

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document, or as to the action you should take, you are recommended to seek your own personal financial advice as soon as possible from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under FSMA if you are in the United Kingdom, an organisation or firm authorised or exempted pursuant to the Investment Intermediaries Act 1995 of Ireland or the Stock Exchange Act 1995 of Ireland if you are in the Republic of Ireland, or, if you are not in either the United Kingdom or the Republic of Ireland, from another appropriately authorised independent financial adviser.

THIS DOCUMENT IS SUPPLEMENTAL TO THE ADMISSION DOCUMENT DATED 28 SEPTEMBER 2007 RELATING TO PAYZONE AND THE PAYZONE SHARES (THE "ORIGINAL ADMISSION DOCUMENT"). THIS DOCUMENT IS THE SUPPLEMENTARY ADMISSION DOCUMENT REFERRED TO IN THE ORIGINAL ADMISSION DOCUMENT AND IT SHOULD BE READ AS A SUPPLEMENT TO AND IN CONJUNCTION WITH THE ORIGINAL ADMISSION DOCUMENT. TOGETHER THIS DOCUMENT AND THE ORIGINAL ADMISSION DOCUMENT CONSTITUTE AN ADMISSION DOCUMENT REQUIRED BY THE AIM RULES RELATING TO PAYZONE AND THE PAYZONE SHARES.

If you have sold or otherwise transferred all of your Cardpoint Shares, please send this document as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, this document should not be forwarded or delivered in or into any jurisdiction in which such act would constitute a violation of the relevant laws and/or regulations in such jurisdiction. If you have sold or otherwise transferred part of your holding of Cardpoint Shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

Application will be made for the Payzone Shares to be admitted to trading on the AIM market of the London Stock Exchange. It is expected that, subject to the conditions of the Merger being satisfied or, where appropriate, waived, Admission will become effective and dealings in the Payzone Shares will commence on 5 December 2007.

SUPPLEMENTARY ADMISSION DOCUMENT

Payzone plc

(Incorporated in Ireland under the Companies Acts, 1963 to 2006 of Ireland with registration number 446177)

Proposed Merger of Cardpoint plc and alphyra Holdings Limited Introduction of Payzone Shares to trading on AIM and

Issue of up to 295,816,205 new Payzone Shares in connection with the Merger

NOMINATED ADVISER AND BROKER TO PAYZONE

PANMURE GORDON & CO

SHARE CAPITAL ON ADMISSION

<i>Authorised</i>			<i>Issued and fully paid</i>	
<i>Amount</i>	<i>Number</i>		<i>Amount</i>	<i>Number</i>
£4,000,000	400,000,000	Ordinary Shares of £0.01 each	Up to £2,958,162.05	Up to 295,816,205
€38,100	3,810,000	Deferred Shares of €0.01 each	Nil	Nil

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority and the AIM Rules are less demanding than those of the Official List of the UK Listing Authority. A prospective investor should be aware of the risks involved in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. No application has been made or is being made for the admission of the Payzone Shares to the Official List of the UK Listing Authority (or to any other recognised investment exchange). Neither the UK Listing Authority nor the London Stock Exchange has examined or approved the contents of this document.

This document, which is drawn up as a Supplementary Admission Document in accordance with the AIM Rules, and the Original Admission Document have been issued in connection with the application for Admission of the Payzone Shares to trading on AIM. Neither the issue of Payzone Shares pursuant to the Scheme of Arrangement or the Acquisition Agreement nor Admission will constitute an offer to the public requiring an approved prospectus under section 85 of FSMA or the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland and, accordingly, neither this document nor the Original Admission Document constitutes a prospectus for these purposes and neither this document nor the Original Admission Document has been approved by the FSA pursuant to section 85 of FSMA or by the Financial Services Regulatory Authority in Ireland. Neither this document nor the Original Admission Document has been delivered to the Registrar of Companies in Ireland or to the Registrar of Companies in England and Wales or to any other authority or registrar in any jurisdiction.

Payzone is incorporated in Ireland and not in the United Kingdom. The rights of Payzone Shareholders are different from the rights of shareholders in a company incorporated in the United Kingdom.

Except where defined in the text of this document, capitalised terms in this document and the Original Admission Document have the meanings ascribed to them in Part Twelve of the Original Admission Document headed "Definitions and Glossary". Unless otherwise stated, all references to times in this document and the Original Admission Document are to London time.

You should read the whole of this document, the Original Admission Document and the Cardpoint Public Financial Information. In particular, your attention is drawn to the risk factors set out in Part Two of the Original Admission Document and to the sections of this document and of the Original Admission Document headed "Cautionary Note Regarding Forward-Looking Statements".

The Company and the Directors, whose names are set out on page 8 of this document, accept responsibility for the information contained in this document, and individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document and the Original Admission Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Rothschild, which is regulated in the United Kingdom by the FSA, is acting for Cardpoint and no one else in connection with the arrangements described in this document and the Original Admission Document and will not be responsible to anyone other than Cardpoint for providing the protections afforded to clients of Rothschild, nor for providing advice in relation to the Merger, any acquisition of shares or securities in the Company or Cardpoint or any other matter referred to in this document and/or the Original Admission Document.

Panmure Gordon, which is authorised and regulated in the United Kingdom by the FSA and is a member of the London Stock Exchange, is acting exclusively for the Company and for Cardpoint, in each case as nominated adviser for the purpose of the AIM Rules and as broker. Panmure Gordon's responsibilities as the nominated adviser to the Company and to Cardpoint are owed solely to the London Stock Exchange and are not owed to the Company, Cardpoint, alphyra or to any director of the Company, Cardpoint or alphyra or to any other person in respect of his, her or its decision to acquire shares in the Company or Cardpoint in reliance on any part of this document, the Original Admission Document or the Scheme Document or otherwise. Panmure Gordon is acting for the Company and for Cardpoint and no one else in connection with the arrangements described in this document and the Original Admission Document and will not be responsible to anyone other than the Company and Cardpoint for providing the protections afforded to customers of Panmure Gordon, nor for providing advice in relation to the Merger, any acquisition of shares or securities in the Company, Cardpoint or alphyra or any other matter referred to in this document and/or the Original Admission Document.

Goldman Sachs International, which is authorised and regulated in the United Kingdom by the FSA, is acting for alphyra and no one else in connection with the arrangements described in this document and the Original Admission Document and will not be responsible to anyone other than alphyra for providing the protections afforded to clients of Goldman Sachs International, nor for providing advice in relation to the Merger, any acquisition of shares or securities in the Company or Cardpoint or any other matter referred to in this document and/or the Original Admission Document.

NCB Stockbrokers Limited, which is regulated in the United Kingdom by the FSA, is authorised in Ireland by the Financial Regulator under the Stock Exchange Act 1995 and is a member of the London Stock Exchange and Irish Stock Exchange, is acting for alphyra and no one else in connection with the arrangements described in this document and the Original Admission Document and will not be responsible to anyone other than alphyra for providing the protections afforded to clients of NCB Stockbrokers Limited, nor for providing advice in relation to the Merger, any acquisition of shares or securities in the Company or Cardpoint or any other matter referred to in this document and/or the Original Admission Document.

The Payzone Shares will not be, and are not required to be, registered with the SEC under the Securities Act, in reliance on the exemption from registration provided by Section 3(a)(10) of the Securities Act. **NEITHER THE SEC NOR ANY OTHER US FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE PAYZONE SHARES OR PASSED AN OPINION ON THE ADEQUACY OF THIS DOCUMENT OR THE ORIGINAL ADMISSION DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.** Shareholders of Cardpoint (whether or not US persons) who are "affiliates" (within the meaning of the Securities Act) of Cardpoint or Payzone prior to, or of Payzone after, implementation of the Scheme, will be subject to timing, manner of sale and volume restrictions on the sale of Payzone Shares received in connection with the Scheme under Rule 145(d) of the Securities Act. Reference should be made to paragraph 7 of Part Four of the Original Admission Document.

Neither the delivery of this document nor any issue and allotment of Payzone Shares made under this document and the Original Admission Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company after the date of this document or that the information in this document is correct as of any time after the date of this document.

In accordance with the AIM Rules, Panmure Gordon will confirm to the London Stock Exchange that it has satisfied itself that the Directors have received advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules and that, in its opinion and to the best of its knowledge and belief, all relevant requirements of the AIM Rules have been complied with. No representation or warranty, express or implied, is made, however, and no liability whatsoever is accepted by Panmure Gordon, as to the accuracy of any information or opinion contained in this document or the Original Admission Document. None of Rothschild, Panmure Gordon, Goldman Sachs International, NCB Stockbrokers Limited or their respective affiliates or representatives has authorised the contents of, or any part of, this document or the Original Admission Document and, without limiting the statutory rights of any persons to whom this document or the Original Admission Document is issued, no liability is accepted by any of such persons for the accuracy of any information or opinions contained in this document or the Original Admission Document or for the omission of any information from this document.

In connection with this document, the Original Admission Document and/or the Merger, no person is authorised to give any information or make any representations other than as contained or described in this document, the Original Admission Document and/or the Scheme Document and, if given or made, such information or representations must not be relied upon as having been so authorised.

Investors and prospective investors in the Company should rely only on the information contained in this document, the Original Admission Document and the Cardpoint Public Financial Information. The Company will comply with its obligations to publish one or more supplementary documents containing further information required by law, regulation or any regulatory authority but assumes no further obligation to publish additional information.

The Consideration Shares in issue on Admission will rank *pari passu* in all respects with each other, including the right to receive all dividends and other distributions declared, made or paid on the Enlarged Share Capital after Admission.

The distribution of this document and/or the Original Admission Document outside of the UK may be restricted by law and/or regulation. No action has been taken by the Company or any other person that would permit a public offer of shares in the Company or possession of this document and/or the Original Admission Document where action for those purposes is required. Persons outside of the UK who come into possession of this document and/or the Original Admission Document should inform themselves about and observe any restrictions on the distribution of this document and/or the Original Admission Document in, into or from their particular jurisdiction. Failure to comply with these restrictions may constitute a violation of the law and/or regulation of such jurisdiction. To the fullest extent permissible by applicable law and regulation, the Company disclaims any responsibility or liability for the violation of the restrictions described in this document and/or the Original Admission Document by any person.

Neither the content of any website of the Company, Cardpoint or alphyra (or any other website) nor the content of any website accessible from hyperlinks on any such website (or any other website) is incorporated into, or forms part of, this document and/or the Original Admission Document.

Copies of this document and the Original Admission Document are available to the public free of charge at the registered office of the Company, 4 Heather Road, Sandyford Industrial Estate, Dublin 18, Republic of Ireland, and at the offices of Panmure Gordon, Moorgate Hall, 155 Moorgate, London EC2M 6XB, United Kingdom, during normal business hours on any weekday (excluding public holidays) from the date of this document until one month after Admission.

Rounding

Certain figures included in this document and the Original Admission Document have been subject to rounding adjustments. Accordingly, discrepancies in tables between the totals and the sums of the relevant amounts are due to rounding.

Financial Information

The Company and alphyra prepare their financial information in euros. Cardpoint prepares its financial information in pounds sterling.

In issuing the Original Admission Document the Company omitted historical financial information on Cardpoint. Historical financial information on Cardpoint is available publicly by reason of Cardpoint's compliance with the AIM Rules, including on Cardpoint's website, www.cardpointplc.com, and also available as described in paragraph 19 of Part Eleven of the Original Admission Document.

EBITDA is a measurement used by alphyra, Cardpoint and Payzone management to measure operating performance, representing earnings before interest, taxes, depreciation and amortisation, which Payzone believes is frequently used by investors and other interested parties as a measure of a company's performance. Accordingly, this information has been included in this document and the Original Admission Document to permit a more complete and comprehensive analysis of alphyra's, Cardpoint's and Payzone's operating performance. However, other companies may calculate EBITDA differently from alphyra, Cardpoint and Payzone. EBITDA is not a measure of financial performance under any internationally recognised generally accepted accounting principles, and should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or as an alternative to net earnings as an indicator of alphyra's, Cardpoint's or Payzone's operating performance or any other measures of performance.

