs which relate directly to the revenues received from such license fees are recognised as a "Cost of sale". All other costs related to the intellectual property are capitalised and written off over the life in which revenues are expected to be received from the date the project goes live and can be reasonably expected to earn revenues. Costs associated with Intellectual Property where there are no likely future revenue streams are expensed in full as a cost of sale at the time revenues are recognised.

Revenues associated with the Group's Mobile Service Provision and Interactive Operations are recognised at the time of the transaction and services are provided on a gross basis. All costs associated with the transaction including the Telecommunication's Company and Partner Revenue shares, where applicable, are treated as a cost of sale at the same point.

For Croco Worldwide Sourcing Limited, revenue is recognised at the date the risks of ownership are passed to the customer.

GALLEON HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2010

g) Taxation

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

h) Intangible assets

- Intellectual property rights

The costs of creating and protecting internally generated property, patents and know-how and the costs of acquiring rights to the use of third party intellectual property are capitalised and, subject to impairment reviews, amortised over the estimated economic life of the intellectual property concerned, estimated to be a maximum of 10 years. Expenditure on intellectual property will be capitalised once the property meets certain criteria, such as the property is considered technically and commercially feasible and with a high probability that the recovery of costs will take place.

- Trademarks, licences and websites

Expenditure on trademarks, licences and websites is capitalised and, subject to impairment reviews, amortised over their expected useful economic lives as follows:

Trade Marks	10 years
Licences	Length of the licence
Website	5 years

- Assets acquired as part of a business combination

In accordance with IFRS 3 Business Combinations (Revised 2008), an intangible asset acquired in a business combination is deemed to have a cost to the Group of its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Group. An independent valuation is undertaken in order to assess the fair value of the intangible assets acquired in a business combination. The fair value is then amortised over the economic life of the asset. Where an intangible asset might be separable, but only together with a related tangible or intangible asset, the Group of assets is recognised as a single asset separately from goodwill. Where the individual fair value of the complimentary assets are reliably measurable, the Group recognises them as a single asset provided the individual assets have similar useful lives.

i) Impairment, testing of goodwill, other intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the group at which management monitors the related cash flows.

Goodwill, other individual assets or cash-generating units that include goodwill, other intangible assets with an indefinite useful life, and those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an

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internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

j) Property, plant and equipment

- Measurement bases

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use. Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the assets only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are charged to the income statement during the period in which they are incurred.

When assets are sold, any gain or loss resulting from their disposal, being the difference between the net disposal proceeds and the carrying amount of the assets, is included in the income statement.

-Depreciation

Depreciation is provided to write off the cost of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Computer equipment	33.3%
Office equipment	20%
Leasehold improvements	Length of lease
Plant and machinery	Up to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

k) Leased assets

In accordance with IAS 17 Leases, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the assets, the related asset is recognised at the inception of the lease at its fair value or, if lower, the present value of the lease payments. A corresponding liability is recognised when the interest element of the lease payments represents a constant proportion of the capital balance outstanding and is charged to profit or loss over the period of the lease.

All other leases are treated as operating leases. Payments under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the term of the lease. Lease incentives are spread over the term of the lease. Benefits recovered as an incentive to enter into an operating lease are spread over the lease term on a straight line basis.

l) Financial assets and liabilities

Financial assets

Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables .

(b) Available-for-sale financial assets

Available-for-sale financial assets are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at fair value. Changes in fair value are recognised in other comprehensive income. Unquoted equity investments whose fair value cannot be measured reliably are carried at cost and classified as available-for-sale financial assets. Impairment losses and exchange differences resulting from retranslating the amortised cost of monetary available-for-sale financial assets are recognised in profit or loss. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other

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categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, being the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset classified as a loan or receivable is impaired. The financial asset is considered impaired when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Financial assets classified as available-for-sale are initially recognised at fair value, plus transaction costs and subsequently measured at fair value unless otherwise disclosed, with changes in fair value recognised in other comprehensive income, net of any effects arising from income taxes. Gains on equity instruments are recognised in other comprehensive income.

When a decline in the fair value of an available-for-sale investment has been recognised directly in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that has been recognised directly in other comprehensive income is removed and recognised in the result for the year in the statement of comprehensive income even though the financial asset has not been derecognised. Impairment losses previously recognised in other comprehensive income are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost less any identified impairment losses at each reporting date subsequent to initial recognition. An impairment loss is recognised in the result for the year in the statement of comprehensive income when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Financial liabilities

The Group's financial liabilities include a bank overdraft, trade and other payables. Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in "finance cost" in the consolidated statement of comprehensive income. Trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, bank deposits repayable on demand and other short-term highly liquid investments with original maturities of 3 months or less. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

n) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises all expenses directly attributable to the development of the property and a proportion of overheads based on normal operating capacity. Costs are assigned on a first in, first out basis. Net realisable value is based on estimated selling price less further costs to be incurred on completion and disposal. Expenditure on intellectual property will be capitalised as an intangible asset once the property meets certain criteria, such as the property is considered technically feasible with a high probability that the recovery of costs will take place.

Transfers of cost from WIP to intangible assets represent a change in intent from intent to sell to intent to license the properties.

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o) Equity

Share capital is determined using the nominal value of shares that have been issued. The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

The capital redemption reserve represents the nominal value of shares cancelled on the purchase of own shares in order to maintain the capital base of the Company.

Other reserves represents the difference between the issue prices and the nominal value of shares issued as consideration for the acquisition of subsidiaries where the Company has taken advantage of section 612 of the Companies Act 2006.

Foreign currency translation differences recognised directly in equity are included in the foreign exchange reserve.

Retained earnings include all current and prior period results as disclosed in the income statement together with the cumulative amount of share based expenses and movements in available for sale financial assets, which are both transferred to equity.

p) Share based payments

All share-based payment arrangements are recognised in the financial statements. The Group operates equity-settled share-based remuneration plans for the remuneration of its employees.

All services received in exchange for the grant of any share-based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Share-based payments are ultimately recognised as an expense in the Income Statement with a corresponding credit to retained earnings in equity, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment is made to the expense or share issue cost recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

q) Dividend distributions

Dividend distributions to shareholders are included in 'other short term financial liabilities' when the dividends are approved by the shareholders' meeting. Dividend distributions in 2010 were nil (2009: £nil).

r) Pension obligations

Pensions are provided to certain employees through defined contribution plans. The contributions recognised in respect of defined contribution plans are expensed as they fall due.

s) Foreign currencies

The financial statements are presented in Sterling, which is also the functional currency of the parent Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the consolidated statement of comprehensive income.

In the consolidated financial statements, the financial statements of subsidiaries and jointly controlled entities, originally presented in a local currency have been translated into Sterling. Assets and liabilities have been translated into Sterling at the exchange rates ruling at the balance sheet date. Profit and losses have been translated at an average monthly rate for the year. Any differences arising from this procedure are taken to the foreign exchange reserve. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Sterling at the closing rates.

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t) Segment Reporting

The Group has adopted IFRS 8 Operating segments with effect from 1 October 2009. IFRS 8 requires operating segments to be identified on the basis of the internal reports about operating units of the group that are regularly reviewed by the chief operating decision maker to allocate resources and to assess their performance. The group operates 2 main business segments which represent the main products and services provided by the group:

- Entertainment Digital
- Entertainment Other
- Product

Each of these operating segments is managed separately as each requires different technologies, resources and marketing approaches.

