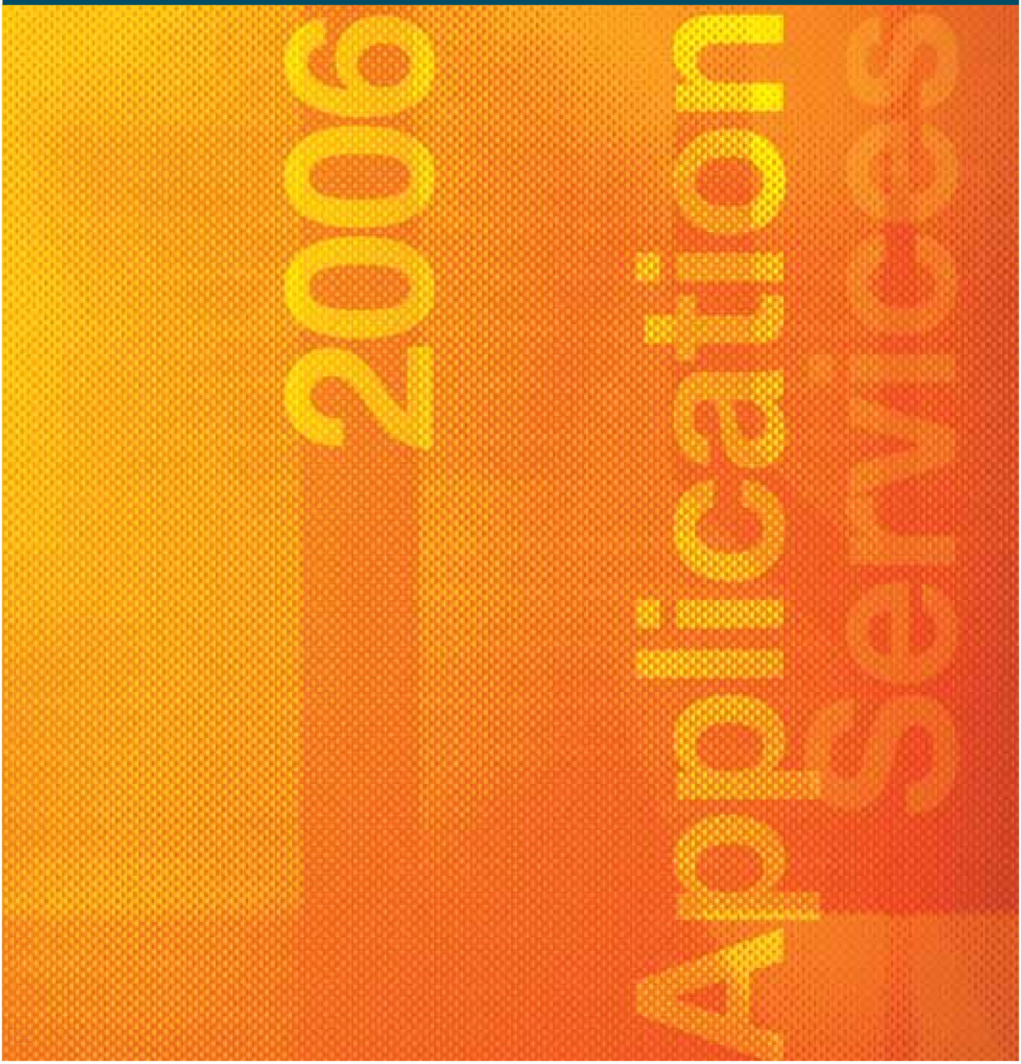
FFastFill Plc

Interim Financial Report

For the six months ended 30 September 2006



FFastFill Plc

CONTENTS

FFastFill

Chairman's statement

Introduction

The first half of our financial year has seen good progress as we complete the company's transformation from our software product roots to an Application Services Provider serving the electronic trading community. We have started to see the financial benefits of this scaleable business model and have been EBITDA positive in the months of September and October 2006.

Highlights of the period include:

- Turnover of £2.758 million (2005/6 £2.277 million)
  - Overall growth of 21.1%
  - ASP growth of 45.5%
- EBITDA loss reduced by 45.3% to £0.680 million (2005/6 £1.243 million)
- Our current order book (for the next 12 months) of £6.045 million (2005/6 £4.570 million) up 32%.