The financial information on alphyra and Cardpoint included in this document and the Original Admission Document (and, in the case of Cardpoint, in the Cardpoint Public Financial Information) has been prepared in accordance with UK GAAP and the financial information on Payzone included in the Original Admission Document has been prepared in accordance with IFRS. In each case, such financial information may not be comparable to the financial statements of US companies. UK GAAP and IFRS differ from each other in certain significant respects and US GAAP differ in certain significant respects from UK GAAP and from IFRS. None of the financial information in this document or the Original Admission Document has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).

See also paragraph 8 of the risk factors set out in Part Two of the Original Admission Document in relation to Payzone preparing its financial statements under IFRS.

Market and industry information

Market data and certain industry forecasts used in this document and the Original Admission Document were obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy or completeness of such information is not guaranteed. Similarly, internal surveys, reports and studies and market research, while believed by the Company to be reliable and accurately extracted by the Company for the purposes of this document and the Original Admission Document, have not been independently verified and the Company makes no representation as to the accuracy of such information. The industry forecasts are forward-looking statements. See the section of this document headed "Cautionary Note Regarding Forward-Looking Statements".

THE CONTENTS OF THIS DOCUMENT AND THE ORIGINAL ADMISSION DOCUMENT ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN SOLICITOR, INDEPENDENT FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL AND/OR TAX ADVICE.

NONE OF THE COMPANY, CARDPPOINT, ALPHYRA, ROTHSCHILD, PANMURE GORDON, GOLDMAN SACHS INTERNATIONAL, NCB STOCKBROKERS LIMITED OR THEIR RESPECTIVE REPRESENTATIVES IS MAKING ANY REPRESENTATION TO ANY INVESTOR OR PROSPECTIVE INVESTOR IN THE COMPANY OR CARDPPOINT REGARDING THE LEGALITY OF AN INVESTMENT BY SUCH PERSON UNDER APPROPRIATE INVESTMENT OR SIMILAR LAWS AND/OR REGULATIONS. EACH SUCH

PERSON SHOULD CONSULT WITH HIS, HER OR ITS OWN ADVISERS AS TO THE LEGAL, FINANCIAL, TAX AND RELATED ASPECTS OF PURCHASE OR SUBSCRIPTION OF THE PAYZONE SHARES.

NEITHER THIS DOCUMENT NOR THE ORIGINAL ADMISSION DOCUMENT CONSTITUTES AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR, OR THE SOLICITATION OF AN OFFER TO BUY OR SUBSCRIBE FOR, ANY PAYZONE SHARES OR OTHER SECURITIES TO ANY PERSON IN ANY JURISDICTION TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION OR WOULD IMPOSE ANY UNFULFILLED REGISTRATION, PUBLICATION OR APPROVAL REQUIREMENTS FOR THE COMPANY, CARDPPOINT, ALPHYRA, ROTHSCHILD, PANMURE GORDON, GOLDMAN SACHS INTERNATIONAL, NCB STOCKBROKERS LIMITED OR THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES. NEITHER THIS DOCUMENT NOR THE ORIGINAL ADMISSION DOCUMENT IS FOR DISTRIBUTION IN OR INTO OR FROM ANY RESTRICTED JURISDICTION, EXCEPT AS DETERMINED BY THE COMPANY IN ITS SOLE DISCRETION AND PURSUANT TO APPLICABLE LAW AND REGULATION.

Notice to New Hampshire Residents

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Enforceability of Judgments

Payzone is a company incorporated under the laws of Ireland. All of the directors and executive officers of Payzone, Cardpoint and alphyra are citizens or residents of countries other than the United States. All of the assets of such persons and all of the assets of the Enlarged Group are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or Payzone, Cardpoint or alphyra, or to enforce against them judgments of US courts, including judgments predicated upon civil liabilities under the securities laws of the United States or any state or territory within the United States. There is substantial doubt as to the enforceability in Ireland in original actions or in actions for enforcement of judgments of US courts, based on the civil liability provisions of US federal securities laws.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this document and the Original Admission Document constitute “forward-looking statements”. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “prepares”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. Investors and potential investors should specifically consider the factors identified in this document and the Original Admission Document, which could cause actual results to differ. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company and/or of the Enlarged Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s, Cardpoint’s, alphyra’s and/or the Enlarged Group’s present and future business strategies and the environment in which the Company and/or the Enlarged Group will operate in the future. Certain of such risks, uncertainties and other factors are set out more fully in Part Two of the Original Admission Document headed “Risk Factors”, which investors and potential investors should read. No statement in this document or the Original Admission Document is intended as a profit forecast or a profit estimate, whether in relation to Cardpoint, alphyra, the Company or otherwise, and no statement in this document or the Original Admission Document should be interpreted to mean that earnings per Payzone Share, Cardpoint Share or alphyra Share for the current or future financial years would necessarily match or exceed the historical published earnings per Cardpoint Share or alphyra Share. Forward-looking statements in this document speak only as at the date of this document and forward-looking statements in the Original Admission Document speak only as at the date of the Original Admission Document. Except as required by the FSA, the London Stock Exchange, the AIM Rules or any other applicable law or regulation, the Company and the Directors expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document and/or the Original Admission Document to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

DIRECTORS OF PAYZONE

<i>Name</i>	<i>Position on Completion</i>
Bob Thian	Chairman
Peter Smyth	Non-executive Deputy Chairman
John Nagle	Chief Executive Officer
John Williamson	Chief Financial Officer
David Mills	Senior Non-executive Director
Lee Ginsberg	Non-executive Director
David Golden	Non-executive Director
Mark Evans	Non-executive Director, Balderton Nominee

all of

4 Heather Road
Sandyford Industrial Estate
Dublin 18
Republic of Ireland

PART ONE

UNAUDITED INFORMATION ON ANTICIPATED BENEFITS OF THE MERGER

This Part One contains unaudited information on benefits that the Payzone Board currently anticipates will result from Completion of the Merger. This Part One should be read as a supplement to and in conjunction with paragraph 2 of Part One of the Original Admission Document headed “Background to and Reasons for the Merger”. You should also note that this Part One contains forward-looking statements and refer to the sections of this document and of the Original Admission Document headed “Cautionary Note Regarding Forward-Looking Statements” and the risk factors set out in Part Two of the Original Admission Document. In particular, the statements set out below of estimated cost benefits and the costs of achieving them relate to future actions and circumstances which, by their nature, involve risks and uncertainties. Because of this, the amount of cost benefits achieved and/or the costs of achieving these benefits could be materially different from those estimated.

The Payzone Board believes that the annualised pre-tax cost benefits arising from the combination of the alphyra and Cardpoint businesses will be at least €6.5 million per annum, once the full benefits of the Merger are realised, with full benefits being realised within 12 to 24 months following Completion. The Payzone Board estimates that the integration and reorganisation costs associated with these cost benefits will be no more than €5 million and that such costs will be incurred over the period from Completion until 12 to 24 months following Completion. These costs are likely to result in an exceptional charge in the accounts of Payzone both in Payzone’s current and next financial years.

PART TWO

HISTORICAL FINANCIAL INFORMATION ON ALPHYRA FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

SECTION A

Highlights of and Commentary on the Historical Financial Information on alphyra for the Nine Months Ended 30 September 2007

The financial information on alphyra set forth below for the nine months ended 30 September 2007, with unaudited comparative information for the nine months ended 30 September 2006, is stated under UK GAAP, presented in euros and has been extracted and/or calculated without material adjustment from the financial information on alphyra included in Section C of this Part Two. The highlights and commentary included in this Section A should be read in conjunction with the rest of this document, and in particular the financial information on alphyra included in Section C of this Part Two, and the Original Admission Document.

alphyra Operating Highlights

- Organic growth across all key markets
- Return of momentum in the UK business with very strong cost control and increased focus on higher volume retail sites
- Irish business continues to introduce new products to leverage its existing infrastructure
- Germany benefited from outsourcing contract in respect of data processing activities
- Holland continues to expand its e-voucher business

alphyra Financial Highlights

- Turnover increased 2 per cent. to €2.78 billion (2006: €2.73 billion)
- EBITDA* increased 28.0 per cent. to €24.0 million (2006: €18.8 million)
- Operating profit before group share of associated undertakings of €2.0 million (2006: €0.044 million) after deducting a €2.0 million charge for options expected to vest as a result of the proposed Merger. The equivalent option charge for 2006 was €0.088 million

** before goodwill amortisation, charges for share based payments, exceptional items and group share of associated undertakings*

John Nagle, Chief Executive Officer of alphyra, said:

“We are very pleased with the performance of the alphyra business in 2007, particularly the return to momentum in the UK business and the European platform now in place. In respect of the proposed Merger, significant progress has been made on identifying the pre-tax cost benefits that are likely to arise from the combination of the alphyra and Cardpoint businesses.”

SECTION B

Accountant's Report in respect of alphyra for the Nine Months Ended 30 September 2007



PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

The Directors
Payzone plc
4 Heather Road
Sandyford Industrial Estate
Dublin 18

Panmure Gordon (UK) Limited
Moorgate Hall
155 Moorgate
London
EC2M 6XB

2 November 2007

Dear Sirs

alphyra Holdings Limited

We report on the financial information set out in Section C of this Part Two below. This financial information has been prepared for inclusion in the supplementary admission document dated 2 November 2007 (the "Supplementary Admission Document") of Payzone plc (the "Company") on the basis of the accounting policies set out in note 1 to the financial information. This report is required by item 20.1 of Annex I to the PD Regulation and Schedule Two of the AIM rules for Companies published by the London Stock Exchange plc (the "AIM Rules") and is given for the purpose of complying with those items and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information in accordance with generally accepted accounting principles in the United Kingdom ("UK GAAP").

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Supplementary Admission Document and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules, consenting to its inclusion in the Supplementary Admission Document.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to alphyra Holdings Limited's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing standards generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon as if it had been carried out in accordance with those standards.

Opinion

In our opinion, the financial information gives, for the purposes of the Supplementary Admission Document, a true and fair view of the state of affairs of alphyra Holdings Limited as at 30 September 2007 and of its result, cash flows and recognised gains and losses for the nine months ended 30 September 2007 in accordance with UK GAAP.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Supplementary Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Supplementary Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

PricewaterhouseCoopers
Chartered Accountants

SECTION C

Consolidated Financial Information of alphyra for the Nine Months Ended 30 September 2007

Consolidated Profit and Loss Account 9 month period ended 30 September 2007

	<i>Notes</i>	2007 €'000	2006 <i>(unaudited)</i> €'000
Group turnover – continuing activities	2	2,784,519	2,727,901
Cost of sales		<u>(2,724,521)</u>	<u>(2,672,414)</u>
Gross profit		59,998	55,487
Net operating expenses	4	(49,024)	(47,429)
Employee share options – value of services provided	3	(1,960)	(88)
Exceptional operating expenses	4	<u>—</u>	<u>(1,167)</u>
Group operating profit before goodwill amortisation		9,014	6,803
Goodwill amortisation	9	<u>(7,002)</u>	<u>(6,759)</u>
Group operating profit before group share of associated undertakings	5	2,012	44
Group's share of operating loss of associated undertakings	6	<u>(2,034)</u>	<u>(1,949)</u>
Operating loss		(22)	(1,905)
Gain/(loss) on disposal of fixed assets		<u>27</u>	<u>(157)</u>
Profit/(loss) on ordinary activities before interest and taxation		5	(2,062)
Interest receivable and similar income		626	724
Interest payable and similar charges	7	<u>(13,231)</u>	<u>(9,525)</u>
Loss on ordinary activities before taxation		(12,600)	(10,863)
Tax charge on loss on ordinary activities	8	<u>(780)</u>	<u>(1,550)</u>
Loss on ordinary activities after taxation		(13,380)	(12,413)
Minority interest		<u>15</u>	<u>382</u>
Loss absorbed for the period		<u><u>(13,365)</u></u>	<u><u>(12,031)</u></u>
Loss per ordinary share (€)			
Basic	28	(1.15)	(1.05)
Fully diluted	28	(1.15)	(1.05)
Adjusted (before goodwill amortisation and impairment, exceptional items and share based payments)	28	(0.38)	(0.35)
Diluted adjusted (before goodwill amortisation and impairment, exceptional items and share based payments)	28	(0.38)	(0.35)

Consolidated Statement of Movement in Retained Losses 9 month period ended 30 September 2007

	2007 €'000	2006 <i>(unaudited)</i> €'000
Accumulated losses at 1 January	(27,146)	(16,019)
Loss for period attributable to group shareholders	(13,365)	(12,031)
Currency adjustment on retranslation of foreign currency borrowings	(431)	(289)
Currency adjustment on retranslation of foreign subsidiaries	<u>278</u>	<u>742</u>
Retained losses at 30 September	<u><u>(40,664)</u></u>	<u><u>(27,597)</u></u>

Consolidated Statement of Total Recognised Gains and Losses
9 month period ended 30 September 2007

	2007	2006 <i>(unaudited)</i>
	€'000	€'000
Loss for the financial period attributable to group shareholders	(13,365)	(12,031)
Currency adjustment on retranslation of foreign currency borrowings	(431)	(289)
Currency adjustment on retranslation of foreign subsidiaries	278	742
Total recognised losses for the period	<u>(13,518)</u>	<u>(11,578)</u>

Consolidated Note of Historical Cost Profits and Losses

There is no difference between the result on ordinary activities before taxation and the result for the period as disclosed in the profit and loss account and the corresponding amounts calculated on a historical cost basis.