The management policies used by the group for segment reporting are the same as those used in its financial statements. Amortisation of intangible assets arising from business combinations and fair value adjustments arising from business combinations are allocated to the operating segment to which they relate.

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The key sources of estimation uncertainty that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are identified below:

Goodwill impairment

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires an estimation of future cash flows expected to arise from each cash generating unit and a suitable discount rate in order to calculate present values. Details of the review of the goodwill for impairment by the directors are outlined in note 10.

Recognition of revenue and associated costs

Management exercise judgement as to when the Group can recognise revenue based on the right to consideration through the Group's performance. Revenue from up-front fixed licensing fees are recognised on contract signature if certain criteria are met as set out in the accounting policy note 1(d). Associated costs with the respective up front licensing fees are recognised in costs of sales.

Intangible assets - intellectual property and other intangible assets

Management considers the recoverability of the intellectual property held on the balance sheet based on current estimated fair values. Management considers the economic life of the intangible assets to be up to 10 years, based on their ability to exploit the asset and receive revenues over this time. Intellectual property is reviewed annually to determine whether there are any indicators of an impairment. Determining whether the intangible asset should be impaired at the balance sheet date is based on management's judgement of what existing activities are likely to generate revenues in the future from exploitation of the intellectual property. Expenditure on intellectual property will be capitalised as an intangible asset once the property meets certain criteria, such as the property is considered technically feasible with a high probability that the recovery of costs will take place.

Deferred tax asset

Deferred tax is accounted for on temporary differences using the liability method. Management do not think it is reasonable to recognise deferred tax assets attributable to the unused tax losses based on current future profit projections.

Recoverability of loans and receivables

Management considers the recoverability of loans and receivables held on the balance sheet on a case by case basis. Where there is uncertainty over the recoverability of balances management will include a provision against those balances in the financial statements.

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3 SEGMENTAL ANALYSIS

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

Period ended 30 September 2010	Product £'000	Entertainment Digital £'000	Entertainment Other £'000	Unallocated £'000	Eliminated £'000	Total £'000
Revenue						
From external customers	2,826	11,148	687	-	-	14,661
From other segments	8	-	249	-	(257)	-
Segment revenues	2,834	11,148	936	-	(257)	14,661
(Loss) before taxation	(170)	(1,518)	(17,763)	(713)	-	(20,164)

Period ended 30 September 2009	Product £'000	Entertainment Digital £'000	Entertainment Other £'000	Unallocated £'000	Eliminated £'000	Total £'000
Revenue						
From external customers	5,569	18,307	3,192	-	-	27,068
From other segments	21	-	222	-	(243)	-
Segment revenues	5,590	18,307	3,414	-	(243)	27,068
(Loss) / profit before taxation	(158)	1,790	289	(787)	-	1,134

As at 30 September 2010	Product £'000	Entertainment Digital £'000	Entertainment Other £'000	Unallocated £'000	Eliminated £'000	Total £'000
Assets	1,242	7,356	1,129	-	-	9,727
Liabilities	(279)	(1,454)	(656)	-	-	(2,389)
Net Assets	963	5,902	473	-	-	7,338

As at 30 September 2009	Product £'000	Entertainment Digital £'000	Entertainment Other £'000	Unallocated £'000	Eliminated £'000	Total £'000
Assets	1,150	15,822	14,725	-	-	31,697
Liabilities	(265)	(2,979)	(1,870)	-	-	(5,114)
Net Assets / (Liabilities)	885	12,843	12,855	-	-	26,583

As at 30 September 2010	Product £'000	Entertainment Digital £'000	Entertainment Other £'000	Unallocated £'000	Eliminated £'000	Total £'000
Capital expenditure	7	58	2,122	-	-	2,187
Amortisation/depreciation/impairment	62	6,978	8,880	-	-	15,920

As at 30 September 2009	Product £'000	Entertainment Digital £'000	Entertainment Other £'000	Unallocated £'000	Eliminated £'000	Total £'000
Capital expenditure	194	122	2,235	-	-	2,551
Amortisation/depreciation/impairment	226	36	806	-	-	1,068

The Group's revenue from external customers and its geographic allocation of non-current assets may be summarised as follows

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3 SEGMENTAL ANALYSIS (CONTINUED)

	30 September 2010		30 September 2009	
	Revenues £000	Assets £000	Revenues £000	Assets £000
United Kingdom	35	2,274	907	12,534
China	11,389	7,204	18,165	18,397
Rest of World	3,237	249	7,996	766
Total	14,661	9,727	27,068	31,697

The Group's largest three customers contributed 48%, 20% and 16% respectively to the Group's revenue (2009: 33%, 31% and 19%). No other customers contributed more than 10%. Revenue from the two largest customers is reported within the Entertainment Digital segment, the third largest being reported within the Product segment.

4 (LOSS)/PROFIT FOR THE YEAR

The (loss)/ profit is stated after:

	2010 £'000	2009 £'000
Staff costs (note 7)	2,369	2,496
Foreign currency losses	207	271
Share based payments (note 21)	208	134
Impairment of loans and receivables	2,167	-
Depreciation, amortisation and impairment:		
Goodwill impairment (note 10)	8,390	109
Intangible assets impairment (note 11)	6,534	-
Impairment of available for sale financial asset (note 13)	883	-
Intangible assets amortisation (note 11)	803	623
Property, plant and equipment depreciation (note 12)	193	336
Loss on disposal of property, plant and equipment	-	-
Operating lease rentals – land and buildings	162	114
Cost of inventories recognised as an expense	2,155	4,770
Auditors' remuneration:		
Fees payable to the Company's auditor for the audit of the Company's financial statements	30	30
Fees payable to other overseas auditors for the audit of the subsidiary's financial statements	14	14
Fees payable to the Company's auditor for other services:		
- The audit of the Company's subsidiaries pursuant to legislation	10	8
- Fees payable to the Company's auditor for the Interim Review	7	7
Taxation services	9	9
Summarised:		
Fees payable to Grant Thornton and Grant Thornton overseas firms	56	54
Fees payable to other auditors (Overseas)	-	14

5 FINANCE INCOME

	2010 £'000	2009 £'000
On financial assets measured at cost		
On bank current and deposit accounts	30	26
Loan interest	118	139
	148	165

6 FINANCE COSTS

	2010 £'000	2009 £'000
On financial liabilities measured at cost		
On bank loans and overdrafts	(2)	(5)
	(2)	(5)

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7 DIRECTORS AND EMPLOYEES

Staff costs including directors during the year were as follows:

	2010 £'000	2009 £'000
Wages and salaries	1,797	2,039
Social security costs	320	297
Other pension costs	17	17
Other benefits	27	9
Share based payment charge (note 21)	208	134
	<u>2,369</u>	<u>2,496</u>

The above staff costs do not include the amounts paid to Mr D Wong as set out below.

