

Date: 27 January 2010  
On behalf of: Galleon Holdings plc ('Galleon', 'the Company' or the 'the Group')  
Embargoed until: 0700hrs

**Galleon Holdings plc**  
**Preliminary results for the year ended 30 September 2009**

Galleon Holdings plc (AIM: GON), the AIM listed entertainment media company that develops and produces multiplatform entertainment properties with a focus on emerging markets, is pleased to announce its preliminary results for the year ended 30 September 2009.

**Highlights:**

- Group revenue increased to £27.1 million a rise of 123% (2008: £12.1 million)
- Profit before tax\* increased to £1,377,000, a rise of 60% (2008: £861,000)
- EBITDA\*\* increased to £2.2m, a rise of 92% (2008: £1.1m)
- China TV and Wireless infrastructure established
- Significant growth in media business

\*Adjusted profit before tax is before charges for the impairment of goodwill of £109,000 and share option expense of £134,000

\*\*Adjusted EBITDA is before charges for share option expense £134,000

**Commenting on the results, Stephen Green, CEO of Galleon Holdings, said:**

“Whilst we have certainly not been immune to the global recession, the business has gone from strength to strength over the last financial year and we believe that we have weathered the worst of it. Though it is only right to remain cautious, we are confident that we have the correct strategy in place to move the business forward and take advantage of the many opportunities that are emerging worldwide.”

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## **CHAIRMAN'S STATEMENT**

I am delighted to report a significant rise in Galleon's group revenue for the financial year ended 30 September 2009. The Group has made good progress in executing its global media strategy, resulting in a profit before tax\* of £1,377,000 compared to £861,000 the previous year.

### Media growth

Galleon has continued to grow its media business, and thus the business overall, despite the impact of the global economic downturn on the media and promotions sectors. A key factor of this growth has been that 80% of the Group's media revenues come from China, a region which has bucked the trend and seen its media sector grow in the last financial year despite the global economic environment. Galleon's Multiplatform Entertainment Property ("MEP") model means that it derives revenue from a diverse range of activities that include the "new media sector", and are not wholly reliant on traditional media revenues such as sponsorship and advertising (an area significantly affected by the economic downturn). The continuing fragmentation of entertainment channels in the media sector has meant that advertising budgets for the big consumer brands are being allocated differently and the composition of Galleon's MEPs are the perfect fit for these brands. Galleon's MEPs offer powerful entertainment based communication directly to the consumer through channels that allow ongoing communication. The current reference for this is "Branded Entertainment".

Croco's revenue growth was slowed this year as a result of consumer goods companies holding back on their promotional spend. Although, there is evidence to show that this is now relaxing, Croco has continued to diversify beyond the food and drinks markets to provide greater breadth in its business base going forward.

Galleon has seen further growth in the online and digital games markets both inside and outside of China. These sub sectors of the media market are becoming increasingly important, with significant revenue prospects to those who can offer entertainment directly to consumers. Currently Galleon achieves this through Yunbo, its mobile phone aggregator in China, whilst also building relationships with the larger online portals and operators in all markets.

### Outlook

Galleon has now established a strong media platform in China and built a team with the understanding of both Chinese and Western media markets. This team has the commercial and creative skills to bring these two media markets together for the first time through two models. The first model consists of developing and launching MEPs in China and then selling the format and licensing rights into the rest of the world. The second model works by taking Western entertainment, localising it for the Chinese market, and then distributing it directly through Galleon's own channels or via third parties. Galleon has demonstrated the first of these models with Super Soccer Star and now have a slate of new IP to introduce into China and the West in 2010. Galleon expects to lay the foundations for the second model during the course of 2010 with opportunities in China and Western collaboration for mobile, online games and audio visual entertainment. To do this, the Group plans to add to its skill base and operations within the areas of online games and Branded Entertainment in particular.

The outlook for 2010 continues to be encouraging with some exciting developments including the launch of new properties, new business channels and higher margin product offerings designed to improve our overall profitability.

I would like to take this opportunity to thank both shareholders and employees for their support during the last year.