Consolidated Balance Sheet
At 30 September 2007

	<i>Notes</i>	<i>30 September</i> 2007 €'000	<i>31 December</i> 2006 €'000
Fixed assets			
Intangible assets	9	157,483	162,355
Tangible assets	10	39,658	40,589
Financial assets	11	618	124
		<u>197,759</u>	<u>203,068</u>
Current assets			
Stocks	12	27,514	28,654
Debtors	13	85,789	108,827
Restricted cash	14	12,421	18,480
Cash at bank and in hand		18,997	38,235
		<u>144,721</u>	<u>194,196</u>
Creditors (amounts falling due within one year)	15	<u>(196,276)</u>	<u>(239,804)</u>
Net current liabilities		<u>(51,555)</u>	<u>(45,608)</u>
Total assets less current liabilities		146,204	157,460
Creditors (amounts falling due after more than one year)	16	(138,715)	(137,006)
Provisions for liabilities and charges	17	<u>(8,274)</u>	<u>(9,707)</u>
Net (liabilities)/assets		<u>(785)</u>	<u>10,747</u>
Capital and reserves			
Called up share capital	18	1	1
Share premium account	19	38,669	38,628
Other reserve	19	2,078	118
Profit and loss account		<u>(40,664)</u>	<u>(27,146)</u>
Shareholders' funds	20	84	11,601
Minority interest		<u>(869)</u>	<u>(854)</u>
Capital employed		<u>(785)</u>	<u>10,747</u>

Consolidated Cash Flow Statement
9 months ended 30 September 2007

		<i>9 months ended 30 September 2007 €'000</i>	<i>12 months ended 31 December 2006 €'000</i>
	<i>Notes</i>		
Net cash inflow from operating activities	21	6,298	32,653
Returns on investments and servicing of finance	22(a)	(12,321)	(12,661)
Taxation paid		(1,483)	(1,151)
Capital expenditure and financial investment	22(b)	(5,451)	(8,214)
		<u>(12,957)</u>	<u>10,627</u>
Acquisitions and disposals	22(c)	(6,365)	(7,828)
Net cash (outflow)/inflow before financing		(19,322)	2,799
Financing	22(d)	8,256	(2,741)
(Decrease)/increase in cash		<u>(11,066)</u>	<u>58</u>

Reconciliation of Net Cash Flow to Movement in Net Debt
9 month period ended 30 September 2007

		<i>9 months ended 30 September 2007 €'000</i>	<i>12 months ended 31 December 2006 €'000</i>
	<i>Note</i>		
(Decrease)/increase in cash	23	(11,066)	58
(Increase)/decrease in debt (net)	23	(8,256)	2,741
Changes in net debt resulting from cash flows		(19,322)	2,799
New finance leases		(1,580)	(5,025)
Exchange movements	23	1,209	(385)
Movement in net debt in the period		<u>(19,693)</u>	<u>(2,611)</u>
Net debt at beginning of period		<u>(121,159)</u>	<u>(118,548)</u>
Net debt at end of period		<u>(140,852)</u>	<u>(121,159)</u>

NOTES TO THE FINANCIAL INFORMATION

1. Summary of Significant Accounting Policies

The accounting policies applied in the preparation of the financial information for the 9 month period ended 30 September 2007 are set out below. These have been applied consistently by alphyra Group entities for the periods presented. The financial information is presented in euro, rounded to the nearest thousand.

Basis of preparation

The financial information has been prepared in accordance with accounting standards generally accepted in the United Kingdom (“UK GAAP”).

The preparation of the financial information requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial information and the reported amounts included in the profit and loss account for the period.

Actual results could differ from those estimates. Estimates are used principally when accounting for provisions required in respect of doubtful debts, depreciation, impairment charges, amortisation of goodwill, and taxation payable.

Basis of consolidation

The financial information consolidates the results and financial position of alphyra and all of its subsidiary undertakings made up to 30 September 2007.

The results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Acquisitions of companies are accounted for under acquisition accounting rules. Goodwill represents the excess of the consideration paid for the acquisition of shares in subsidiaries and associated undertakings over the fair value of their separable net assets acquired.

Associate undertakings

Associated undertakings (associates) are those undertakings in which the alphyra Group has a participating interest in the equity capital and over which it is able to exercise significant influence.

Associates are accounted for using the equity method of accounting. The alphyra Group’s share of the profits or losses of associates are included in the consolidated profit and loss account. The alphyra Group’s interests in their net assets or liabilities are included as fixed asset investments in the consolidated balance sheet at an amount representing the group’s share of the fair values of the net asset at acquisition plus the group’s share of post acquisition retained profits or losses. Goodwill arising on acquisition of joint ventures and associates is dealt with as stated below.

Intangible fixed assets

Goodwill

Purchased goodwill arising on the acquisition of a business represents the excess of the fair value of the acquisition cost over the fair value of the identifiable net assets when they were acquired. Any excess of the aggregate of the fair value of the identifiable net assets acquired over the fair value of the acquisition cost is negative goodwill.

Purchased goodwill arising on acquisitions is capitalised in the balance sheet and amortised over the estimated economic life of the goodwill.

Negative goodwill arising on such acquisitions is also capitalised and shown separately in the balance sheet and credited to the profit and loss account to match the periods in which the acquired non-monetary assets are recovered. Any excess over the non-monetary assets acquired is credited to the profit and loss account in the period over which the recoveries are expected to arise.

Goodwill arising on the acquisition of associates is included in the carrying amount of the financial asset; other goodwill is shown separately in the balance sheet.

Research and development expenditure

Costs relating to research and development are written off in the period incurred unless the alphyra directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is capitalised and depreciated over the period from which the alphyra Group is expected to benefit.

Financial fixed assets

Investments

Financial fixed assets other than investment properties are shown at cost less provisions for impairments in value. Income from financial fixed assets, together with any related tax credit, is recognised in the profit and loss account in the period in which it is receivable.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The charge for depreciation is calculated to write down the cost or valuation of tangible fixed assets to their estimated residual values by equal annual installments over their expected useful lives, which are as follows:

Computer equipment	rates between 20% and 33.3%
Property and leasehold premises	12.5%
Payphone equipment	rates between 15% and 20%
Credit card terminals	rates between 15% and 20%
Motor vehicles	rates between 20% and 33.3%
Fixtures and fittings and equipment	rates between 15% and 33.3%
Leased assets	over the unexpired term of the lease

Provision is also made, if required, for any impairments to the value of tangible fixed assets.

Leased assets

Tangible fixed assets acquired under finance leases are included in the balance sheet at their equivalent capital value and are depreciated over the shorter of the lease term and their useful lives. The corresponding liabilities are recorded as a creditor and the interest element of the finance lease rentals is charged to the profit and loss account on an annuity basis. Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Impairment

The alphyra Group undertakes a review for impairment of a tangible fixed asset or goodwill if events or changes in circumstances indicate that the carrying amount of the fixed asset or goodwill may not be recoverable. To the extent that the carrying amount exceeds the recoverable amount, that is the higher of net realisable value and value in use, the tangible fixed asset or goodwill is written down to its recoverable amount. The value in use of tangible fixed assets or goodwill is determined from estimated discounted future net cash flows.

Stocks

Stocks are stated at the lower of cost and net realisable value. In the case of goods for resale cost is defined as the aggregate cost of acquiring such stocks from third parties. Net realisable value is based on normal selling price, less further costs expected to be incurred to disposal.

Foreign currencies

The consolidated financial statements are expressed in euros (€), rounded to the nearest thousand.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions or at a contracted rate. The resulting monetary assets and liabilities are translated at the balance sheet rate or the contracted rate and the exchange differences are dealt with in the profit and loss account.

The alphyra Group's net investments in foreign currency subsidiary undertakings are translated at the rate ruling at the balance sheet date. The profits and losses of foreign currency subsidiary undertakings are translated at average rates for the period. Exchange differences resulting from the re-translation of the opening balance sheets of foreign currency subsidiary undertakings at closing rates, together with the differences on the translation of the profit and loss accounts, are dealt with through reserves and reflected in the statement of total recognised gains and losses.

Where net investments are matched in whole or in part by foreign currency borrowings, the exchange differences arising on the re-translation of such borrowings are also recorded as reserve movements and reflected in the statement of total recognised gains and losses.

Turnover

Turnover comprises the fair value of consideration received in respect of services and prepaid credits for cellular phones and utilities sold to third parties exclusive of value added tax. Turnover of the alphyra Group is earned from prepaid cellular top-up and prepaid utilities sold to third parties, installation and maintenance services, electronic payment services and debit and credit card processing. Turnover is recognised in the period earned by rendering of services or sale of products.

Turnover from prepaid credits for cellular top up and utilities is recognised on a gross basis as the alphyra Group acts as a principal in relation to these transactions.

Turnover in respect of maintenance contracts is deferred and recognised over the period of the contract.

Annual service charges consist of subscriber billings for service not yet rendered. These are deferred and taken into income as earned. The maximum period for which subscribers are billed in advance is generally one year.

Deferred revenues

Deferred revenue comprises service charges billed in advance.

Share-based compensation plans

The alphyra Group has applied the requirements of FRS 20 'Share-based payments' to all grants of equity instruments after 7 November 2002 that had not vested by 1 January 2006.

The alphyra Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed on a straight line basis over the vesting period is determined by reference to the fair value of the options granted. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The fair value of share options granted after 1 January 2006 is recognised as an expense over the vesting period with a corresponding increase directly in equity. The alphyra Group's share options are fair valued by using the Black Scholes options pricing model.

Taxation

The charge for taxation is based on the results for the period. Tax losses utilised for group relief are transferred between group members. Charges for group relief are determined on a case by case basis.

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are only recognised to the extent that tax losses carried forward are considered more likely than not to be recoverable against future taxable profits in the relevant entity.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial information are dealt with in different periods for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

Financial instruments

All borrowings are initially stated at the fair value of the consideration received after deduction of issue costs. Issue costs together with finance costs are charged to the profit and loss account over the term of the borrowings and represent a constant proportion of the balance of capital repayments outstanding. Accrued finance costs attributable to borrowings are included in accrued charges within current liabilities. Accrued issue costs are netted against the carrying value of borrowings.