The average number of employees (including directors) of the Group during the year was:

	2010 Number	2009 Number
Sales	30	27
Operations/Design	60	53
Administration	33	32
	<u>123</u>	<u>112</u>

Remuneration in respect of Directors was as follows:

	Salary and fees 2010 £'000	Pension 2010 £'000	Benefits 2010 £'000	Total 2010 £'000	Salary and fees 2009 £'000	Pension 2009 £'000	Bonus 2009 £'000	Total 2009 £'000
Executive								
David Wong	145	-	-	145	130	-	12	142
Stephen Green	136	9	-	145	121	9	12	142
Leonard Dunne	136	9	-	145	121	9	12	142
Yu Peng	85	1	3	89	-	-	-	-
Hayden Eastwood	108	-	-	108	98	-	12	110
Non-Executive								
Pritesh Desai	15	-	-	15	15	-	-	15
Total	<u>625</u>	<u>19</u>	<u>3</u>	<u>647</u>	<u>485</u>	<u>18</u>	<u>48</u>	<u>551</u>

The amounts set out above include remuneration in respect of the highest paid Director as follows:

	2010 £'000	2009 £'000
Emoluments	<u>145</u>	<u>142</u>

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7 DIRECTORS AND EMPLOYEES (CONTINUED)

Remuneration in respect of key management of the Group was as follows:

	2010 £'000	2009 £'000
Wages and salaries	815	779
Social security costs	62	63
Other pension costs	20	17
Other benefits	20	2
Share based payments charge (note 21)	144	97
	<u>1,061</u>	<u>958</u>

In addition to the above emoluments during the year ended 30 September 2010, £145,000 (2009: £142,000) was payable to Medical Consultants and Management Limited (MCM Limited) of which David Wong is a retained consultant. MCM is an investment company registered in Jersey which is wholly owned by a trust settled by Mr D Wong, the beneficiaries of which are Mr D Wong's wife and children.

8 TAXATION

	2010 £'000	2009 £'000
United Kingdom corporation tax at 28% (2009: 28%)	(37)	(4)
Adjustment in respect of prior year	-	(38)
Overseas taxation	97	271
Total current taxation	<u>60</u>	<u>229</u>
Deferred taxation		
Origination of temporary differences (note 19)	(301)	(92)
Adjustments in respect of prior years	-	(5)
Taxation (credit) / charge for the year	<u>(241)</u>	<u>132</u>

The tax assessed for the year differs from the standard rate of Corporation Tax in the UK as explained below:

	2010 £'000	2009 £'000
(Loss) / Profit before tax	<u>(20,164)</u>	<u>1,134</u>
(Loss) / Profit before tax multiplied by standard rate of Corporation Tax in the UK of 28% (2009: 28%)	(5,646)	318
Effect of:		
Expenses not deductible for tax purposes	3,475	157
Income not taxable for tax purposes	(61)	-
Movement in unrecognised deferred tax assets (loss recognition)	1,868	(445)
Prior year deferred tax	-	(5)
Adjustment in respect of prior years	-	(38)
Profits taxed at 21%	-	(2)
Differences between UK and overseas tax rates	(22)	(65)
Overseas losses not recognised	145	212
Tax (credit) / charge for the year	<u>(241)</u>	<u>132</u>

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9 EARNINGS PER SHARE

Basic and diluted earnings per share have been calculated in accordance with IAS 33, which requires that earnings should be based the net profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares is issued during the period.

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares on the assumed conversion of all dilutive options.

The calculation of the basic and diluted earnings per share is shown below.

	2010 £'000	2009 £'000
(Loss) / profit after tax	<u>(19,923)</u>	<u>1,002</u>
Weighted average number of shares (No in 000's)	163,981	119,474
Weighted average number of share options	18,515	10,676
Shares to be issued	-	24,559
Weighted average number of shares (No 000's) used for diluted earnings per share	<u>182,496</u>	<u>154,709</u>
Basic (loss)/earnings per share (in pence)	<u>(12.1p)</u>	<u>0.8p</u>
Diluted (loss)/earnings per share (in pence)	<u>(12.1p)</u>	<u>0.6p</u>

10 GOODWILL

	Goodwill on consolidation £'000
Cost	
At 1 October 2008	22,494
Fair value adjustment to additions in prior year	191
Additional deferred consideration payable	1,276
Deferred consideration not payable	(657)
Disposals	(339)
Foreign exchange	<u>1,163</u>
At 1 October 2009	24,128
Additions	56
Deferred consideration not payable	(7)
Foreign exchange	245
At 30 September 2010	<u>24,422</u>
Impairment	
At 1 October 2008	13,340
Charge for the year	109
Disposals	<u>(339)</u>
At 1 October 2009	13,110
Charge for the year	8,390
At 30 September 2010	<u>21,500</u>
Net book amount at 30 September 2010	<u>2,922</u>
Net book amount at 30 September 2009	<u>11,018</u>

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10 GOODWILL (CONTINUED)

Goodwill impairment

At 30 September the net book amount of goodwill by acquisition comprised the following

	2010 £'000	2009 £'000
Cash generating units (CGU's)		
Croco Worldwide Sourcing Limited	379	379
Green and Dunne Limited	-	-
Phoenix Investments Global Limited	-	2,232
Lushy Assets Limited	2,491	8,407
Xiamen Qianwang Technology Company., Ltd	52	-
	<u>2,922</u>	<u>11,018</u>
Net book amount at 30 September		

The Directors have tested for impairment the goodwill relating to all cash generating units in accordance with the Group's accounting policy.

Phoenix Investments Global Limited

Following the significant decline in profitability in the Phoenix Investments Global Limited business and forecast continued lack of profitability going forward, the Directors consider that the goodwill attributed to this cash generating unit is impaired to nil.

Lushy Assets Limited

The Directors, in assessing the recoverable amount of the goodwill relating to Lushy Assets Limited have produced a series of sensitised ten year cashflow forecasts to determine its value in use. The base cash flow forecast has been discounted at a discount rate of 11%, which the Directors believe fairly reflects the Group's weighted average cost of capital. The other key assumptions with regard to the base sales and profitability forecasts of Lushy Assets limited are as follows:

- revenues in the first year are received from an online game that has launched since the year end and an online game due to launch later in 2011

- sales from the online games will increase at a growth rate of 5% for each year from 30 September 2011

- no sales have been recognised for the smartphone applications expected to launch in the year ending 30 September 2011 due to the uncertainty of the level and timing of these revenues

These forecasts have been sensitised and an impairment charge of £6,143,305 has been provided based on a 20% reduction in the revenues from the online games in the first year and a growth rate of 5% applied to those reduced revenues. This has been applied due to the uncertainty of the market in which the business operates and current economic conditions that prevail in China and the UK.

The Croco and Qianwang business units have also been reviewed for impairment and this review concluded that the recoverable amount based on value in use exceeded the book value. The impairment charge in 2009 related to the Greene and Dunne business which has ceased trading.