**David Wong, Chairman**

\* Adjusted profit before tax is before charges for the impairment of goodwill of £109,000 and share option expense of £134,000

## **CHIEF EXECUTIVE'S STATEMENT**

### **Financial Overview**

The Group has seen a 123% increase in revenues over the last financial year, including the first full year of trading with Phoenix Investment Global Limited and Lushy Assets Limited. Galleon's product division, Croco, experienced a difficult year due to the economic downturn, fluctuations in oil prices and foreign exchange rates in the first half of the year, resulting in a loss for the full year of £110,000. The media business outperformed during the year to compensate for this loss and Croco has since seen margins restored. Whilst there was a higher level of transactional based revenues from China this year, gross profit increased by 58% to £5.8m. EBITDA also increased by 92% to £2.2m for the year after adjusting for share options expenses.

In June, the Group raised £3.85m, before expenses, to further expand the growth of its media business in China and in particular to fund the development and production of audio visual content and online games. At 30 September 2009 the Group had a cash balance of £4.5m and no borrowings.

### **Group Strategy**

During the course of this year the Company has successfully executed the first stages of its strategy to develop MEPs that can be launched in China and exported around the world.

In China we have built a profitable media operation providing a range of services through Yunbo, our mobile aggregator, embedding games in mobile phones and leveraging our relationships with all the main mobile operators, handset manufacturers, TV broadcasters, cinema distributors and online operators. In addition, we have a strong development team that creatively unlocks media content opportunities in China whilst also developing MEPs, such as Super Soccer Star, that can travel beyond China. It is testament to this strategy that the media division has continued to grow over the last 12 months despite the inclement economic environment.

Galleon is now strategically positioned to capitalise on any opportunities within the growing Chinese media market. The Group has a flexible revenue model and multiple revenue streams, driven by a branded franchise approach which is largely culturally agnostic and not reliant on

production margins. This strategy supports properties with robust business models and in turn greatly widens the number of markets available.

Going forward the Group believes it is important to grow its presence in the online media sector. We are seeing the strategic and financial benefits of direct to consumer distribution through the mobile sector in China and want to replicate this in the online area. China is the largest online market in the world with more than 380 million people online. Their voracious consumption of all online content (linear and non linear) indicates that growth in this sector will be a long term trend. The distribution of non-Chinese content has become highly regulated and there are many barriers to entry. These factors work in Galleon's favour as its strategy of "operating from within" provides the relationships needed to unlock the value that resides in the market either through its own distribution, or by working with established partners. This makes Galleon a significant partner for any Western media entertainment company or international consumer brand seeking to operate in China. To this end, during 2010 we will focus on expanding operations by offering digital content localisation and distribution through mobile and online, as well as branded entertainment solutions. The Group shall also be transitioning its mobile operation towards lower volume and higher margin based activities.

Outside of China, Galleon has been active in securing a foothold in the United States. The Group's US strategy is based upon leveraging the appeal of its MEPs to large consumer brands and uses this to secure distribution in a very competitive market. Galleon has therefore chosen to work with branded entertainment specialists, Dragonfruit Entertainment, on all properties and has taken a minority stake of 19% in this organisation. The Board is seeing evidence that this relationship could deliver penetration for Galleon's brands on a regional basis in the US and can also help to unlock global branded entertainment discussions involving these brands in the Company's Chinese operations.

## **Entertainment Division**

Galleon Entertainment has had considerable success this last 12 months both in exploiting Super Soccer Star and also developing new MEPs to come to market in the near future.

### **Super Soccer Star**

Super Soccer Star is a MEP which has a prime time reality TV show that is produced in conjunction with Chelsea Football Club. Having aired in China and then Malaysia, Super Soccer Star has been sold into India, North Africa, Russia, Eastern Europe, Scandinavia, Middle East and Vietnam over the year. During March 2009, Galleon secured a strategic deal with Chelsea Football Club to allow a long term global roll out of the property. India, the US and Mexico are priorities for the Group in the coming 12 months. This brand has proved that Galleon is capable of finding a creative solution to entertainment that can span both China and the West and a commercial model that works in multiple territories. This property has also helped to develop a dialogue with the big consumer brands, particularly through Dragonfruit Entertainment.