Pensions

Pension benefits for the alphyra Group employees are met by payments to defined contribution pension funds. Contributions are charged to the profit and loss account in the period in which they fall due.

2. Turnover

	2007	2006 <i>(unaudited)</i>
	€'000	€'000
The contributions of the various activities of the alphyra Group to turnover are set out below:		
Geographical analysis:		
United Kingdom & Republic of Ireland	1,458,311	1,547,504
Rest of Europe	1,326,208	1,180,397
	<u>2,784,519</u>	<u>2,727,901</u>
Principal activities:		
Phone Top-up	2,083,729	2,060,908
Other	700,790	666,993
	<u>2,784,519</u>	<u>2,727,901</u>

3. Staff numbers and costs

The average number of persons employed by the alphyra Group (including executive directors) during the period, analysed by category, was as follows:

	2007 <i>Number</i>	2006 <i>Number</i> <i>(unaudited)</i>
Management and sales	269	288
Administration	136	140
Operations and technical support	277	253
	<u>682</u>	<u>681</u>

The aggregate payroll costs were as follows:

	2007	2006 <i>(unaudited)</i>
	€'000	€'000
Wages and salaries	17,937	17,863
Social welfare costs	3,339	4,121
Other pension costs	451	488
	<u>21,727</u>	<u>22,472</u>

In accordance with accounting standards the alphyra Group has revised its estimates of the number of options expected to vest as a result of the proposed Merger, resulting in a charge of €1.96m in the current period.

4. Net operating expenses

	2007	2006 (unaudited)
	€'000	€'000
Distribution costs	3,494	2,958
Administrative expenses	45,530	44,471
	<u>49,024</u>	<u>47,429</u>

The exceptional operating expenses in the prior period relate to redundancy costs and professional fees incurred in respect of refinancing and a proposed transaction.

5. Group operating profit before group share of associated undertakings

	2007	2006 (unaudited)
	€'000	€'000
This is stated after charging the following amounts:		
Directors' remuneration		
– for services as directors	—	—
– for management services	1,026	1,246
Auditors' remuneration (including expenses)	460	441
Goodwill amortisation	7,002	6,759
Depreciation of tangible fixed assets	11,490	9,877
Depreciation of intangible fixed assets	1,543	822
Rentals payable under operating leases	772	958
	<u>772</u>	<u>958</u>

6. Share of operating losses of associates

	2007	2006 (unaudited)
	€'000	€'000
Share of operating losses of associates	<u>2,034</u>	<u>1,949</u>

The turnover attributable to associated undertakings during the period was €0.8m (2006: €0.5m). This amount is not included in alphyra Group turnover.

7. Interest payable and similar charges

	2007	2006 (unaudited)
	€'000	€'000
On bank loans, overdrafts and other loans:		
– repayable within 5 years not by instalments	3,319	1,328
– repayable within 5 years by instalments	9,903	8,188
– repayable wholly or partly in more than 5 years	9	9
	<u>13,231</u>	<u>9,525</u>

8. Tax charge on loss on ordinary activities

	2007	2006 (unaudited)
	€'000	€'000
Corporation tax on the profit for the period on ordinary activities:		
– Republic of Ireland (12.5%)	350	—
– United Kingdom (30%)	323	847
– Europe (34%)	107	263
	<u>780</u>	<u>1,110</u>
Current tax charge for period		
Deferred tax:		
Origination and reversal of timing differences	—	440
	<u>—</u>	<u>440</u>
Deferred tax charge for the period		
Total tax charge for the period	<u>780</u>	<u>1,550</u>
Comprising of:		
Tax attributable to the alphyra Group	780	1,550
Tax attributable to associated undertakings	—	—
	<u>780</u>	<u>1,550</u>

The current tax charge for the period is higher than the current charge that would result from applying the standard rate of Irish corporation tax to the loss on ordinary activities. The differences are explained below:

	2007	2006 (unaudited)
	€'000	€'000
Loss on ordinary activities before tax	<u>(12,600)</u>	<u>(10,863)</u>
Loss on ordinary activities multiplied by the average rate of Irish corporation tax for the period of 12.5% (2006: 12.5%)	(1,575)	(1,358)
Effects of:		
Disallowable expenses	1,181	1,522
Depreciation in excess of capital allowances	370	(73)
Utilisation of tax losses	(740)	(733)
Imputed interest allowable for taxation	(1,475)	(1,432)
Income liable at higher rates	2,255	2,003
Unutilised tax losses carried forward	825	916
Over provision in respect of prior periods	—	(185)
Other differences	(61)	450
	<u>780</u>	<u>1,110</u>
Current tax charge for the period		

The following factors may affect future tax charges.

Potential deferred tax assets of €2.9m (2006: €2.8m), arising principally from trading losses in certain countries, have not been recognised. The alphyra directors believe sufficient taxable profits to utilise the losses will arise in the future, but that there is currently insufficient evidence to support the recognition of a deferred tax asset. These losses and charges can only be offset against taxable profits generated in the entities concerned.

9. Intangible fixed assets

	<i>German business €'000</i>	<i>Software development €'000</i>	<i>Goodwill €'000</i>	<i>Total €'000</i>
Cost				
At 1 January 2007	1,426	6,412	185,926	193,764
Additions	—	1,057	2,540	3,597
Disposals	(408)	(142)	—	(550)
Translation adjustment	—	(11)	—	(11)
Fair value of deferred consideration (note 17)	—	—	624	624
At 30 September 2007	<u>1,018</u>	<u>7,316</u>	<u>189,090</u>	<u>197,424</u>
Amortisation				
At 1 January 2007	33	3,668	27,708	31,409
Amortisation in period	5	1,538	7,002	8,545
Impairment	—	(13)	—	(13)
At 30 September 2007	<u>38</u>	<u>5,193</u>	<u>34,710</u>	<u>39,941</u>
Net book value				
At 30 September 2007	<u>980</u>	<u>2,123</u>	<u>154,380</u>	<u>157,483</u>
At 31 December 2006	<u>1,393</u>	<u>2,744</u>	<u>158,218</u>	<u>162,355</u>

Goodwill arising on the acquisitions is being amortised over 20 years, its expected useful life, with the exception of goodwill of €0.5m arising on the acquisition of alphyra M-Payments Limited (formerly Itsmobile Limited) which is amortised over 5 years, its expected useful life.

The German business relates to two acquisitions made by alphyra GmbH, a subsidiary of alphyra in 2006. One related to the acquisition of merchant relationships for a total consideration of €0.7m which is being amortised over three years, its expected useful life. The second acquisition was for the trade of a sub-distributor, MPS for a total consideration of €0.7m which is being amortised over 42 months, its expected useful life.

10. Tangible fixed assets

	<i>Fixtures, fittings and equipment</i> €'000	<i>Computer equipment</i> €'000	<i>Property and leasehold renovations</i> €'000	<i>Motor vehicles</i> €'000	<i>Credit card and payment terminals</i> €'000	<i>Total</i> €'000
Cost or valuation						
At beginning of period	7,528	15,706	4,458	312	40,759	68,763
Additions	340	4,089	3	115	6,604	11,151
Disposals	(5)	(1,326)	—	—	—	(1,331)
Translation adjustment	(2)	(161)	—	2	(41)	(202)
At end of period	<u>7,861</u>	<u>18,308</u>	<u>4,461</u>	<u>429</u>	<u>47,322</u>	<u>78,381</u>
Depreciation						
At beginning of period	3,823	10,745	1,097	226	12,283	28,174
Charge for period	335	3,762	111	21	7,261	11,490
Disposals	(2)	(853)	—	—	(86)	(941)
At end of period	<u>4,156</u>	<u>13,654</u>	<u>1,208</u>	<u>247</u>	<u>19,458</u>	<u>38,723</u>
Net book value						
At 30 September 2007	<u>3,705</u>	<u>4,654</u>	<u>3,253</u>	<u>182</u>	<u>27,864</u>	<u>39,658</u>
At 31 December 2006	<u>3,705</u>	<u>4,961</u>	<u>3,361</u>	<u>86</u>	<u>28,476</u>	<u>40,589</u>

The total net book value of tangible assets and depreciation charged for the period includes the following amounts in respect of assets held under finance leases and similar hire purchase contracts:

	<i>Depreciation</i>		<i>Net book value</i>	
	<i>2007</i> €'000	<i>2006</i> €'000	<i>2007</i> €'000	<i>2006</i> €'000
Payments terminals	<u>1,219</u>	<u>923</u>	<u>4,364</u>	<u>4,102</u>

11. Financial fixed assets

	<i>2007</i> €'000	<i>2006</i> €'000
Investment in associate undertakings	494	—
Other investments	<u>124</u>	<u>124</u>
	<u>618</u>	<u>124</u>

Investments in associate undertakings

Cost

At beginning of period	—	—
Additions	1,665	1,694
Disposals	—	(11)
Share of retained loss in associate undertakings (after taxation)	(2,034)	(4,077)
Net transfer to provisions for liabilities (note 17)	<u>863</u>	<u>2,394</u>
At end of period	<u>494</u>	<u>—</u>

Investment in associate undertakings of €0.5m represents the alphyra Group's share of net assets in one of its associates as at 30 September 2007.

Principal subsidiary undertakings

<i>Name</i>	<i>Principal activity</i>
alphyra Group Limited	(1) Investment holding company, licensor of proprietary software and technology and provision of management, marketing and other services
alphyra Ireland Limited	(1) Supply and maintenance of electronic payment terminals and reseller of mobile telecom minutes
alphyra Electronic Limited	(1) Supply and maintenance of electronic payment terminals and reseller of mobile telecom minutes
Agentpiece Limited	(2) Investment holding company
alphyra UK Limited	(2) Supply and maintenance of electronic payment terminals and reseller of mobile phone minutes and utility top ups
Triton Payment Services Limited	(2) Supply and maintenance of electronic payment terminals and reseller of mobile telecom minutes
alphyra Payment Services Limited	(2) Cash collection and management of trust accounts
alphyra Benelux BV	(3) Supply and maintenance of electronic payment terminals and reseller of mobile phone minutes
alphyra Nordic AB	(4) Supply and maintenance of electronic payment terminals and reseller of mobile phone minutes
alphyra France SAS	(5) Supply and maintenance of electronic payment terminals and reseller of mobile phone minutes
alphyra GmbH	(6) Supply and maintenance of electronic payment terminals and reseller of mobile phone minutes
alphyra Payment Services SAU	(7) Supply and maintenance of electronic payment terminals and reseller of mobile phone minutes
alphyra Polska Sp. z.o.o.	(8) Supply and maintenance of electronic payment terminals and reseller of mobile phone minutes

Country of incorporation and operation

- (1) Incorporated in the Republic of Ireland
- (2) Incorporated in the United Kingdom
- (3) Incorporated in the Netherlands
- (4) Incorporated in Sweden
- (5) Incorporated in France
- (6) Incorporated in Germany
- (7) Incorporated in Spain
- (8) Incorporated in Poland

Associated Undertakings:

<i>Name</i>	<i>Percentage Shareholding</i>	<i>Principal Activities</i>	<i>Registered Office and Country of Incorporation</i>
3V Transaction Services Limited	36%	Electronic Payments	Ireland
alphyra Rietumu Payment Services Limited	49%	Money Transfer	Ireland

On 26 February 2007 the alphyra Group acquired a 48 per cent. stake in alphyra Rietumu Payment Services Limited (“Rietumu”) thereby bringing its total interest in that company to 98 per cent. On 9 May 2007 pursuant to the terms of a subscription and shareholder’s agreement, alphyra’s interest reduced to 49 per cent. On the basis that the interest acquired in February 2007 was held with a view to a subsequent resale, alphyra has not consolidated the results of Rietumu. Rietumu has been accounted for as an associate for the full period.

12. Stocks

	2007 €'000	2006 €'000
Goods for resale	27,514	28,654

There is no material difference between the replacement cost of stock and the balance sheet amounts.