GALLEON HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2010

11 INTANGIBLE ASSETS

	Intellectual property rights £'000	Trademarks £'000	Website £'000	Licences £'000	Software £'000	Other £'000	Total £'000
Cost							
At 1 October 2008	2,193	56	18	458	226	718	3,669
Transfer from work in progress	2,160	-	-	-	-	-	2,160
Additions	-	15	-	-	61	43	119
Disposals	(92)	-	-	-	-	-	(92)
Foreign Exchange	-	-	-	-	3	-	3
At 30 September 2009	4,261	71	18	458	290	761	5,859
Transfer from work in progress	1,401	-	-	-	-	-	1,401
Additions	1,973	11	5	-	-	-	1,989
Foreign Exchange	-	-	-	-	9	-	9
At 30 September 2010	7,635	82	23	458	299	761	9,258
Impairment							
At 1 October 2008	-	-	-	-	-	-	-
Provided during the year	-	-	-	-	-	-	-
At 30 September 2009	-	-	-	-	-	-	-
Provided during the year	5,773	-	-	291	127	343	6,534
At 30 September 2010	5,773	-	-	291	127	343	6,534
Amortisation							
At 1 October 2008	604	12	9	87	45	116	873
Provided during the year	355	7	4	40	53	164	623
Disposals	(92)	-	-	-	-	-	(92)
Foreign Exchange	-	-	-	-	-	-	-
At 30 September 2009	867	19	13	127	98	280	1,404
Provided during the year	563	7	4	40	72	117	803
Disposals	-	-	-	-	-	-	-
Foreign Exchange	-	-	-	-	2	-	2
At 30 September 2010	1,430	26	17	167	172	397	2,209
Net book amount at 30 September 2010	432	56	6	-	-	21	515
Net book amount at 30 September 2009	3,394	52	5	331	192	481	4,455

Other intangible assets relate to those intangible assets acquired with the Phoenix and Lushy acquisitions and include customer lists, brand names and non compete agreements.

Following the impairment of the goodwill arising on Lushy Assets Limited and Phoenix Investments Global Limited and the losses incurred by these entities in the year ended 30 September 2010, the Directors have reviewed the carrying value of these assets in accordance with the Group's accounting policy. This review has resulted in the assets being fully impaired as they are no longer deemed to be used by the business going forward to generate future revenues. This in part follows the change in direction of the business as reported within the Chairman's and Chief Executive's statements.

The Directors have also tested the net book value of intellectual property for impairment following the losses incurred in the year ended 30 September 2010, the change in focus of the business and the fact that the Group has achieved only limited success in exploiting these properties during the year. The Directors have considered each Intellectual Property individually and have reviewed the opportunities for commercial exploitation, including the position with current commercial relationships entered into for each property. Where there are no significant relationships entered into at the balance sheet date that indicate a future cash flow and the Directors consider that it is unlikely that future development costs could usefully be invested into those properties, they have been fully impaired.

Where there are ongoing market opportunities management have made their best estimate of the expected cash flows from those opportunities for 12 months from the balance sheet date and have impaired the properties to the value of the net revenues from these opportunities.

GALLEON HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2010

12 PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £'000	Office equipment £'000	Computer equipment £'000	Leasehold improvements £'000	Total £'000
Cost					
At 1 October 2008	266	128	615	53	1,062
Additions	179	7	85	-	271
Disposals	-	-	(1)	-	(1)
Currency exchange effects	-	7	25	7	39
At 30 September 2009	445	142	724	60	1,371
Additions	-	51	38	53	142
Disposals	-	(18)	(87)	(22)	(127)
Currency exchange effects	-	2	13	1	16
At 30 September 2010	445	177	688	92	1,402
Depreciation					
At 1 October 2008	124	96	462	9	691
Provided during the year	219	12	84	21	336
Disposals	-	-	(1)	-	(1)
Currency exchange effects	-	2	6	1	9
At 30 September 2009	343	110	551	31	1,035
Provided during the year	55	20	80	38	193
Disposals	-	(8)	(51)	(15)	(74)
Currency exchange effects	-	3	(7)	(1)	(5)
At 30 September 2010	398	125	573	53	1,149
Net book amount at 30 September 2010	47	52	115	39	253
Net book amount at 30 September 2009	102	32	173	29	336

13 INVESTMENTS

Interests in joint ventures

At 30 September 2010 the Group had interests in the following joint venture:

Joint venture	Country of incorporation	Class of share capital held	Proportion held		Nature of business
			By the Company %	By the Group %	
Peppers Patrol Limited	England and Wales	Ordinary shares of £1 each	50	50	Dormant

The group's aggregate share in its joint venture comprises:

	2010 £'000	2009 £'000
Current assets	736	736
Liabilities due within one year	(736)	(736)
	-	-

GALLEON HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2010

13 INVESTMENTS (CONTINUED)

The Group's share of the results of Peppers Patrol Limited was £nil (2009: £nil). The joint venture has been accounted for using the equity method of accounting.

Available for sale financial assets

Cost	£'000
At 1 October 2009	249
Additions	634
Impairment	(883)
At 30 September 2010	-

On the 26 January 2010, the company acquired a 19% shareholding in Dragonfruit Studios. The consideration was US\$1,000,000 represented by \$500,000 cash, \$500,000 ordinary 1p shares in Galleon Holdings plc. The Directors have reviewed the carrying value of this investment and consider it to be impaired. Dragonfruit Entertainment has failed to produce significant revenues and perform against forecasts.

14 INVENTORIES

	2010 £'000	2009 £'000
Work in progress	548	2,484

During the year, work in progress of £1,401k (2009: £2,160k) was transferred to intangible assets in accordance with the Group's accounting policies.

15 TRADE AND OTHER RECEIVABLES

Current assets	2010 £'000	2009 £'000
Trade receivables	2,329	6,254
Other receivables	165	457
Prepayments and accrued income	145	42
	<u>2,639</u>	<u>6,753</u>
Non current assets		
Loans and receivables	2,167	1,888
Less: Provision	(2,167)	-
	<u>-</u>	<u>1,888</u>

The average credit period taken on sales of goods is 75 days (2009: 84 days) in respect of the Group. Trade receivables over 30 days are individually assessed based on estimated recoverable amounts, determined by past experience.

Included within loans and receivables is a loan of £2,167,000 made by Galleon Holdings plc to a supplier in order to guarantee the continuity of supply to the Croco business. The loan is repayable over five years and is repayable in full by 30 June 2013. Galleon Holdings plc have an option arrangement, that in the event of a default on the loan, it can acquire the entire share capital of the supplier for £1.

The directors have reviewed the cashflow forecasts of the supplier and do not expect that it will be able to meet the repayment schedule. The supplier repaid £50,000 during the year which was below expectations. In reviewing the cashflow forecasts the directors have concluded that the supplier does not have sufficient orders contracted or nearing agreement, or has the financial resources to trade at a level which would allow it to make further repayments in the 12 months from the balance sheet date. As such the directors have included a provision against 100% of the remaining outstanding balance.

GALLEON HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2010

15 TRADE AND OTHER RECEIVABLES (CONTINUED)

Before accepting any new customer, the Group and Company use, where possible, an external credit scoring system to assess the potential customer's credit quality. Customers are allocated specific credit limits.

	2010 £'000	2009 £'000
Trade receivables	2,614	6,280
Less allowance for doubtful debts	(285)	(26)
	<u>2,329</u>	<u>6,254</u>

The fair value of these financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value.

Ageing of past due but not impaired receivables.

	2010 £'000	2009 £'000
30-90 days	42	489
90 -180 days	-	100
over 180 days	56	129
	<u>98</u>	<u>718</u>

16 TRADE AND OTHER PAYABLES

	2010 £'000	2009 £'000
Trade payables	1,440	3,244
Other taxes and social security costs	119	276
Other payables	80	106
Accruals and deferred income	313	604
	<u>1,952</u>	<u>4,230</u>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 98 days (2009: 54 days). The directors consider that the carrying amount of trade payables approximates to their fair value.