Financial review

The revenue for the half year grew to £2.758 million (2005/6 £2.277 million) up 21.1%. The ASP revenues at £1.555 million (2005/6 £1.069 million) grew by 45.5%. The revenue growth has been achieved by increasing the average income per customer. We now have approximately 40 customers with our top 20 customers accounting for 93% of our revenue; average annualised income for the top 20 customers is now £257k per customer, a growth of 16%. 21 of our customers are now taking an ASP service.

Our Application Services growth has been underpinned by a number of important wins which we announced earlier this year. These contracts have now been implemented and we will see further benefit from them during the second half of the year. Our trading platform is now used by major investment banks in New York, Chicago and London. We have continued to expand our LME business and now have a leadership position in electronic metals trading on the LME. We have also increased the number of customers using our CME/FX on Reuters service to eight global banks and now have over 200 users of the FFastFill Trading Technologies Application Service across 10 customers.

The EBITDA loss has been reduced by 45% to £0.680 million (2005/6 £1.243 million) as a result of the growth in revenue and our success in holding total costs flat in comparison with the same period last year. Our operating expenditure was £2.799 million (2005/6 £3.016 million). This was achieved by unifying the customer facing activities in London and Chicago as we focus on growing the revenues from our global customers. The first half costs included approximately £100k of one time redundancy charges.

The accounts now reflect the implementation of FRS20 covering share-based payments. This has had a minimal affect on the first half figures.

FFastFill

Chairman's statement – continued

The cash outflow from operating activities was £1.029 million (2005/6 £0.989 million). This reflected the EBITDA loss and an increase in working capital due to changes in some customer and supplier payment profiles. New capital expenditure on fixed assets was £0.100 million (2005/6 £0.902 million). This reduction reflects the fact that during the same period last year we were building our second London data centre and the Chicago data centre. Capital expenditure in the second half is expected to be greater than in the first in support of the expansion of our services to existing and anticipated customers. We made a share placing during the period, raising £1.303 million net of expenses. This was approved at an EGM on 31 May 2006.

The cash balance at 30 September 2006 was £1.271 million compared to £1.230 million at 31 March 2006.

Operational review

Strategy: The Applications Services strategy continues to serve the company well. It is a real differentiator as we are able to deploy our service rapidly and in a flexible and cost effective way. We continue to investigate new partnerships to expand our service offering with third parties and the fact that our software platform can support multiple asset classes is opening up a number of important strategic opportunities with major institutions.

Business development: Our reputation with global institutions continues to grow. The recent wins and the existing global customers provide us with a strong base to continue the rapid growth of our ASP services. After we have established an initial service with an institution the opportunity to expand the range of services is simplified.

The Chicago-based Trading Technologies (TT) service has continued to expand and we are anticipating that there will be 'take-up' of the London-based service in the months ahead.

The industry continues to evolve, with exchanges moving more of their trading from the floor to electronic trading and with a number of 'Exchange' partnerships and consolidation taking place, including the recently announced CME acquisition of the CBOT. There is also an increasing move to transition traditional OTC (Over the Counter Products) to exchange traded products. All of theses moves are aimed at improving liquidity in the market and as a result the trading volume. This will serve to increase the market opportunity for FFastFill.

We have a strong position in metals trading on the LME. This together with the anticipated increase in electronic trading of commodities on other exchanges puts us in a strong position to benefit in the second half of the year.

Our consultancy business has been successful in providing a profitable income stream and increasing both our business knowledge and our intellectual property. In the past we have been prepared to take on bespoke business where we did not retain the Intellectual Property. In the future we will limit this type of activity so that we can focus our resources on software development where we can easily reuse the Intellectual Property and, as a result, gain a greater return for investors. As a result, we expect that the growth of our consultancy revenue will be lower in the second half of the year.

FFastFill

Chairman's statement – continued

Staff: The current staff numbers stand at 101 at 30 September down from 114 at 31 March. The progress we have made during this period has again been driven by the dedicated effort of the people of FFastFill. The board and I would again like to thank them for their continued support.

Governance

The board consists of two executive directors and three non executive directors. During the period Mr Hugh Hughes resigned due to his new business commitments. The board is very grateful for Hugh's contribution to the development of FFastFill and we wish him success in his new business venture. The board has decided not to replace Hugh at this time but will review the situation again next year.

Outlook

We have made good progress in the first half of the year. September and October were EBITDA positive. We have a strong order book underpinning the second half of the year's financial performance. The board expects to make further good progress on our business and financial objectives during the next six months.