Stock includes credit card and pre-paid terminals not yet deployed to customer premises of €2.6m (2006: €2.0m) and prepaid cellular top up of €24.9m (2006: €26.6m).

13. Debtors

	2007 €'000	2006 €'000
Amounts falling due within one year:		
Trade debtors	78,181	102,772
Prepayments and accrued income	6,445	4,892
Deferred tax recoverable	1,163	1,163
	<u>85,789</u>	<u>108,827</u>

14. Restricted cash

The restricted cash balance relates to balances held in trust in respect of certain creditors. This cash is held in a separate trust account and can only be used to make payments in respect of the related creditor balances. The related creditors are included in trade creditors.

15. Creditors

(amounts falling due within one year)

	2007 €'000	2006 €'000
Trade creditors	135,570	169,647
Bank overdrafts (note 16)	8,084	13,253
Bank loans (note 16)	8,500	8,256
Taxation creditors	3,913	5,845
Accruals and deferred income	29,474	36,158
Deferred consideration (note 17)	5,394	5,000
Obligations under finance leases (note 16)	5,341	1,645
	<u>196,276</u>	<u>239,804</u>

Trade creditors include €12.4m where the funds for payment are held in trust (see note 14).

Taxation creditors

	€'000	€'000
Corporation tax	633	1,335
Payroll taxes	1,137	1,293
VAT payable	2,143	3,217
	<u>3,913</u>	<u>5,845</u>

16. Creditors

(amounts falling due after more than one year)

	2007 €'000	2006 €'000
Bank loans	135,823	133,415
Deferred income	791	766
Obligations under finance leases	2,101	2,825
	<u>138,715</u>	<u>137,006</u>

<i>Details of borrowings</i>	<i>Within one year €'000</i>	<i>Between one and two years €'000</i>	<i>Between two and five years €'000</i>	<i>After five years €'000</i>	<i>Total €'000</i>
Maturity analysis:					
Repayable by instalments:					
Bank loans	8,500	19,500	53,085	63,238	144,323
Obligations under finance leases	5,341	2,101	—	—	7,442
Bank overdrafts	8,084	—	—	—	8,084
At 30 September 2007	<u>21,925</u>	<u>21,601</u>	<u>53,085</u>	<u>63,238</u>	<u>159,849</u>
At 31 December 2006	<u>23,154</u>	<u>18,882</u>	<u>38,441</u>	<u>78,917</u>	<u>159,394</u>

	2007 €'000	2006 €'000
Included in the above amounts are:		
Wholly repayable within 1 year	21,925	23,154
Repayable by instalments within 5 years	74,686	57,323
Repayable, by instalments, due after 5 years	63,238	78,917
	<u>159,849</u>	<u>159,394</u>

Loans of €20.1m (Stg£14.0m) are denominated in pounds sterling. All other loans are denominated in euros.

An unsecured subordinated term loan agreement dated 11 May 2007 was concluded between alphyra as borrower and each of Aurum Nominees, Eileen Lynch and Philip Lynch as lenders. The facility consists of a €10,000,000 term loan facility.

The purpose of the facility is to finance operating expenses relating to and other working capital requirements of alphyra and its subsidiaries.

17. Provisions for liabilities

	<i>Deferred consideration €'000</i>	<i>Other €'000</i>	<i>Total €'000</i>
Opening balance	7,198	2,509	9,707
Net transfer from investments in associated undertakings	—	863	863
Transfer to current liabilities	(4,657)	—	(4,657)
Increase in deferred consideration	1,737	—	1,737
Fair value of deferred consideration	624	—	624
Closing balance	<u>4,902</u>	<u>3,372</u>	<u>8,274</u>

Deferred consideration is in respect of the fair value of the deferred consideration on the acquisition of EVS GmbH in Germany, Paybase in Holland and Cardpoint terminal base and merchant relationships in 2007. In relation to EVS GmbH, as at 30 September 2007 the total amount deferred was €9.0m which has been discounted to a fair value of €8.1m. Of this balance €5.0m has been included in current liabilities and €3.1m is included in provisions for liabilities above.

The other provision represents the alphyra Group's share of deficiency in net assets within one of its associate companies (see note 11) at the period end.

18. Called up share capital

	2007 €	2006 €
Authorised		
13,188,400 ordinary shares of €0.000025 each	330	330
62,411,600 preferred shares of €0.000025 each	1,560	1,560
	<u>1,890</u>	<u>1,890</u>
Allotted, called up and fully paid		
11,700,900 (2006: 11,444,650 ordinary shares of €0.000025 each)	292	286
30,811,600 preferred shares of €0.000025 each	770	770
	<u>1,062</u>	<u>1,056</u>

In the event of a return of assets on liquidation, a reduction of capital, or for any reason, other than the purchase by alphyra of its own shares, the holders of preferred shares are entitled to an amount equal to the subscription price paid for the preferred shares plus any arrears or accruals of dividends on the preferred shares before any amounts are paid in respect of ordinary shares.

Changes to the rights attaching to individual shares require the consent of Balderton Capital. The preferred shares and ordinary shares rank *pari passu* in all other respects.

Share options

Share options are granted to directors and to selected employees. In general, the exercise price of the granted options is equal to the market price of the shares on the date of the grant, options are conditional on the employee completing one year's service (the vesting period). The options are exercisable starting one year from the grant date except in circumstances where, consent of the board of directors is provided. The alphyra Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2007		2006	
	Average exercise price in € per share	Options (thousands)	Average exercise price in € per share	Options (thousands)
At 1 January	3.15	1,986	3.06	1,920
Granted	7.95	167	5.73	66
Forfeited	3.03	(15)	—	—
Exercised	0.16	(256)	—	—
At 30 September/31 December	3.98	<u>1,882</u>	3.15	<u>1,986</u>

Out of the 1,882,150 outstanding options (2006: 1,985,900 options), 1,882,150 options (2006: 1,919,900) were exercisable. Options exercised in 2007 resulted in 256,250 ordinary shares being issued at €0.10 and €0.50 per ordinary share.

Share options outstanding at the end of the period have the following expiry date and exercise prices:

<i>Expiry date</i>	<i>Exercise price in € per share</i>	<i>Shares ('000)</i>	
		<i>2007</i>	<i>2006</i>
1 January 2010 to 31 December 2010	0.22	739	956
1 January 2011 to 31 December 2011	0.83	100	100
1 January 2012 to 31 December 2012	6.20	901	864
1 January 2013 to 31 December 2013	5.73	55	66
1 January 2014 to 31 December 2014	7.95	87	—
		<u>1,882</u>	<u>1,986</u>

The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was €2.37 per option (2006: €3.16). The significant inputs into the model were a weighted average share price of €7.95 (2006: €3.17) at the grant date, the exercise price shown above, volatility of 40 per cent. (2006: 40%), risk free rate of 4 per cent. (2006: 4%). The volatility is based on statistical analysis of daily share prices over the last two years.

19. Share premium

	<i>2007</i> <i>€'000</i>	<i>2006</i> <i>€'000</i>
At beginning of period	38,628	38,628
Arising on issue of shares in period	41	—
	<u>38,669</u>	<u>38,628</u>

Other reserves relate to the fair value of employee share options.

20. Reconciliation of movement in shareholders' funds

	<i>2007</i> <i>€'000</i>	<i>2006</i> <i>€'000</i>
Loss for the period	(13,380)	(12,163)
Losses attributable to minority interest	15	431
Currency adjustment on retranslation of subsidiaries & related borrowings	(153)	605
Employee share options – value of services provided	1,960	118
Premium on shares issued	41	—
Net decrease in shareholders' funds	<u>(11,517)</u>	<u>(11,009)</u>
Opening shareholders' funds	11,601	22,610
Closing shareholders' funds	<u>84</u>	<u>11,601</u>

21. Reconciliation of operating profit to net cash inflow from operating activities

	<i>9 months ended</i> <i>30 September</i> <i>2007</i> <i>€'000</i>	<i>12 months ended</i> <i>31 December</i> <i>2006</i> <i>€'000</i>
Operating profit before group share of loss of associated undertakings	2,012	6,898
Depreciation of tangible and intangible fixed assets	13,033	13,840
Goodwill amortised	7,002	9,077
Loss on disposal of assets	—	616
Employee share options – value of services provided	1,960	118
Translation adjustments	(1,130)	990
Decrease in stocks	1,140	8,889
Decrease in operating debtors	23,038	13,969
Increase in operating creditors	(40,757)	(21,744)
Net cash inflow from operating activities	<u>6,298</u>	<u>32,653</u>

22. Analysis of headings grouped in cash flow

	<i>9 months ended 30 September 2007 €'000</i>	<i>12 months ended 31 December 2006 €'000</i>
(a) Returns on investments and servicing of finance		
Interest and similar income received	626	920
Interest paid and similar charges	<u>(12,947)</u>	<u>(13,581)</u>
Net cash outflow from servicing of finance and returns on investments	<u><u>(12,321)</u></u>	<u><u>(12,661)</u></u>
(b) Capital expenditure and financial investment		
Purchase and sale of tangible and intangible fixed assets	(11,510)	(18,096)
Decrease in restricted cash balances	<u>6,059</u>	<u>9,882</u>
Total capital expenditure and financial investment	<u><u>(5,451)</u></u>	<u><u>(8,214)</u></u>
(c) Acquisitions and disposals		
Purchase of subsidiary undertakings	—	(2,145)
Payment of deferred consideration	(4,700)	(4,000)
Investment in associated undertakings	<u>(1,665)</u>	<u>(1,683)</u>
Total acquisitions and disposals	<u><u>(6,365)</u></u>	<u><u>(7,828)</u></u>
(d) Financing		
Capital element of finance lease payments	1,391	(555)
Loans drawn down	10,000	1,609
Loans repaid	<u>(3,176)</u>	<u>(3,795)</u>
Cash flows from debt	8,215	(2,741)
Issue of ordinary shares capital including premium	<u>41</u>	<u>—</u>
Total financing cash flows	<u><u>8,256</u></u>	<u><u>(2,741)</u></u>

23. Analysis of changes in net debt during the period

	<i>At 31 December 2006 €'000</i>	<i>Cash flow €'000</i>	<i>Other non-cash movements €'000</i>	<i>Other non-cash movements (exchange) €'000</i>	<i>At 30 September 2007 €'000</i>
Cash at bank and in hand	38,235	(19,238)	—	—	18,997
Bank overdrafts	<u>(16,256)</u>	<u>8,172</u>	<u>—</u>	<u>—</u>	<u>(8,084)</u>
	<u>21,979</u>	<u>(11,066)</u>	<u>—</u>	<u>—</u>	<u>10,913</u>
Bank loans due within one year	(8,256)	4,313	(4,557)	—	(8,500)
Bank loans due after one year	(130,412)	(11,177)	4,557	1,209	(135,823)
Obligations under finance leases	<u>(4,470)</u>	<u>(1,392)</u>	<u>(1,580)</u>	<u>—</u>	<u>(7,442)</u>
	<u>(143,138)</u>	<u>(8,256)</u>	<u>(1,580)</u>	<u>1,209</u>	<u>(151,765)</u>
Net funds	<u><u>(121,159)</u></u>	<u><u>(19,322)</u></u>	<u><u>(1,580)</u></u>	<u><u>1,209</u></u>	<u><u>(140,852)</u></u>

24. Commitments

Capital commitments

Future capital expenditure approved by the alphyra directors but not provided for in this financial information is as follows:

	2007 €'000
Contracted	857
Not contracted for	140
	<u>997</u>

Operating lease commitments

Annual commitments exist under non-cancellable operating leases as follows:

	2007	
	<i>Land and buildings</i> €'000	<i>Other</i> €'000
Expiring:		
– Within one year	526	784
– Between two and five years	1,402	1,242
– More than five years	92	—
	<u>2,020</u>	<u>2,086</u>

The rentals payable under leases in respect of land and buildings are subject to re-negotiation at various intervals specified in the leases.