17 BORROWINGS

	2010 £'000	2009 £'000
Bank overdraft	<u>-</u>	<u>8</u>

GALLEON HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2010

18 FINANCIAL INSTRUMENTS

The Group uses financial instruments, other than derivatives, comprising borrowings, cash, liquid resources and various items such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and reserves as disclosed in the consolidated statement of changes in equity.

The Group's Audit Committee reviews the capital structure as part of its risk analysis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The Group is not subject to externally imposed capital requirements, other than the minimum capital requirements and duties regarding reduction of capital, as imposed by the Companies Act 2006 on all public limited companies.

Categories of financial instruments

Financial assets	2010	2009
	£'000	£'000
Classified as loans and receivables		
- Trade and other receivables	2,494	6,711
- Loans and receivables	-	1,888
- Cash and cash equivalents	2,850	4,514
Classified as available for sale financial assets	-	249
	5,344	13,362
Financial Liabilities	2010	2009
	£'000	£'000
Carried at amortised cost		
- Trade and other payables	1,520	3,350
- Borrowings	-	8
	1,520	3,358

Financial risk management objectives

Management monitor and manage the financial risks relating to the operations of the Group through internal risk reports. These risks include currency risk, interest rate risk, credit risk, liquidity risk and cash flow interest rate risk.

The Directors review and agree policies for managing these risks. It is and has been in the period under review the Group's policy that no trading in derivative financial instruments shall be undertaken.

Liquidity risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by the raising of equity, and the use of bank current accounts.

Interest rate risk

The Group finances its operations mainly through a combination of cash balances and equity. The Group seeks to manage its exposure to interest rate fluctuations by the use of fixed and floating facilities. At the year end there was an overdraft of £nil (2009: £8,000). Interest on loans and receivables are charged at a variable rate of interest.

GALLEON HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2010

18 FINANCIAL INSTRUMENTS (CONTINUED)

Foreign currency risk management

The Group undertakes certain transactions denominated in various foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters. The carrying amounts of the Group's foreign currency denominated monetary financial assets and monetary financial liabilities at the reporting date are as follows:

	Financial assets		Financial Liabilities	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Sterling	574	3,314	193	178
Chinese RMB	3,790	5,068	921	2,204
Euro	151	688	5	2
US dollar	455	1,352	163	291
Hong Kong Dollar	93	2,089	96	9
Malaysian Ringitt	34	403	8	361
Canadian Dollar	247	448	134	288
Danish Kroner	-	-	-	25
	<u>5,344</u>	<u>13,362</u>	<u>1,520</u>	<u>3,358</u>

Foreign currency sensitivity analysis

The Group is mainly exposed to the Chinese RMB currency movements. The following table details the Group's sensitivity to a 20% increase and decrease in Sterling against the relevant foreign currencies and the impact on the consolidated statement of comprehensive income. This analysis is based on exposure at the balance sheet date and does not include net investment retranslation risk

	Impact on income statement	
	2010 £'000	2009 £'000
Chinese RMB	58	66
Euro	31	157
US dollar	46	108
Hong Kong dollar	-	42
Malaysian ringgit	1	2
Canadian dollar	17	21
Danish kroner	-	1

Fair Value Hierarchy

Financial instruments carried at fair value are required to be measured by reference to the following levels:

Level 1 – quoted prices in active markets for identified assets or liabilities.

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 – inputs for the asset or liability that are not based on observable market data

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to one fair value measurement.

All of the companies financial instruments are classified as level 3.

GALLEON HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2010

18 FINANCIAL INSTRUMENTS (CONTINUED)

Maturity of financial liabilities

The Group financial liabilities analysis at 30 September 2010 and 2009 was as follows:

	2010 £'000	2009 £'000
In less than one year or on demand:		
Trade and other payables	1,520	3,350
Bank overdraft	-	8
	<u>1,520</u>	<u>3,358</u>

19 DEFERRED TAXATION

	2010 £'000	2009 £'000
Movement in deferred tax		
At 1 October	301	397
Origination of timing differences (note 8)	(301)	-
Adjustment in respect of prior years (note 8)	-	(47)
Deferred tax on fair value adjustments	-	(49)
	<u>-</u>	<u>301</u>
At 30 September	-	301
Deferred tax comprised		
Accelerated capital allowances	-	(49)
Short term temporary differences on intangible assets	-	350
	<u>-</u>	<u>301</u>

Unrelieved tax losses of approximately £8,213,000 (2009: £436,000) remain available to offset against future taxable trading profits. The unprovided deferred tax asset at 30 September 2010 is £2,285,000 (2009: £122,000) which has not been provided on the grounds that it is uncertain when or in what tax jurisdiction taxable profits will be generated by the Group to utilise these losses.

20 SHARE CAPITAL

	2010 £'000	2009 £'000
Authorised		
275,000,000 (2009: 275,000,000) Ordinary shares of 1p each	<u>2,750</u>	<u>2,750</u>
Allotted, called up and fully paid		
167,426,002 (2009: 140,016,273) Ordinary shares of 1p each	<u>1,674</u>	<u>1,400</u>

Allotments during the year

The total nominal value of shares issued in the year was £274,097. This increase is due to allotments as follows:

Date of allotment	Number	Issue price	Purpose
at 30 September 2009	140,016,273		
5 November 2009	24,559,411	16.357p	Acquisition of Lushy Assets Limited deferred consideration
8 February 2010	2,850,318	11.125p	Investment in Dragonfruit Studios LLC
at 30 September 2010	<u>167,426,002</u>		

GALLEON HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2010

21 SHARE-BASED PAYMENTS

Equity-settled share-based payments

The Group has a share option scheme for directors and senior employees. Options are exercisable at a price equal to the average market price of the Group's shares on the date of the grant. The vesting period is over 3 years. None of the options from any of the schemes have performance conditions attached and none have been exercised. The options are settled in equity once exercised.

If the options remain unexercised after a period of 10 years from the date of the grant, the options expire. Options are forfeited if the employee leaves the company before the options vest.

As at 30 September 2010 the following number of Ordinary share options granted that remained outstanding were:

Holder	Date of grant	Number	Option Price	Exercise period	Fair value
Various	8 January 2001	24,000	100p	29/01/04 to 28/01/11	-
Stephen Green	30 June 2005	1,428,571	7p	01/07/08 to 30/06/15	4.37p
Leonard Dunne	30 June 2005	1,428,571	7p	01/07/08 to 30/06/15	4.37p
Paul Hamilton	14 July 2005	750,000	10p	15/07/08 to 14/07/15	5.39p
Hayden Eastwood	12 September 2005	1,000,000	7p	03/10/08 to 02/10/15	6.092p
Stephen Green	31 March 2006	1,000,000	10p	01/04/09 to 31/03/16	7.58p
Leonard Dunne	31 March 2006	1,000,000	10p	01/04/09 to 31/03/16	7.58p
Stephen Green	28 March 2008	500,000	25.25p	29/03/11 to 28/03/18	15.57p
Leonard Dunne	28 March 2008	500,000	25.25p	29/03/11 to 28/03/18	15.57p
David Wong	28 March 2008	500,000	25.25p	29/03/11 to 28/03/18	15.57p
Hayden Eastwood	28 March 2008	200,000	25.25p	29/03/11 to 28/03/18	15.57p
Paul Hamilton	28 March 2008	200,000	25.25p	29/03/11 to 28/03/18	15.57p
Various	28 March 2008	37,500	25.25p	29/03/11 to 28/03/18	15.57p
M. Ramachandra	12 April 2008	150,000	25p	13/04/11 to 12/04/18	10.56p
Various	15 September 2009	20,000	23.75p	16/09/11 to 15/09/18	5.80p
Stephen Green	27 January 2009	1,000,000	14.5p	28/01/12 to 27/01/19	4.12p
Leonard Dunne	27 January 2009	1,000,000	14.5p	28/01/12 to 27/01/19	4.12p
David Wong	27 January 2009	1,000,000	14.5p	28/01/12 to 27/01/19	4.12p
Hayden Eastwood	27 January 2009	1,000,000	14.5p	28/01/12 to 27/01/19	4.12p
Paul Hamilton	27 January 2009	750,000	14.5p	28/01/12 to 27/01/19	4.12p
Various	27 January 2009	550,000	14.5p	28/01/12 to 27/01/19	4.12p
Various	07 March 2009	50,000	13.5p	08/03/12 to 07/03/19	4.83p
Various	09 March 2009	25,000	14p	10/03/12 to 09/03/19	5.01p
Various	26 June 2009	225,000	16p	27/06/12 to 26/06/19	5.68p
Hong Rong	04 November 2009	1,000,000	15.15p	05/11/12 to 26/11/19	4.60p
Yu Peng	04 November 2009	1,000,000	15.15p	05/11/12 to 26/11/19	4.60p
Stephen Green	15 February 2010	700,000	12.00p	16/02/13 to 15/02/20	3.67p
Leonard Dunne	15 February 2010	700,000	12.00p	16/02/13 to 15/02/20	3.67p
Hayden Eastwood	15 February 2010	700,000	12.00p	16/02/13 to 15/02/20	3.67p
David Wong	15 February 2010	700,000	12.00p	16/02/13 to 15/02/20	3.67p
Pritesh Desai	15 February 2010	100,000	12.00p	16/02/13 to 15/02/20	3.67p
M. Ramachandra	15 February 2010	200,000	12.00p	16/02/13 to 15/02/20	3.67p
Various	15 February 2010	250,000	12.00p	16/02/13 to 15/02/20	3.67p
Hock Meng Teo	18 June 2010	1,000,000	12.90p	19/06/13 to 18/06/20	3.86p
		20,688,642			

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	2010		2009	
	No	WAEP	No	WAEP
Outstanding at the beginning of the year	14,338,642	13.4p	8,718,642	12.6p
Granted during the year	6,350,000	13.1p	5,620,000	14.6p
Outstanding at the end of the year	20,688,642	13.3p	14,338,642	13.4p
Exercisable at the year end	6,631,142	8.6p	6,631,142	8.6p

GALLEON HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2010

21 SHARE-BASED PAYMENTS (CONTINUED)

Share options outstanding at the end of the year have a weighted average remaining contractual life of 8 years (2009: 8 years) and have the following exercise prices.

Expiry Date	Exercise price £	2010 No	2009 No
29th January 2011	100p	24,000	24,000
30th June 2015	7p	2,857,142	2,857,142
14th July 2015	10p	750,000	750,000
02 October 2015	7p	1,000,000	1,000,000
31 March 2016	10p	2,000,000	2,000,000
28 March 2018	25.25p	1,937,500	1,937,500
11 April 2018	25p	150,000	150,000
14 September 2018	23.75p	20,000	20,000
26 January 2019	14.5p	5,300,000	5,300,000
05 March 2019	13.5p	50,000	50,000
08 March 2019	14p	25,000	25,000
25 March 2019	16p	225,000	225,000
04 November 2019	12p	2,000,000	-
15 February 2020	12p	3,350,000	-
17 June 2020	12.9p	1,000,000	-
		20,688,642	14,338,642

The fair values were calculated using the Black-Scholes Pricing Model. The significant inputs into the model were as follows:

- Volatility - 32-38% (2010)
- 50-80% (2007 to 2009)
- Risk free interest rate - 4.25-7.5%

Expected volatility was determined by calculating the historical volatility of the Group's share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised total expenses of £208,000 (2009: £134,000) related to equity-settled share-based payment transactions during the year.

22 LEASING COMMITMENTS

The total future minimum lease payments are as follows:

	Land and buildings 2010 £'000	Land and buildings 2009 £'000
Within one year	95	61
2-5 years	66	6
over 5 years	-	-
	161	67

GALLEON HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 30 SEPTEMBER 2010

23 CAPITAL COMMITMENTS

In the Group there were capital commitments of £123,000 (CAD 200,000) relating to the development of intellectual properties (2009: £613,000).

24 CONTINGENT LIABILITIES

The Company has been involved jointly with Glencar Mining plc in civil litigations in the Irish Courts against Mayo County Council. The Company has withdrawn its action although Glencar Mining plc proceeded with an appeal to the Supreme Court which was ultimately unsuccessful. Under an agreement reached between the Company and Glencar Mining plc dated 23 May 2000, the Company will still be liable for the legal costs up to the High Court hearing should an order for costs be made against Glencar Mining plc. This liability is restricted to a maximum of €76,000. This amount has been provided for in the accounts and the Company has paid €65,893 to date with an agreement to pay the remainder by 31 October 2011. As this agreement is between the Company and Glencar Mining plc, the Company has joint and several liability regarding legal costs in the event, considered unlikely by the Directors, that there is a shortfall unpaid by Glencar Mining plc.

25 PENSIONS

The Group operates a defined contribution pension scheme. The assets of the scheme are administered by trustees in a fund independent from those of the Group. The contributions amounted to £17,000 (2009: £17,000) for the year ended 30 September 2010. There were no outstanding contributions payable.

26 RELATED PARTY TRANSACTIONS

There have been no related party transactions or balances owing with the joint venture during the year ended 30 September 2010 (2009: £nil).

GALLEON HOLDINGS PLC

COMPANY BALANCE SHEET

At 30 September 2010

	Notes	2010 £'000	2010 £'000	2009 £'000	2009 £'000
Fixed assets					
Intangible assets	3	67		500	
Tangible assets	4	70		9	
Investments	5	<u>2,997</u>		<u>10,419</u>	
			3,134		10,928
Current assets					
Stocks and work in progress	6	392		4,166	
Debtors	7	739		8,528	
Cash at bank and in hand		<u>762</u>		<u>2,657</u>	
		1,893		15,351	
Creditors: amounts falling due within one year	8	<u>(399)</u>		<u>(936)</u>	
Net current assets			1,494		14,415
Total assets less current liabilities			4,628		25,343
Net assets			4,628		25,343
Capital and reserves					
Called up share capital	9	1,674			1,400
Shares to be issued	10	-			4,018
Share premium account	10	26,269			22,207
Capital redemption reserve	10	9,601			9,601
Share option reserve	10	532			324
Profit and loss account	10	<u>(33,448)</u>			<u>(12,207)</u>
Equity shareholders' funds	11		4,628		25,343

The financial statements were approved by the Board of Directors on 04 February 2011.