### **Super Fashion Star**

Galleon has taken the successful MEP model developed for Super Soccer Star and applied it to the world of fashion. Super Fashion Star ("SFS") is a search for a nation's most talented young model, stylist and designer. It is brought to market, at first, online where the young talent can

showcase itself and also compete in the SFS online game. The best of the online recruitment then take part in a reality TV show where the winners receive the opportunity to put on a fashion show at one of the biggest fashion events in the world, London Fashion Week. The global partner for SFS is Fashion Fringe at Covent Garden ("FFCG"). FFCG is an IMG operated fashion search for cutting edge, iconoclastic talent in design and creativity. The franchise is strong in all revenue streams from sponsorship to merchandise and online games.

During the course of 2010 Galleon is planning to launch SFS in China online and through TV, and in the rest of the world through online channels.

### Sokator – 442

Sokator-442 is a MEP based on a science fiction intergalactic soccer team that parallels the best attributes within the real game. It is a hybrid model that combines revenues from animation, live action TV production and online games.

The property will be brought to the consumer through three events in 2010:

1. An animated movie that brings to life the world and the characters from Sokator. This will be produced for release in conjunction with the World Cup in the summer of 2010. It is a coproduction with leading Asian movie distributor Polybona who will be distributing the movie in cinemas across China and South East Asia. In the rest of the world the movie will be sold to TV broadcasters.
2. An online game. In this game you are an intergalactic soccer manager. This is already distributed through an online games portal operator Spil Games outside of China and will be launched in China in the spring of 2010 with leading browser based games operator Game 5. The game is free to play, with additional premium content and functionality available for a small fee. Galleon also expects to generate revenue through sponsorship deals.
3. A TV gameshow that combines live action and animation. Children and families take part in soccer related challenges, all with the science fiction theme. The gameshow is expected to be sold to broadcasters in China and around the world during 2010.

### Apollo's Pad

Apollo's Pad is a puppet based young adult comedy that was initially launched online and has since completed a successful migration to TV. Webisode content from the website was packaged and broadcasted in Canada by broadcaster Spike TV in early 2009. This was a huge ratings success and was the broadcaster's highest tracked property online. As a result of this, Spike TV has commissioned 26 x 11 minute episodes. These are in production and will air in the early summer of 2010. Galleon plans to distribute this content into other markets throughout the year.

### Skunk fu!

Skunk fu! is a children's animated TV series that has been sold into over 100 territories worldwide. Galleon owns 15% of the IP and also controls the licensing and merchandising worldwide. There is considerable appetite for this property in China and the Group believe that it can apply the same movie/games model as used for Sokator-442 to Skunk fu!.

## Mysti

Mysti is a tween girl TV series that has aired on the BBC. Galleon has entered into a development deal with Planet Nemo, a French animation studio, to produce a new series with a new treatment and script submitted to broadcasters in key territories. The intention is to produce the next series as a French/Canadian co-production thereby benefitting from the various tax credits and subsidies in both territories.

## **Product Division**

Traditionally our product division Croco has specialised on designing and making collectible products that are used as free gifts by large food and drink companies in emerging markets to drive sales and grow market share. These food and drinks companies delayed or cancelled many of the promotions that they would normally do during 2009 and this damaged the division's profits for the year. Although business is returning to normal in this area the division has been focussing on diversifying its revenues by looking at markets outside of the food and drink sector where it can apply the same skills. We also believe that there is considerable business to be won in Asia and have made some steps into these markets with a few trial orders.

## **Outlook**

Galleon currently has a successful wireless distribution business in China with strong media relationships in TV and cinema distribution. During 2010 the Board believe that Galleon can significantly accelerate the growth of the business by expanding its Chinese operations to include development and localisation of digital content and online distribution. On a more global basis, Galleon also intend to grow its Branded Entertainment operations as the ability to access funds from global consumer brands will unlock the US and place Galleon as a multimedia player with a China/US axis. With at least two new entertainment brands launching in the market in 2010, the Board believe that Galleon will continue to grow its multimedia reach in the marketplace and thereby increase its value considerably.