25. Subsequent events

There have been no significant events since the balance sheet date. The Merger of Cardpoint and alphyra is scheduled to complete in early December 2007.

The alphyra Group's associate company, 3V Transaction Services Limited, is proposed to be disposed of for a nominal value in December 2007.

26. Related party transactions

Balderton Capital is a related party by virtue of the fact that it holds 68.5 per cent. of the issued share capital of alphyra. During the period Balderton Capital provided management and financing services to the alphyra Group. The profit and loss account charge in respect of these transactions amounted to €Nil. The balance outstanding in respect of transactions with Balderton Capital at 30 September 2007 amounted to €Nil (2006: €Nil).

27. Contingent liabilities

- (a) A small number of lawsuits or claims arise in the normal course of business. While any litigation has an element of uncertainty, the directors believe that there were no contingent liabilities, which would have a material adverse effect on the financial information.
- (b) As required under the terms of the Senior Facilities Agreement, alphyra has entered into interest hedging agreements with HBOS Treasury Services plc in order to hedge its interest rate exposure under the senior facilities. These hedging arrangements are stated to terminate on 30 September 2008.
- (c) Pursuant to the terms of a subscription and shareholders' agreement dated 9 May 2007, between (1) alphyra Rietumu, (2) alphyra Group Limited, (3) Invik and (4) Sean O'Mara (the "Invik SSA"), Invik subscribed for 48.5 per cent. of the issued share capital of alphyra Rietumu.

Under the terms of the Invik SSA, alphyra Group Limited provided general business and tax warranties to Invik with a limitation period of two years and six years respectively.

The Invik SSA provides that either alphyra Group Limited or Invik may, on or prior to 1 December 2007, require both alphyra Group Limited and Invik to subscribe for further shares in alphyra Rietumu. alphyra Group Limited would be obliged to subscribe for a further 1,000,000 ordinary shares at an aggregate subscription price of €1,000,000 and Invik would be obliged to subscribe for a further 1,000,000 shares at an aggregate subscription price of €1,000,000.

- (d) On 19 January 2005, alphyra entered into a European Commercial Agreement with Lekkerland and others in relation to the cooperation of the parties with respect to the development, service, merchandising and sale of certain telecommunications products and electric services. In August 2007, the parties entered into an amendment agreement in which, among other things, the term of the aforementioned agreement was extended by one year to 31 December 2010. In consideration of this extension, alphyra has agreed to make a one time payment of €2,800,000 to Lekkerland on or before 30 April 2010. This payment will increase or decrease based on the achievement of gross margin targets.
- (e) Under the Framework Agreement concluded on 28 September 2007 between Cardpoint, Payzone, the alphyra Vendors and alphyra:
- alphyra has agreed to pay Cardpoint £3.5 million (subject to any adjustment for VAT) by way of compensation in the event that alphyra or any of the alphyra Vendors breach any of their respective obligations under the Acquisition Agreement and/or the Framework Agreement and, as a direct result of such breach, Completion of the Merger does not occur before 31 January 2008.
 - Cardpoint undertakes to pay the alphyra Vendors £1 million (subject to any adjustment for VAT) by way of compensation in the circumstances set out in paragraph 3 of Part Four of the Original Admission Document, including in the event that a Competing Offer is announced and becomes unconditional or completes on or prior to 31 March 2008.

Any costs incurred by alphyra in relation to the preparation of the AIM document will be borne by Payzone.

Under an agreement between alphyra and its shareholders, Merger costs will be borne by alphyra's shareholders.

28. Loss per ordinary share

Basic loss per ordinary share is calculated below.

	2007			2006		
	<i>Loss</i>	<i>Weighted average ordinary shares in issue</i>	<i>Loss per ordinary share</i>	<i>Loss</i>	<i>Weighted average ordinary shares in issue</i>	<i>Loss per ordinary share</i>
	€'000	'000	€	€'000	'000	€
Basic loss per share	(13,365)	11,644	(1.15)	(12,031)	11,445	(1.05)
Amortisation and impairment of goodwill, exceptional items and charges for share based payments	8,962	—	—	8,014	—	—
Adjusted loss per share	<u>(4,403)</u>	<u>11,644</u>	<u>(0.38)</u>	<u>(4,017)</u>	<u>11,445</u>	<u>(0.35)</u>

The share options, share warrants and preference shares are anti-dilutive in respect of the basic and adjusted loss per share calculation in the 9 month periods ended 30 September 2006 and 2007.

PART THREE

CARDPOINT PRELIMINARY RESULTS ANNOUNCEMENT IN RESPECT OF THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2007

The following text in this Part Three has been extracted without material amendment from the Cardpoint Preliminary Results Announcement in respect of the financial year ended 30 September 2007, as published by Cardpoint on the date of this document. This Part Three should be read in conjunction with the rest of this document, the Original Admission Document and the Cardpoint Public Financial Information.

“Friday 2 November 2007

Cardpoint plc

(“Cardpoint” or the “Company”)

Preliminary results for the year ended 30 September 2007

Cardpoint, the UK’s leading independent cash machine deployer with operations in the UK and Germany, announces preliminary results for the full year ended 30 September 2007.

Operating highlights

- Acquisition and successful integration of 1,000+ ATMs acquired from Travelex
 - Current ATM estate of approximately 6,000 machines
- Implemented strategy to increase the quality of the estate
 - Removal of loss making machines
- Business refocused on profit rather than revenue growth
 - Disposal of non-core businesses
 - Closure of loss-making Netherlands business
- Strong pipeline of pending high yield Through-The-Wall (“TTW”) installations
- Proposed merger with alphyra offers significant opportunity to grow the estate

Financial highlights

- Turnover from ongoing ATM business up 3.5 per cent. to £87.0m (2006: £84.1m)
- EBITDA* up 9.7 per cent. to £21.7m (2006: £19.8m) including £1.2m contribution from Travelex
- EBITA* increased 6.6 per cent. to £14.0m (2006: £13.1m)
- Operating margins increased to 14.3 per cent. (2006: 13.3 per cent.)
- Profit before tax** down 2.7 per cent. to £6.6m (2006: £6.8m) due to increased depreciation charges, debt costs and share based payments
- Loss per share of 28.88p (2006: (24.35p))
- Adjusted earnings per share** of 5.72p (2006: 6.40p), impacted by higher number of shares in issue

Bob Thian, Chairman of Cardpoint, said:

“Cardpoint has made good progress during an eventful year of change. The business has been reshaped to give it a clearer focus and an emphasis on improving the quality of the estate while reducing operational costs.

The merger with alphyra, to create Payzone plc, will present a number of additional growth opportunities. alphyra has a strong presence in the retail market and the complementary nature of its services presents a significant opportunity for Cardpoint to deploy additional machines in its core UK and German markets, as well as offering openings in new European markets.”

* before goodwill amortisation, charges for share based payments and exceptional items

** before goodwill amortisation and exceptional items

CHAIRMAN'S REVIEW

I am pleased to report Cardpoint's results for the year ended 30 September 2007, a period of significant restructuring and repositioning for the business. The Company disposed of its non-core operations to focus on the business of owning and operating Automated Teller Machines ("ATM"). The Company also has been active in the continuing consolidation of the Independent ATM Deployment ("IAD") market with the £12.9 million acquisition of the ATM business of Travelex UK Limited and Travelex ATMs Limited in April 2007. On 28 September, we announced the proposed merger with alphyra Holdings Limited ("alphyra") to create a leading European consumer payments and cash distribution group. The merger is expected to complete on 5 December 2007.

Cardpoint performed well in challenging market conditions. In common with other IADs revenues per ATM were down on prior year. The usage of a charging cash machine is a convenience purchase, and the tightening UK consumer economic environment and the poor summer weather reduced transaction volumes.

Revenues from the ATM business for the year were £87.0 million (2006: £84.1 million), up 3.5 per cent., including a £7.9 million contribution from Travelex. EBITDA* increased 9.7 per cent. to £21.7 million (2006: £19.8 million) as the removal of loss making machines and control over direct costs contributed to an improvement in the margins earned by the Company. The increased depreciation charges, higher share based payments and costs of financing the debt resulted in profit before tax** decreasing by 2.7 per cent. to £6.6 million (2006: £6.8 million). Adjusted earnings per share** decreased to 5.72 pence per share (2006: 6.40 pence per share), impacted by the increased number of shares in issue.

During the year, Cardpoint has focussed on improving the quality of its estate both in terms of improving locations to target high retail footfall, as well as increasing the proportion of Through-The-Wall ("TTW") machines as their 24 hour availability delivers a significantly higher transaction volume than other types of cash machine. We now operate cash machines for most of the UK's petrol station operators, large convenience retailers and leisure industry operators and are continuing to expand our estate at key transport locations.

The Company has several hundred sites signed up for ATMs. However, the rate at which these were installed was disappointing in the early part of the financial year falling short of our expectations. The installation rate has improved over the past three months and is increasing, but it still takes significantly longer to install a TTW machine than other types of machine.

The integration of the Travelex estate has progressed well and the business contributed £1.2 million of EBITDA since its acquisition. We have been successful in reducing operating costs by transferring a number of services onto Cardpoint contractual terms. Prior to the acquisition the estate incurred attack loss costs significantly higher than that experienced by Cardpoint. I am pleased to report that through a series of security enhancement measures, we are starting to experience an improved trend in the costs of criminal attack on this estate.

Our German business units continued to make progress over the past twelve months. We added an additional 94 machines to our estate over the past twelve months and now have approximately 900 machines in Germany. All of these machines are now operational through sponsorship arrangements with GE Money Bank (Germany) and these arrangements have been re-negotiated and now run until 2013.

Cardpoint continues to operate ATMs on behalf of the Bradford and Bingley bank, and the Norwich and Peterborough Building Society. The arrangements are long term and profitable and allow us to develop business models attractive to other financial institutions.

G2 Integrated Solutions Limited, a company which provides cashless payment and access control systems, was sold to G4Tech in October 2006 for £3.2 million. In March 2007, Cardpoint Merchant Services Limited, which provides the service for mobile phone top ups, was sold to alphyra UK Limited for an initial consideration of £0.7 million with further consideration contingent on future sales. A decision was taken in January 2007 to close the loss-making Netherlands business.

Outlook

The Company has been transitioned over the past year into a focussed ATM operator seeking to maximise profit rather than revenue from its estate. This has delivered growth despite the more challenging economic climate and competitive environment in which we operate. There is a strong pipeline of retail sites awaiting the installation of a TTW, with growth expected to come from increasing the size of our high quality estate and the longer installation cycle for TTWs determining the speed of that growth.

The merger with alphyra, to create Payzone plc, will present a number of additional growth opportunities. alphyra has a strong presence in the retail market and the complementary nature of its services presents a significant opportunity for Cardpoint to deploy additional machines in its core UK and German markets as well as offering openings in new European markets. There are also cost synergies in putting the two businesses together.

Finally, I would like to express my thanks to the Cardpoint management team for their unstinting efforts over the past year.

Bob Thian
Chairman
1 November 2007

* before goodwill amortisation, charges for share based payments and exceptional items

** before goodwill amortisation and exceptional items

FINANCE DIRECTOR'S REVIEW

Group results

Turnover, excluding businesses discontinued or sold, was up £3.0 million (3.5 per cent.) including turnover of £7.9 million from the ATMs acquired from Travelex. Revenue from the existing Cardpoint estate was down £5.0 million (5.9 per cent.) on the prior year due to the Group's focus on improving the quality of its estate by removing a number of poorly performing machines which delivered revenue but contributed little profit, and the loss of the contract with Esso which ceased in March 2007. The businesses sold or discontinued in the current financial year contributed £1.5m (2006: £13.8m) to turnover in the financial year.