Stephen Green
Director

Hayden Eastwood
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

GALLEON HOLDINGS PLC

NOTES TO THE COMPANY FINANCIAL STATEMENTS

At 30 September 2010

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under accounting policies consistent with the previous year in accordance with United Kingdom Generally Accepted Accounting Practice and under the historical cost convention. As permitted by section 408 (3) of the Companies Act 2006, the profit and loss account of Galleon Holdings plc has not been presented in these financial statements. The Parent Company's loss for the year was £21,241,000 (2009: profit of £1,328,000).

Intangible fixed assets

Intellectual Property Rights, Trademarks and Licences are included at cost and amortised on a straight line basis over their useful economic lives as follows:

Intellectual Property Rights	10 years
Trade Marks	10 years
Licences	Length of the licence
Website	5 years

Provision for impairment is made when the Directors believe there has been a permanent reduction in value.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful economic life, as follows:

Computer equipment	33.3% straight line
Office equipment	20% straight line
Leasehold improvements	Length of lease

Leased assets

Operating lease rentals are charged to income in equal annual instalments over the lease term.

Investments

Unlisted investments are included at cost less amounts written off.

Where applicable the Company takes advantage of the merger relief provisions in section 612 of the Companies Act 2006 when accounting for investments in subsidiary undertakings whereby the cost of the investment in the books of the Company is calculated by reference to the nominal value of the shares issued rather than the fair value used upon consolidation. Where advantage of the merger relief provision is taken the fair value of the consideration for the acquisition of subsidiary undertakings is recorded in other reserves.

Impairment reviews are undertaken when there are potential indicators of impairment and provisions against the carrying value made as appropriate.

Stocks and work in progress

Stocks and work in progress are valued at the lower of development cost and directly attributable overheads incurred and net realisable value.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

GALLEON HOLDINGS PLC

NOTES TO THE COMPANY FINANCIAL STATEMENTS

At 30 September 2010

1. ACCOUNTING POLICIES (CONTINUED)

Deferred taxation

Deferred taxation is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Contributions to pension funds

The Company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Share based payments

All share based payment arrangements are recognised in the financial statements. The Company issues equity settled share-based payments to certain employees and directors. All services received in exchange for the grant of any share based remuneration are measured at their fair values at the date of grant.

Share based payments are ultimately recognised as an expense in profit or loss with a corresponding credit to the share based payment reserve, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options/warrants expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment is made to the expense or share issue cost recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Details of the impact of the policy are set out in the note 21 of the consolidated financial statements.

2. STAFF COSTS

The average number of employees of the company during the year was:

	2010 Number	2009 Number
Sales	1	1
Design	1	2
Administration	8	9
	<u>10</u>	<u>12</u>

Staff costs during the year were as follows:

	2010 £'000	2009 £'000
Wages and salaries	750	771
Social security costs	80	92
Other pension costs	17	17
Share option charge (note 21 in Group financial statements)	192	123
	<u>1,039</u>	<u>1,003</u>

The above staff costs do not include the amounts paid to Mr D Wong as set out in note 7 on page 24 of the consolidated accounts.

GALLEON HOLDINGS PLC

NOTES TO THE COMPANY FINANCIAL STATEMENTS

At 30 September 2010

3. INTANGIBLE ASSETS

	Intellectual property rights £'000	Trademarks £'000	Website £'000	Total £'000
Cost				
At 1 October 2009	600	26	40	666
Additions	400	3	6	409
At 30 September 2010	<u>1,000</u>	<u>29</u>	<u>46</u>	<u>1,075</u>
Amortisation				
At 1 October 2009	139	7	20	166
Provided during the year	52	2	20	74
Impairment	768	-	-	768
At 30 September 2010	<u>959</u>	<u>9</u>	<u>40</u>	<u>1,008</u>
Net book amount at 30 September 2010	<u>41</u>	<u>20</u>	<u>6</u>	<u>67</u>
Net book amount at 30 September 2009	<u>461</u>	<u>19</u>	<u>20</u>	<u>500</u>

4. TANGIBLE FIXED ASSETS

	Computer equipment £'000	Office equipment £'000	Leasehold Improvements £'000	Total £'000
Cost				
At 1 October 2009	33	1	2	36
Additions	7	36	40	83
At 30 September 2010	<u>40</u>	<u>37</u>	<u>42</u>	<u>119</u>
Depreciation				
At 1 October 2009	25	1	1	27
Provided during the year	7	6	9	22
At 30 September 2010	<u>32</u>	<u>7</u>	<u>10</u>	<u>49</u>
Net book amount at 30 September 2010	<u>8</u>	<u>30</u>	<u>32</u>	<u>70</u>
Net book amount at 30 September 2009	<u>8</u>	<u>-</u>	<u>1</u>	<u>9</u>

5. FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	2010 £'000	2009 £'000
Interests in subsidiary undertakings (a)	2,997	10,170
Interests in joint ventures (b)	-	-
Interests in other investments (c)	-	249
	<u>2,997</u>	<u>10,419</u>

GALLEON HOLDINGS PLC

NOTES TO THE COMPANY FINANCIAL STATEMENTS

At 30 September 2010

5. FIXED ASSET INVESTMENTS (CONTINUED)

(a) Investments in subsidiary undertakings

	£'000
Cost	
At 1 October 2009	17,542
Additions	78
Deferred consideration not payable 30 September 2010	(1)
	17,619
Provision	
At 1 October 2009	7,372
Provided during the year	7,250
Disposals	-
At 30 September 2010	14,622
Net book amount at 30 September 2010	2,997
Net book amount at 30 September 2009	10,170

At 30 September 2010 the Group had an interest in the Ordinary share capital of the following subsidiary undertakings:-

Subsidiary	Country of incorporation	Proportion held		Nature of business
		By the company %	By the group %	
Galleon Group plc	England and Wales	100	100	3D Animators
Clipper Media Limited	England and Wales	100	100	Dormant
Croco Worldwide Sourcing Limited	England and Wales	100	100	Premiums and promotions
Green and Dunne Limited	England and Wales	100	100	IP development company
HHH Limited	The Bahamas	100	100	Merchandising and licensing
Probe Media Limited*	England and Wales	Nil	100	Dormant
A4 Holdings plc*	England and Wales	Nil	100	Intermediate holding company
A4 Publications Limited*	England and Wales	Nil	100	Publications
Redeye PR Limited*	England and Wales	Nil	100	Dormant
Sailmaker Limited	England and Wales	Nil	100	Dormant
J Christopher Entertainment LLC	United States of America	51	51	Animation studio
Mysti Limited	Isle Of Man	100	100	Dormant
Croco Worldwide (Asia) Limited*	Hong Kong	Nil	100	Dormant
Galleon Holdings USA Inc.	Delaware	100	100	Dormant
Phoenix Global Investments Limited	British Virgin Islands	100	100	Intermediate holding company
Goldgate Asia Investment Limited*	Hong Kong	Nil	100	Media
Wayrich Technology Limited*	Hong Kong	Nil	100	Dormant
Horizon Multimedia Sdn. Bhd*	Malaysia	Nil	100	Interactive Media
Lushy Assets Limited*	British Virgin Islands	Nil	100	Intermediate holding company
Mengbo (Shanghai) Information Technology Co Ltd *	Shanghai, the PRC	Nil	100	Business Consultation