Keith Todd
Executive Chairman & CEO
23 November 2006

FFastFill

Consolidated profit and loss account

for the period ended 30 September 2006

	Notes	Six months ended 30 September 2006 (unaudited) £'000	*Restated* Six months ended 30 September 2005 (unaudited) £'000	*Restated* Year ended 31 March 2006 (audited) £'000
Turnover		2,758	2,277	4,753
Administrative expense		(3,934)	(3,932)	(8,167)
Other operating income		–	31	31
Operating loss		(1,176)	(1,624)	(3,383)
Interest receivable and similar income		9	56	83
Interest payable and similar charges		(22)	(1)	(35)
Loss on ordinary activities before taxation		(1,189)	(1,569)	(3,335)
Tax on loss on ordinary activities	2	(5)	–	(8)
Loss on ordinary activities after taxation		(1,194)	(1,569)	(3,343)
Loss for the period attributable to shareholders		(1,194)	(1,569)	(3,343)
Basic and diluted loss per share	3	(0.44p)	(0.69p)	(1.43p)

Consolidated statement of total recognised gains and losses

for the period ended 30 September 2006

	Six months ended 30 September 2006 (unaudited) £'000	*Restated* Six months ended 30 September 2005 (unaudited) £'000	*Restated* Year ended 31 March 2005 (audited) £'000
Loss for the financial period	(1,194)	(1,569)	(3,343)
Currency translation differences on foreign currency net investments	6	11	(11)
Total recognised gains and losses relating to the period	(1,188)	(1,558)	(3,354)
Prior period adjustment (see note 7)	(13)		
Total recognised gains and losses since last annual report	(1,201)		

FFastFill

Consolidated balance sheet

as at 30 September 2006

	Notes	As at 30 September 2006 (unaudited) £'000	*Restated* As at 30 September 2005 (unaudited) £'000	*Restated* As at 31 March 2006 (audited) £'000
Fixed assets				
Intangible assets		1,555	1,713	1,680
Tangible assets		1,295	1,746	1,566
		2,850	3,459	3,246
Current assets				
Debtors		997	951	1,011
Cash at bank and in hand		1,271	2,465	1,230
		2,268	3,416	2,241
Creditors: amounts falling due within one year		(1,576)	(1,564)	(1,940)
Net current assets		692	1,852	301
Total assets less current liabilities		3,542	5,311	3,547
Creditors: amounts falling due after more than one year		(245)	(257)	(360)
Deferred Income		(923)	(1,041)	(930)
Net assets		2,374	4,013	2,257
Capital and reserves				
Called up share capital	4	2,893	2,391	2,427
Share premium account	4	26,543	25,706	25,706
Other reserves	4	1,125	1,125	1,125
Share-based payment reserve	4	15	9	13
Profit and loss account	4	(28,202)	(25,218)	(27,014)
Equity shareholders' funds		2,374	4,013	2,257

FFastFill

Consolidated cash flow statement

for the period ended 30 September 2006

	Notes	Six months ended 30 September 2006 (unaudited) £'000	Six months ended 30 September 2005 (unaudited) £'000	Year ended 31 March 2006 (audited) £'000
Net cash outflow from operating activities	A	(1,029)	(989)	(2,162)
Returns on investments and servicing of finance				
Interest received		9	56	83
Interest paid		(22)	(1)	(35)
Net cash (outflow)/inflow from returns on investments and servicing of finance		(13)	55	48
Taxation				
Overseas tax paid		(5)	–	(6)
Capital expenditure				
Purchase of tangible fixed assets		(100)	(902)	(1,171)
Financing				
Issue of ordinary shares		1,303	2,992	3,020
Sale and leaseback		–	398	759
Capital element of finance lease payments		(115)	–	(169)
Net cash inflow from financing		1,188	3,390	3,610
Increase in cash	B	41	1,554	319

FFastFill

Notes to the cash flow statement

A. RECONCILIATION OF OPERATING LOSS TO OPERATING CASH FLOW

	Six months ended 30 September 2006 (unaudited) £'000	*Restated* Six months ended 30 September 2005 (unaudited) £'000	*Restated* Year ended 31 March 2006 (audited) £'000
Operating loss	(1,176)	(1,624)	(3,383)
Depreciation	371	295	744
Amortisation	125	86	182
Foreign exchange movements	6	11	(11)
Share based payment charge	2	3	7
Decrease in debtors	14	1,715	1,767
Decrease in creditors	(371)	(1,475)	(1,468)
Net cash outflow from operating activities	(1,029)	(989)	(2,162)

B. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Six months ended 30 September 2006 (unaudited) £'000	Six months ended 30 September 2005 (unaudited) £'000	Year ended 31 March 2006 (audited) £'000
Increase in cash in the period	41	1,554	319
Repayment of finance leases	(115)	–	(169)
Finance lease	–	(398)	759
Net funds at beginning of period	1,820	911	911
Net funds at end of period	1,746	2,067	1,820

C. ANALYSIS OF CHANGES IN NET FUNDS

	As at 1 April 2006 (audited) £'000	Cash flows (unaudited) £'000	As at 30 September 2006 (unaudited) £'000
Cash at bank and in hand	1,230	41	1,271
Finance leases	590	(115)	475
	1,820	(74)	1,746

FFastFill

Notes to the interim results

1. ACCOUNTING POLICIES

The accounts have been prepared on the basis of the accounting policies set out in the audited accounts for the year ended 31 March 2006 except for the implementation of FRS 20 *Share-based payment*, which has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 April 2006. Equity settled share based payments (share options) are measured at fair value at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting periods based on the directors' estimate of shares that will eventually vest. Fair value is measured by use of the Black-Scholes model.

Going concern

The directors have prepared the accounts on a going concern basis, which assumes that the company will be able to continue in operational existence for the foreseeable future.

During the period, the group made losses of £1,194,000 and had net assets at 30 September 2006 of £2,374,000 (including cash at bank and in hand of £1,271,000). As disclosed in the Chairman's Statement on pages 1 to 3, the directors have taken steps to further develop the group's range of products and services, which they expect to lead to new customers contracts later this year. On this basis, the directors have prepared the accounts on the going concern basis.

2. TAX ON LOSS ON ORDINARY ACTIVITIES

The group has no liability to Corporation Tax as the group made a loss for the purposes of Corporation Tax.

3. LOSS PER SHARE AND DILUTED LOSS PER SHARE

Loss per share is calculated by dividing the loss attributable to ordinary shareholders for each period by the weighted average number of ordinary shares in issue during each period, as follows:

	Six months ended 30 September 2006 (unaudited)	*Restated* Six months ended 30 September 2005 (unaudited)	*Restated* Year ended 31 March 2006 (audited)
Loss attributable to shareholders	£1,194,000	£1,569,000	£3,343,000
Weighted average number of shares	274,015,334	226,076,286	233,676,355

For the purposes of dilution, share options are non-dilutive.

FFastFill

Notes to the interim results – continued

4. STATEMENT OF MOVEMENT ON SHAREHOLDERS' FUNDS

	Share capital £'000	Share premium account £'000	Other reserves £'000	Share-based payment reserve £'000	Profit and loss account £'000	Share-holders' funds £'000
At 1 April 2006 (audited – as previously stated)	2,427	25,706	1,125	–	(27,001)	2,257
Prior period adjustment (see note 7)	–	–	–	13	(13)	–
At 1 April 2006 – as restated	2,427	25,706	1,125	13	(27,014)	2,257
Loss for the period	–	–	–	–	(1,194)	(1,194)
Issue of shares	466	837	–	–	–	1,303
Foreign exchange movement	–	–	–	–	6	6
Share based payment charge	–	–	–	2	–	2
At 30 September 2006 (unaudited)	2,893	26,543	1,125	15	(28,202)	2,374

5. FINANCIAL INFORMATION

The financial information set out in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The financial information for the six month periods ended 30 September 2006 and 2005 is neither audited nor reviewed. Information relating to the year ended 31 March 2006 is derived from the statutory accounts for that period, which have been reported on by the company's auditors and delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

6. INTERIM DIVIDEND

The directors do not wish to declare an interim dividend.

7. PRIOR PERIOD ADJUSTMENT

A prior period adjustment has arisen because of the adoption of FRS 20 *Share-based payment* (see note 1).

The impact of FRS 20 is to increase the loss after taxation for the six months ended 30 September 2005 by £3,000, and to increase the loss after taxation for the year ended 31 March 2006 by £7,000.

There is no impact on net assets or shareholders' funds at 30 September 2005 or 31 March 2006.

The comparative figures have been adjusted accordingly.

FFastFill Plc
1-3 Norton Folgate
London, E1 6DB

t. 020 7665 8900
f. 020 7665 8905
e.investorrelations@ffastfill.com
www.ffastfill.com

FFastFill Inc
300 South Wacker Drive
Suite 1610
Chicago, IL 60606

t. +1 312 676 0620