Operating profit before exceptional items, depreciation, goodwill amortisation and impairment and charges for share based payments (EBITDA) increased by 9.7 per cent. to £21.7 million with the ATMs acquired from Travelex contributing £1.2 million to Group EBITDA. Profit before tax, goodwill amortisation, and exceptional items fell to £6.6 million compared to £6.8 million in 2006 due to the increased depreciation charges, debt costs and share based payments.

These measures of performance are considered before goodwill amortisation, which is presently written off over five years. The policy is prudent but the varying amounts of amortisation have the effect of distorting a like for like comparison of pre-tax profit in assessing the financial performance of the company.

The results were satisfactory given the tougher trading conditions experienced over the past year. The Group has worked hard to improve the quality of the estate and control the direct costs of the business. This has assisted in improving the margins of the business with operating margins increasing from 13.3% to 14.3%.

A number of organisational changes have been made over the past year to improve the operational efficiency of the business and ensure that we achieve the cost benefits from operating an estate of 6,000 machines. These include changes in management structure, reporting responsibilities and process to better focus our resource on improving the profitability of the estate. This reorganisation was instrumental in ensuring the smooth integration of Travelex into the Group. The Group has grown by acquisition and there remains further scope to rationalise costs and achieve further cost synergies as long term contracts inherited as part of the acquired businesses expire over the next two years.

During the year, careful management of our cash requirements has enabled the Group to improve its direct costs for use of bank notes despite the increase in bank base rates. In addition, the work undertaken on security measures over the past two years has continued to benefit the Group with a reduced cost from criminal attacks on our machines.

After goodwill amortisation and impairment of £33.9 million (2006: £30.4 million), the result for the year was a loss before tax of £31.8 million compared to a loss of £25.6 million in 2006, the increase being a result of the exceptional charges (£4.6 million) incurred in the period (2006: £2.0 million).

Interest charges and taxation

Interest charges show a significant increase from £4.9 million to £5.8 million. The financing costs include the amortisation of debt issue costs of £0.2 million (2006: £0.1 million). The increase is attributable to the increases in UK interest rates over the past 18 months and the additional debt taken on to finance the Travelex acquisition. Group borrowings are at variable interest rates although 45 per cent. of the term loan is covered by interest rate hedging arrangements.

The tax charge for the year arises in Germany where the increasing profitability of the business exceeds the value of the tax losses that can be utilised in each fiscal year. In the UK no tax charge arises for the year and there are in excess of £40 million of tax losses carried forward which has the benefit that no significant amounts of UK corporation tax are likely to be paid in the foreseeable future.

Earnings per share and dividends

Adjusted earnings per share before goodwill amortisation and exceptional items have decreased from 6.40p last year to 5.72p, a change of 0.68p per share. We believe this measure of earnings per share is a fairer reflection of the Group's performance compared to a consideration of basic earnings per share,

which is affected by goodwill amortisation and shows a loss per share of 28.88p compared to a loss of 24.35p last year. This increase in the loss per share is primarily due to higher levels of depreciation, goodwill amortisation and financing charges this year, together with an increase in the number of shares in issue. As in previous years the Company does not propose to pay a dividend although the Board will keep this situation under review as the underlying profitability of the business continues to improve.

Exceptional items

The profit and loss account includes exceptional items of £4.6m of which £3.0m relates to the costs incurred on the reorganisation and restructuring of the Group as well as changes to the Board which occurred during the year. Other exceptional costs include those incurred in relation to unsolicited takeover approaches and abortive acquisition costs.

The loss on fixed asset disposals arose on the sale of the estate of ATMs sited on Esso petrol station forecourts. The assets which comprised approximately 140 machines were disposed of in March 2007 following the loss of the contract in a re-tender exercise in 2006. The loss on the disposal of the Electronic Top Up business (£0.4 million) and the termination of the Netherlands operation (£1.0 million) is partially offset by the profit on the sale of the G2IS business (£0.5 million).

Cash flow and capital expenditure

The cash inflow from operating activities for the year was £12.2 million compared to £12.9 million in the previous year. Capital expenditure was £10.5 million compared to £6.0 million the previous year. The majority of capital expenditure was on ATM installations in the UK and Germany, with an increasing proportion being TTWs.

Cash outflows on servicing the Group's debt increased by £1.1 million to £5.9 million. New bank facilities were arranged with Bank of Scotland and Royal Bank of Scotland at the time of the Travelex acquisition, and £16.7 million was drawn down to fund the acquisition and repay the debts acquired with the acquisition.

Shareholders' funds and financing

Shareholders' funds have reduced from £53.3 million to £24.9 million as the amortisation of goodwill more than offsets profits generated by the business. Group borrowings have increased from £62.8 million to £73.4 million as further funding was raised to complete the acquisition of the Travelex ATM estate.

The Group's banking facilities with Bank of Scotland and Royal Bank of Scotland were finalised in April 2007 to fund the acquisition of the Travelex ATM estate and provide working capital facilities to the enlarged group. The facilities consist of a medium term loan of up to £85 million which is repayable over 7 years, a £5 million revolving credit facility and an additional loan facility of £8 million to fund capital expenditure. At 30 September 2007 total facilities amounted to £96 million of which £83 million was being utilised.

International Financial Reporting Standards

International Financial Reporting Standards ('IFRS') are now mandatory for UK listed companies and the London Stock Exchange has mandated IFRS for AIM companies for periods beginning on or after 1 January 2007. The first accounting period where IFRS would apply to Cardpoint would therefore be the year ended 30 September 2008.

The Company is currently assessing the changes that will be required under IFRS in order to plan the transition from UK Accounting Standards. This includes a detailed comparison of the Group's existing accounting policies with IFRS and an evaluation of the impact on the financial statements in terms of presentation and reported performance.

Philip Nicholas Lanigan
Finance Director
1 November 2007

Consolidated profit and loss account

for the year ended 30 September 2007

	Note	2007			2006 Restated		
		Before goodwill amortisation and exceptional items £000	Goodwill amortisation and exceptional items £000	Total £000	Before goodwill amortisation and exceptional items £000	Goodwill amortisation and exceptional items £000	Total £000
Turnover							
Continuing operations		79,089	—	79,089	84,070	—	84,070
Acquisitions		7,938	—	7,938	—	—	—
		<u>87,027</u>	<u>—</u>	<u>87,027</u>	<u>84,070</u>	<u>—</u>	<u>84,070</u>
Discontinued operations		1,498	—	1,498	13,801	—	13,801
		<u>88,525</u>	<u>—</u>	<u>88,525</u>	<u>97,871</u>	<u>—</u>	<u>97,871</u>
Cost of sales		(56,884)	—	(56,884)	(67,401)	—	(67,401)
		<u>31,641</u>	<u>—</u>	<u>31,641</u>	<u>30,470</u>	<u>—</u>	<u>30,470</u>
Gross profit							
Administrative expenses							
Goodwill amortisation and impairment		—	(33,868)	(33,868)	—	(30,378)	(30,378)
Exceptional items	2	—	(3,171)	(3,171)	—	(1,961)	(1,961)
Share based payments		(1,626)	—	(1,626)	(1,492)	—	(1,492)
Other		(17,628)	—	(17,628)	(17,327)	—	(17,327)
		<u>(19,254)</u>	<u>(37,039)</u>	<u>(56,293)</u>	<u>(18,819)</u>	<u>(32,339)</u>	<u>(51,158)</u>
Total administrative expenses							
		<u>11,940</u>	<u>(35,800)</u>	<u>(23,860)</u>	<u>11,202</u>	<u>(31,821)</u>	<u>(20,619)</u>
Acquisitions		477	(1,083)	(606)	—	—	—
		<u>12,417</u>	<u>(36,883)</u>	<u>(24,466)</u>	<u>11,202</u>	<u>(31,821)</u>	<u>(20,619)</u>
Discontinued operations		(30)	(156)	(186)	449	(518)	(69)
		<u>12,387</u>	<u>(37,039)</u>	<u>(24,652)</u>	<u>11,651</u>	<u>(32,339)</u>	<u>(20,688)</u>
Exceptional item: Loss on disposal and termination of discontinued operations	2	—	(948)	(948)	—	—	—
Exceptional item: Loss on the disposal of fixed assets (continuing operations)	2	—	(449)	(449)	—	—	—
Net interest		(5,791)	—	(5,791)	(4,875)	—	(4,875)
		<u>6,596</u>	<u>(38,436)</u>	<u>(31,840)</u>	<u>6,776</u>	<u>(32,339)</u>	<u>(25,563)</u>
Profit/(loss) on ordinary activities before taxation							
Tax on loss on ordinary activities				(242)			—
Loss on ordinary activities after taxation							
				<u>(32,082)</u>			<u>(25,563)</u>
Equity minority interests				—			(46)
Loss for the financial year transferred to reserves							
	6			<u>(32,082)</u>			<u>(25,609)</u>
Loss per ordinary share							
Basic and fully diluted	3			<u>(28.88)p</u>			<u>(24.35)p</u>
Basic and fully diluted continuing operations	3			<u>(27.86)p</u>			<u>(24.21)p</u>

Statement of total recognised gains and losses
for the year ended 30 September 2007

	<i>2007</i> <i>£000</i>	<i>Restated</i> <i>2006</i> <i>£000</i>
Loss for the financial year	(32,082)	(25,609)
Currency differences on foreign currency net investments	289	(26)
Total recognised gains and losses for the year	<u>(31,793)</u>	<u>(25,635)</u>

Consolidated balance sheet
at 30 September 2007

	<i>Note</i>	2007 £000	<i>2006</i> <i>£000</i>
Fixed assets			
Intangible assets		78,499	101,025
Tangible assets		37,181	30,352
		<u>115,680</u>	<u>131,377</u>
Current assets			
Stocks		455	1,471
Debtors		5,455	8,967
Cash at bank and in hand		8,676	8,044
		<u>14,586</u>	<u>18,482</u>
Creditors: amounts falling due within one year		(26,662)	(33,386)
Net current liabilities		<u>(12,076)</u>	<u>(14,904)</u>
Total assets less current liabilities		103,604	116,473
Creditors: amounts falling due after more than one year		(76,552)	(63,199)
Provisions for liabilities		(2,136)	—
Net assets		<u>24,916</u>	<u>53,274</u>
Capital and reserves			
Called up share capital		5,620	5,274
Share premium account		89,842	88,379
Merger reserve		354	354
Profit and loss account		(71,005)	(40,838)
Shareholders' funds		<u>24,811</u>	<u>53,169</u>
Minority interests	6	105	105
		<u>24,916</u>	<u>53,274</u>

Consolidated cash flow statement
for the year ended 30 September 2007

	Note	2007 £000	2006 £000
Net cash inflow from operating activities	7	<u>12,156</u>	<u>12,881</u>
Return on investments and servicing of finance			
Interest received		268	160
Interest payable		<u>(6,167)</u>	<u>(4,938)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(5,899)</u>	<u>(4,778)</u>
Taxation received		<u>—</u>	<u>4</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(10,513)	(5,966)
Proceeds from disposal of tangible fixed assets		<u>841</u>	<u>93</u>
Net cash outflow from capital expenditure and financial investment		<u>(9,672)</u>	<u>(5,873)</u>
Acquisitions and disposals			
Purchase of acquired businesses	4	(4,654)	—
Net cash acquired with subsidiaries	4	3,004	—
Proceeds from sale of businesses	5	3,827	—
Net cash disposed of with subsidiaries	5	(581)	—
Payments in relation to closure of business		(478)	—
Payments in relation to businesses acquired in prior periods, including costs		<u>—</u>	<u>(6,034)</u>
Net cash inflow/(outflow) from acquisitions and disposals		<u>1,118</u>	<u>(6,034)</u>
Net cash outflow before financing		<u>(2,297)</u>	<u>(3,800)</u>
Financing			
Issue of share capital, including payment of share issue expenses		1,809	(860)
Receipts from borrowings		16,696	4,241
Repayment of borrowings		<u>(16,303)</u>	<u>(202)</u>
Net cash inflow from financing		<u>2,202</u>	<u>3,179</u>
Decrease in cash in the year	8	<u>(95)</u>	<u>(621)</u>

1. Basis of preparation and financial information

The financial information in this preliminary announcement has been prepared in accordance with the accounting policies set out in the financial statements of Cardpoint plc for the year ended 30 September 2006 which have remained unchanged for the financial year ended 30 September 2007 with the exception of the implementation of FRS20, "Share Based Payments", which has resulted in a prior period adjustment to the comparative figures in the profit and loss account. The financial information in this document does not constitute the Company's statutory accounts for the year ended 30 September 2007 or 2006, but is derived from those accounts. Statutory accounts for 2006 have been delivered to the Registrar of Companies and those for 2007 will be delivered following the company's Annual General Meeting. The auditors have reported on these accounts and their reports were unqualified and did not contain statements under sections 237(2) or (3) of the Companies Act 1985.