*The Company has an indirect holding via its subsidiaries

GALLEON HOLDINGS PLC

NOTES TO THE COMPANY FINANCIAL STATEMENTS

At 30 September 2010

5. FIXED ASSET INVESTMENTS (CONTINUED)

(b) Interests in Joint Ventures

Interests in joint ventures

At 30 September 2010 the Group had interests in the following joint venture:

Joint venture	Country of incorporation	Class of share capital held	Proportion held		Nature of business
			By the Company %	By the Group %	
Peppers Patrol Limited	England and Wales	Ordinary shares of £1 each	50	50	Dormant

The company's aggregate share in its joint venture comprises:

	2010 £'000	2009 £'000
Current assets	736	736
Liabilities due within one year	(736)	(736)
	<u>-</u>	<u>-</u>

Other fixed assets investments

Cost	£'000
At 1 October 2009	249
Additions	633
Impairment	(882)
At 30 September 2010	<u>-</u>

On the 26 January 2010, the company acquired a 19% shareholding in Dragonfruit Studios. The consideration was US\$1,000,000 represented by \$500,000 cash, \$500,000 ordinary 1p shares in Galleon Holdings plc. The Directors have reviewed the carrying value of this investment and consider it to be impaired. Dragonfruit Entertainment has failed to produce significant revenues and perform against forecasts

6. STOCK AND WORK IN PROGRESS

	2010 £'000	2009 £'000
Work in progress	<u>392</u>	<u>4,166</u>

The replacement cost does not significantly differ from the cost stated above.

7. DEBTORS

	2010 £'000	2009 £'000
Trade debtors	59	2,158
Amounts owed by Group undertakings	587	4,259
Other debtors	45	2,092
Prepayments and accrued income	48	19
	<u>739</u>	<u>8,528</u>

Included within other debtors is a loan of £2,167,000 made by Galleon Holdings plc to a supplier in order to guarantee the continuity of supply to the Croco business. The loan is repayable over five years and is repayable in full by 30 June 2013. Galleon Holdings plc have an option arrangement, that in the event of a default on the loan, it can acquire the entire share capital of the supplier for £1.

The directors have reviewed the cashflow forecasts of the supplier and do not expect that it will be able to meet the repayment schedule. The supplier repaid £50,000 during the year which was below expectations. In reviewing the cashflow forecasts the directors have concluded that the supplier does not have sufficient orders contracted or near to agreed, or the financial resources to trade at a level which would allow it to make further repayments in the 12 months from the balance sheet date. As such the directors have included a provision against 100% of the remaining outstanding balance.

GALLEON HOLDINGS PLC

NOTES TO THE COMPANY FINANCIAL STATEMENTS

At 30 September 2010

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £'000	2009 £'000
Bank overdraft	-	7
Trade creditors	314	623
Amounts owed to Group undertakings	3	-
Other taxes and social security costs	6	33
Other creditors	16	33
Corporation tax	-	46
Accruals and deferred income	60	194
	<u>399</u>	<u>936</u>

9. SHARE CAPITAL

Details of the share capital of the company is shown in note 20 of the consolidated financial statements.

10. OTHER RESERVES

	Share premium account £'000	Shares to be issued £'000	Capital redemption reserve £'000	Share option reserve £'000	Profit and loss account £'000	Total £'000
At 1 October 2009	22,207	4,018	9,601	324	(12,207)	23,943
Issue of shares	4,065	-	-	-	-	4,065
Share options charge for the year	-	-	-	208	-	208
Shares to be issued on acquisitions	-	(4,018)	-	-	-	(4,018)
Expenses paid in connection with share issues	(3)	-	-	-	-	(3)
Loss for the year	-	-	-	-	(21,241)	(21,241)
At 30 September 2010	<u>26,269</u>	<u>-</u>	<u>9,601</u>	<u>532</u>	<u>(33,448)</u>	<u>2,954</u>

11. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2010 £'000	2009 £'000
(Loss) / profit for the financial year	(21,241)	1,328
Issue of shares (net of issue costs)	4,336	6,191
Share options charge	208	134
Shares to be issued	(4,018)	(1,846)
Net (decrease)/ increase in equity shareholders' funds	<u>(20,715)</u>	<u>5,807</u>
Equity shareholders' funds at 1 October 2009	25,343	19,536
Equity shareholders' funds at 30 September 2010	<u>4,628</u>	<u>25,343</u>

Notice is hereby given that the Annual General Meeting of Galleon Holdings plc (the "Company") will be held at the office of Galleon Holdings plc, Conduit House, 309-317 Chiswick High Road, London, W4 4HH on 28th March 2011 at 9.30 am for the following purposes:

Ordinary Business

- 1 To receive and adopt the report of the Directors and the financial statements for the year ended 30 September 2010 and the report of the auditors thereon.
- 2 To re-elect Hayden Eastwood as a Director of the Company.
- 3 To re-elect Stephen Green as a Director of the Company.
- 4 To reappoint the auditors and to authorise the directors to fix their remuneration.
- 5 To transact any other ordinary business.

Special Business

- 6 The directors be generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot shares or to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £2,750,000, such authority to expire 15 months from the date of passing of this resolution or, if earlier, the conclusion of the Annual General Meeting of the Company to be held in 2012, save that the directors may allot shares or to grant rights to subscribe for or to convert any security into shares in the Company pursuant to this authority after that date pursuant to an offer or agreement made by the Company on or before that date as if such authority had not expired and provided further that this authority shall be in substitution for and supersede and revoke any earlier such authority conferred on the directors to the extent not previously utilised.
- 7 The Directors be generally empowered pursuant to Section 571 of the Act to allot equity securities (as defined in Section 560(1) of the Act) for cash pursuant to the authority conferred to in resolution 6 above as if Article 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to:
 - (i) the allotment of equity securities in connection with a rights issue or other pre-emptive shares issue in favour of the holders of ordinary shares in the capital of the Company where the equity securities attributable to the respective interests of all holders of ordinary shares are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them but subject to such exclusions or arrangements as the directors may deem necessary or expedient to deal with fractional entitlements arising or any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or exchange or otherwise; and
 - (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities for cash up to an aggregate nominal amount of £2,750,000.

ON BEHALF OF THE BOARD

Hayden Eastwood
Company Secretary

4th February 2011

Registered Office
50 Bedford Street
Belfast BT2 7FW

Notes to the Notice of Annual General Meeting

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company Registrars.
4. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.
To appoint a proxy using the proxy form, the form must be:
 - completed and signed;
 - sent or delivered to the Company at the Company's Registrars; and
 - received by the Company's Registrars no later than 9.30am on 25 March 2011
6. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
7. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
11. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's Registrars. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
12. In either case, the revocation notice must be received by the Company no later than the date and time of the meeting.
13. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
14. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.
15. Except as provided above, members who have general queries about the Meeting should contact the Company's Registrars (no other methods of communication will be accepted).
16. You may not use any electronic address provided either:
 - in this notice of annual general meeting; or
 - any related documents (including the proxy form),
 - to communicate with the Company for any purposes other than those expressly stated.



Galleon Holdings plc

Galleon Holdings plc

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