**Stephen Green, Chief Executive Officer**

**GALLEON HOLDINGS PLC**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

	Note	Year ended 30 September 2009 £'000	Year ended 30 September 2008 £'000
<b>Revenue</b>	3	<b>27,068</b>	12,125
Cost of sales		<u>(21,247)</u>	<u>(8,433)</u>
<b>Gross profit</b>		<b>5,821</b>	3,692
Administrative expenses		<b>(4,847)</b>	(3,252)
EBITDA		<b>2,042</b>	1,056
Depreciation, amortisation and impairment		<u>(1,068)</u>	<u>(616)</u>
<b>Profit from operations</b>		<b>974</b>	440
Finance income		<b>165</b>	289
Finance costs		<b>(5)</b>	(8)
<b>Profit before taxation</b>		<b>1,134</b>	721
Taxation	4	<b>(132)</b>	(285)
<b>Profit for the financial year</b>		<b>1,002</b>	436
<b>Earnings per share</b>			
- Basic	5	<b>0.8p</b>	0.5p
- Diluted		<b>0.6p</b>	0.3p

All of the activities of the group are classed as continuing.  
EBITDA is defined as earnings before interest, tax, depreciation, amortisation and impairment.

**GALLEON HOLDINGS PLC**  
**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED INCOME AND EXPENSE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

	2009 £'000	2008 £'000
Profit for the financial year	<b>1,002</b>	436
Foreign currency translation differences arising on consolidation	<u><b>1,590</b></u>	<u>182</u>
Total recognised income and expense attributable to equity shareholders	<b>2,592</b>	618

**GALLEON HOLDINGS PLC**  
**CONSOLIDATED BALANCE SHEET**  
**30 SEPTEMBER 2009**

	Note	30 September 2009 £'000	30 September 2008 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		336	371
Available for sale financial assets		249	-
Intangible assets	6	15,473	11,950
Loans and receivables		<u>1,888</u>	<u>1,866</u>
		<u>17,946</u>	<u>14,187</u>
<b>Current assets</b>			
Inventories		2,484	3,934
Trade and other receivables		6,753	3,637
Cash and cash equivalents		4,514	1,324
		<u>13,751</u>	<u>8,895</u>
<b>Total assets</b>		<u>31,697</u>	<u>23,082</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred taxation		<u>301</u>	<u>397</u>
<b>Current liabilities</b>			
Trade and other payables		4,230	2,940
Borrowings		8	-
Corporation taxation		<u>575</u>	<u>233</u>
		<u>4,813</u>	<u>3,173</u>
<b>Total liabilities</b>		<u>5,114</u>	<u>3,570</u>
<b>EQUITY</b>			
Share capital		1,400	998
Shares to be issued		4,018	5,864
Reserves		<u>21,165</u>	<u>12,650</u>
<b>Equity interests attributable to equity holders of the company</b>	7	<u>26,583</u>	<u>19,512</u>
<b>Total equity and total liabilities</b>		<u>31,697</u>	<u>23,082</u>

**GALLEON HOLDINGS PLC**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

	Notes	Year ended 30 September 2009 £'000	Year ended 30 September 2008 £'000
<b>Operating activities</b>			
Profit/(loss) for the year		1,002	436
Taxation		132	285
Finance (income)/ cost		(160)	(281)
Loss on sale of property, plant and equipment		-	2
Depreciation of property, plant and equipment		336	169
Amortisation of intangible assets and impairment of goodwill		732	447
Decrease/(increase) in inventories		1,450	(3,176)
(Increase) in trade and other receivables		(2,460)	(2,212)
Increase in trade and other payables		1,515	2,016
Share based payments		134	79
Foreign exchange		(350)	171
		<u>2,331</u>	<u>(2,064)</u>
Taxation paid		(142)	(131)
Interest received/ (paid)		8	281
		<u>2,197</u>	<u>(1,914)</u>
<b>Net cash inflow/(outflow) from operating activities</b>			
<b>Investing activities</b>			
Purchase of property, plant and equipment		(271)	(479)
Purchase of intangible assets		(2,280)	(299)
Purchase of subsidiary undertakings		(126)	(2,226)
Purchase of available for sale financial assets		(178)	-
Cash acquired with purchase of subsidiary undertakings		-	331
		<u>(2,855)</u>	<u>(2,673)</u>
<b>Net cash outflow from investing activities</b>			
<b>Financing activities</b>			
Issue of shares		3,850	8,000
Expenses paid in connection with share issues		(184)	(209)
Repayment of loan notes		-	(500)
Loan advanced to supplier		-	(1,581)
Receipts from borrowings		182	-
		<u>3,848</u>	<u>5,710</u>
<b>Net cash inflow from financing activities</b>			
<b>Movement in cash and cash equivalents</b>			
Cash and cash equivalents brought forward		<u>1,324</u>	<u>201</u>
		<u>4,514</u>	<u>1,324</u>
Cash and cash equivalents carried forward		<u>4,514</u>	<u>1,324</u>
<b>Significant non-cash movements</b>			
Purchase of available for sale financial assets settled by shares		70	-
Purchase of subsidiary settled by shares and loan note		<u>2,454</u>	<u>2,328</u>

## 1. GENERAL INFORMATION

Galleon Holdings plc is incorporated and domiciled in the United Kingdom.

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The consolidated balance sheet at 30 September 2009 and the consolidated income statement, the consolidated statement of cash flows and the associated notes for the year then ended have been extracted from the Group's financial statements upon which the auditor's opinion is unqualified and does not include any statement under section 498 of the Companies Act 2006. The statutory accounts for the year ended 30 September 2009 will be delivered to the Registrar of Companies following the Group's Annual General Meeting.

The consolidated balance sheet at 30 September 2008 and the consolidated income statement, the consolidated statement of cash flows and the associated notes for the year then ended have been extracted from the Group's financial statements upon which the auditor's opinion is unqualified and does not include any statement under section 237 (2) or (3) of the Companies Act 1985. The statutory accounts for the year ended 30 September 2008 have been delivered to the Registrar of Companies.

## 2. ACCOUNTING POLICIES

### Basis of preparation

The Group financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The Company's shares are listed on the AIM market of the London Stock Exchange.

The principal accounting policies are detailed in the Group's annual report and financial statements.

## 3. SEGMENTAL ANALYSIS

For management purposes, the Group is currently organised into two classes of operations and management consider business class segments to be the basis of its primary segmental information.

	<b>2009 Revenue £'000</b>	2008 Revenue £'000	<b>2009 Profit £'000</b>	2008 Profit £'000
Entertainment	<b>21,499</b>	7,049	<b>1,111</b>	(354)
Product (Croco)	<b>5,569</b>	5,076	<b>(137)</b>	794
	<hr/> <b>27,068</b> <hr/>	<hr/> 12,125 <hr/>	<hr/> <b>974</b> <hr/>	<hr/> 440 <hr/>
Net finance income/ (cost)			<b>160</b>	281
Share of profits from associates			<b>-</b>	-
Taxation			<b>(132)</b>	(285)
<b>Profit for the year</b>			<hr/> <b>1,002</b> <hr/>	<hr/> 436 <hr/>

	2009			2008		
	Assets £'000	Liabilities £'000	Net £'000	Assets £'000	Liabilities £'000	Net £'000
Entertainment	30,547	(4,849)	25,698	21,627	(2,708)	18,919
Product (Croco)	1,150	(265)	885	1,455	(862)	593
	<u>31,697</u>	<u>(5,114)</u>	<u>26,583</u>	<u>23,082</u>	<u>(3,570)</u>	<u>19,512</u>

#### 4 TAXATION

	2009 £'000	2008 £'000
United Kingdom corporation tax at 28% (2008 : 30%)	(4)	233
Adjustment in respect of prior year	(38)	-
Overseas taxation	271	131
Total current taxation	<u>229</u>	<u>364</u>
Deferred taxation		
Origination of temporary differences	(92)	160
Adjustments in respect of prior years	(5)	(239)
Taxation charge for the year	<u>132</u>	<u>285</u>

#### 5 EARNINGS PER SHARE

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

	2009 £'000	2008 £'000
Profit after tax	<u>1,002</u>	<u>436</u>
Weighted average number of shares (No in 000's)	119,474	96,724
Weighted average number of share options	10,676	871
Shares to be issued	24,559	29,692
Weighted average number of shares (No 000's) used for diluted earnings per share	<u>154,709</u>	<u>127,287</u>
Basic earnings per share (in pence)	<u>0.8p</u>	<u>0.5p</u>
Diluted earnings per share (in pence)	<u>0.6p</u>	<u>0.3p</u>

#### 6 INTANGIBLE ASSETS

	2009 £'000	2008 £'000
Goodwill (a)	11,018	9,154

Other intangible assets	<u>4,455</u>	<u>2,796</u>
	<u><u>15,473</u></u>	<u><u>11,950</u></u>

**(a) Goodwill**

	<b>Goodwill on consolidation £'000</b>
<b>Cost</b>	
At 1 October 2007	13,828
Additions	<u>8,666</u>
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	1,163
At 30 September 2009	<u><u>24,128</u></u>
<b>Impairment</b>	
At 1 October 2007	13,279
Impairment charged to administrative expenses	61
At 1 October 2008	13,340
Impairment charged to administrative expenses	109
Disposals	(339)
At 30 September 2009	<u><u>13,110</u></u>
Net book amount at 30 September 2009	<u><u>11,018</u></u>
Net book amount at 30 September 2008	<u>9,154</u>

**(b) Other intangible assets**

	<b>Intellectual property rights £'000</b>	<b>Trademarks £'000</b>	<b>Website £'000</b>	<b>Licences £'000</b>	<b>Software £'000</b>	<b>Other £'000</b>	<b>Total £'000</b>
<b>Cost</b>							
At 1 October 2007	1,943	33	16	63	-	-	2,055
Additions	250	23	2	-	202	-	477
Additions from acquisition	<u>-</u>	<u>-</u>	<u>-</u>	<u>395</u>	<u>24</u>	<u>718</u>	<u>1,137</u>
At 30 September 2008	2,193	56	18	458	226	718	3,669
Additions	2,160	15	-	-	61	43	2,279
Disposals	(92)	-	-	-	-	-	(92)
Foreign Exchange	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>
At 30 September 2009	<u><u>4,261</u></u>	<u><u>71</u></u>	<u><u>18</u></u>	<u><u>458</u></u>	<u><u>290</u></u>	<u><u>761</u></u>	<u><u>5,859</u></u>
<b>Amortisation</b>							
At 1 October 2007	411	7	6	63	-	-	487
Provided during the year	<u>193</u>	<u>5</u>	<u>3</u>	<u>24</u>	<u>45</u>	<u>116</u>	<u>386</u>
At 30 September 2008	604	12	9	87	45	116	873
Provided during the year	355	7	4	40	53	164	623
Disposals	(92)	-	-	-	-	-	(92)
Foreign Exchange	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 September 2009	<u><u>867</u></u>	<u><u>19</u></u>	<u><u>13</u></u>	<u><u>127</u></u>	<u><u>98</u></u>	<u><u>280</u></u>	<u><u>1,404</u></u>

Net book amount at 30 September 2009	<u>3,394</u>	<u>52</u>	<u>5</u>	<u>331</u>	<u>192</u>	<u>481</u>	<u>4,455</u>
Net book amount at 30 September 2008	<u>1,589</u>	<u>44</u>	<u>9</u>	<u>371</u>	<u>181</u>	<u>602</u>	<u>2,796</u>

Other intangible assets relates to those intangible assets valued by a professional valuer in respect of the Phoenix and Lushy acquisitions such as customer lists, brand names and non compete agreements.

During the year, £2,160,000 of intellectual property has been transferred out of work in progress and into intangible assets in accordance with the Group's accounting policy.

## 7 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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 2007	648	6,650	-	9,601	210	-	(14,276)	2,833
Profit for the year	-	-	-	-	-	-	436	436
Foreign exchange differences	-	-	-	-	-	182	-	182
Issue of share capital	350	9,977	-	-	-	-	-	10,327
Cost of issue of share capital	-	(209)	-	-	-	-	-	(209)
Deferred consideration	-	-	5,864	-	-	-	-	5,864
Share based payments	-	-	-	-	-	-	79	79
At 30 September 2008	998	16,418	5,864	9,601	210	182	(13,761)	19,512
Profit for the year	-	-	-	-	-	-	1,002	1,002
Foreign exchange differences	-	-	-	-	-	1,590	-	1,590
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
At 30 September 2009	<u>1,400</u>	<u>22,207</u>	<u>4,018</u>	<u>9,601</u>	<u>210</u>	<u>1,772</u>	<u>(12,625)</u>	<u>26,583</u>

## 8 REPORT AND ACCOUNTS

The Group's annual report and financial statements will be, where required, posted to shareholders shortly; alternatively the annual report and financial statements are published on our corporate web site [www.galleonplc.com](http://www.galleonplc.com)

## 9 POST BALANCE SHEET EVENTS

On 5 November 2009, the Group announced it was to issue a further 24,559,411 Galleon ordinary 1p shares as the final element of the deferred consideration for the acquisition of Lushy Assets Limited.