2. Exceptional items

	<i>2007</i> <i>£000</i>	<i>2006</i> <i>£000</i>
<i>Operating exceptional items</i>		
Reorganisation and restructuring costs ⁽ⁱ⁾	3,045	1,542
Costs in relation to unsolicited takeover approaches and abortive acquisition costs	126	41
Other exceptional costs ⁽ⁱⁱ⁾	—	378
	3,171	1,961
<i>Non-operating exceptional items</i>		
Profit on disposal of G2		
Integrated Solutions Limited (see note 5)	(462)	—
Loss on disposal of Cardpoint		
Merchant Services Limited (see note 5)	431	—
Loss on disposal of fixed assets	449	—
Loss on termination of the Netherlands business	979	—
	1,397	—
Total exceptional costs	4,568	1,961

(i) Reorganisation and restructuring costs relate to the reorganisation of the Group and integration of current and prior year acquisitions into the enlarged Group's ATM estate.

(ii) Other exceptional costs in the prior year include £293,000 relating to insurance claims for cash losses from ATMs operated by the Group where valid insurance cover was in place, but the underwriter refused to honour the claims in line with the policy conditions. The Group is taking legal action to recover the outstanding monies from its insurance broker and has been advised there is a strong case in favour of the Group. This category also includes £85,000 in respect of losses incurred in Germany following the business failure of a cash in transit supplier.

3. (Loss)/earnings per ordinary share

Basic loss per ordinary share and adjusted earnings per ordinary share (before exceptional items and amortisation of goodwill) are calculated below. Adjusted earnings per share are shown by reference to earnings before goodwill amortisation and exceptional items, since the directors consider that this gives a more meaningful measure of the underlying performance of the Group.

	2007			2006		
	<i>(Loss)/ profit £000</i>	<i>Weighted average ordinary shares in issue '000</i>	<i>(Loss)/ earnings per ordinary share Pence</i>	<i>(Loss)/ profit £000</i>	<i>Restated Weighted average ordinary shares in issue '000</i>	<i>(Loss)/ earnings per ordinary share Pence</i>
Basic loss per share	(32,082)	111,074	(28.88)	(25,609)	105,181	(24.35)
Goodwill amortisation and impairment	33,868	—	30.49	30,378	—	28.89
Exceptional items	4,568	—	4.11	1,961	—	1.86
Adjusted earnings per share	6,354	—	5.72	6,730	—	6.40

The basic loss per share can be analysed into that derived from continuing and discontinued operations as set out below. For the purposes of this analysis, results from acquired operations are included within continuing operations:

	2007			2006		
	<i>Loss £000</i>	<i>Weighted average ordinary shares in issue '000</i>	<i>Loss per ordinary share Pence</i>	<i>Loss £000</i>	<i>Restated Weighted average ordinary shares in issue '000</i>	<i>Loss per ordinary share Pence</i>
Basic loss per share						
– continuing operations	(30,948)	111,074	(27.86)	(25,467)	105,181	(24.21)
– discontinued operations	(1,134)	—	(1.02)	(142)	—	(0.14)
	(32,082)	—	(28.88)	(25,609)	—	(24.35)

The share options are anti-dilutive in respect of the basic earnings per share calculation. A diluted adjusted earnings per share has been calculated as follows.

	2007			2006		
	<i>Profit £000</i>	<i>Weighted average ordinary shares in issue '000</i>	<i>Earnings per ordinary share Pence</i>	<i>Profit £000</i>	<i>Restated Weighted average ordinary shares in issue '000</i>	<i>Earnings per ordinary share Pence</i>
Adjusted earnings per share	6,354	111,074	5.72	6,730	105,181	6.40
Dilutive effect of share options	—	3,126	(0.16)	—	4,294	(0.25)
Diluted adjusted earnings per share	6,354	114,200	5.56	6,730	109,475	6.15

4. Acquisitions

On 16 April 2007, the Group acquired the entire issued share capital of Travelex UK ATMs Limited and the ATM business and assets of Travelex UK Limited (together “Travelex ATMs”) for a total cash consideration of £3,023,000.

The acquisition has been accounted for using the acquisition method of accounting and goodwill arising has been capitalised and will be amortised over a period of 5 years. The book values of identifiable assets and liabilities and their provisional fair value to the Group are shown in the table below:

	<i>Book value</i> £000	<i>Adjustment</i> £000	<i>Provisional fair value</i> £000
Tangible fixed assets	11,457	(4,315)	7,142
Stocks	1,909	(1,860)	49
Debtors	554	—	554
Cash at bank and in hand	3,004	—	3,004
Loans and overdrafts	(9,968)	—	(9,968)
Creditors	(4,773)	(470)	(5,243)
Provisions	—	(2,724)	(2,724)
	<u>2,183</u>	<u>(9,369)</u>	<u>(7,186)</u>
Purchased goodwill capitalised			11,840
Acquisition costs			(1,631)
			<u>3,023</u>
Satisfied by:			
Cash consideration			<u>3,023</u>

The fair value adjustments processed in these financial statements are significant in relation to the net assets of Travelex ATMs. Whilst the directors have taken all possible actions and made all necessary enquiries to establish that the adjustments are fair and reasonable, there is an inherent level of uncertainty in making the judgments necessary to assess these values at the time of preparing the financial statements. Accordingly the fair value adjustments made at 30 September 2007 are provisional and if necessary will be amended in the next financial statements with a corresponding adjustment to goodwill.

The provisional fair value adjustments made in respect of the acquisition can be summarised as follows:

	<i>£000</i>
Write-down of ATMs following impairment review	4,315
Write-down of stocks to estimated realisable value	1,860
Provision for onerous contract losses	2,724
Provision for unrecorded liabilities	470
	<u>9,369</u>

5. Disposals

During the year the Group disposed of its interest in G2 Integrated Solutions Limited.

	<i>£000</i>
Net assets disposed of:	
Tangible fixed assets	756
Stocks	932
Debtors	2,618
Cash at bank and in hand	581
Creditors	<u>(2,397)</u>
	2,490
Profit on disposal	<u>462</u>
	<u>2,952</u>
Satisfied by:	
Cash consideration	<u>2,952</u>

During the year the Group also disposed of its interest in Cardpoint Merchant Services Limited.

	<i>£000</i>
Net assets disposed of:	
Fixed assets	63
Debtors	745
Goodwill	<u>498</u>
	1,306
Loss on disposal	<u>(431)</u>
	<u>875</u>
Satisfied by:	
Cash consideration	<u>875</u>

The Group received an initial consideration of £720,000 and has received further contingent payments of £212,000 up to 30 September 2007. The costs of the disposal amounted to £57,000. The maximum total consideration payable is £1,420,000.

6. Reconciliation of movements in shareholders' funds

	<i>2007</i>	<i>2006</i>
	<i>£000</i>	<i>£000</i>
Retained loss for the financial year	(32,082)	(25,609)
Credit for equity settled share based payments	1,626	1,427
Foreign currency differences	289	(26)
Issue of share capital (net of expenses)	1,809	243
	<u>(28,358)</u>	<u>(23,965)</u>
Opening shareholders' funds	53,169	77,134
Closing shareholders' funds	<u>24,811</u>	<u>53,169</u>

7. Reconciliation of operating loss to net cash inflow from operating activities

	2007 £000	2006 £000
Operating loss	(24,652)	(20,688)
Depreciation	7,668	6,626
Loss on disposal of fixed assets	276	211
Amortisation and impairment of goodwill	33,868	30,378
Equity settled share based payments	1,626	1,492
Increase in stocks	(54)	(463)
Decrease in debtors	1,348	1,598
Decrease in creditors	(7,336)	(6,273)
Decrease in provisions for liabilities	(588)	—
Net cash inflow from operating activities	<u>12,156</u>	<u>12,881</u>

8. Reconciliation of net cash flow to movement in net debt

	2007 £000	2006 £000
Decrease in cash in the year	(95)	(621)
Receipts from borrowings	(16,696)	(4,241)
Repayment of borrowings	16,303	202
Movement in net debt arising from cash flows	(488)	(4,660)
Loans acquired with subsidiary undertaking	(9,968)	—
Other non-cash movements	(210)	(97)
Movement in net debt	(10,666)	(4,757)
Opening net debt	<u>(62,778)</u>	<u>(58,021)</u>
Closing net debt	<u>(73,444)</u>	<u>(62,778)</u>

9. Reconciliation between non-statutory and statutory financial information

	2007 £000	2006 £000
EBITDA	21,681	19,769
Depreciation	(7,668)	(6,626)
Goodwill amortisation and impairment	(33,868)	(30,378)
Exceptional items	(4,568)	(1,961)
Charge for share based payments	(1,626)	(1,492)
Net interest	(5,791)	(4,875)
Loss on ordinary activities before taxation	<u>(31,840)</u>	<u>(25,563)</u>
Profit before tax, goodwill amortisation, exceptional items and share based payments	<u>8,222</u>	<u>8,268</u>

10. Merger with alphyra Holdings Limited

On 28 September 2007, the Board announced that they had agreed the terms of a merger of Cardpoint with alphyra Holdings Limited (“alphyra”) to create a leading European consumer payments and cash distribution group. The parent company of the enlarged Group will be a newly incorporated company named Payzone plc (“Payzone”) and will be headquartered and domiciled in Ireland.

The merger is conditional upon the passing of the appropriate resolutions of Cardpoint shareholders at the Extraordinary General Meeting on 12 November 2007 and Scheme Meeting on 12 November 2007. Irrevocable undertakings to vote in favour of the resolutions have been received from shareholders in respect of 53.75 per cent. of the existing issued share capital. The acquisition of Cardpoint will be

effected by means of a scheme of arrangement between Cardpoint and the Cardpoint shareholders under section 425 of the Companies Act 1985. In addition to shareholder approval noted above the scheme requires the approval of the Court. The other conditions to the merger have been set out in the documents issued to shareholders and are available on the company's website www.cardpointplc.com.

On 28 September, Cardpoint, Payzone and alphyra entered into a framework agreement which governs the parties' respective obligations in relation to the implementation of the merger and co-operation between the parties to effect the merger.

At 30 September, the Company had incurred fees and expenses associated with the merger and creation of Payzone of approximately £3.2 million. These costs have not been included as a liability at 30 September as they will be recharged to Payzone on completion of the transaction, and have therefore been treated as a contingent liability in the accounts. Under the terms of the framework agreement a break fee of £1.0 million is payable by Cardpoint under certain circumstances. The framework agreement includes for the payment to Cardpoint of £3.5 million by way of break fee in the event that alphyra breach their obligations and as a direct result of the breach the merger does not complete by 31 January 2008.

11. Copies of the preliminary announcement are available from the Company's registered office at Transaction House, Amy Johnson Way, Blackpool, Lancashire, United Kingdom FY4 3RS. The Annual Report and Accounts for the year ended 30 September 2007 are expected to be posted to shareholders on or about 12 December 2007."

PART FOUR

ADDITIONAL INFORMATION

1. No Significant Changes

- 1.1 Save as disclosed in this document and the Original Admission Document, there has been no significant change in the financial or trading position of the alphyra Group since 30 September 2007, the date to which the alphyra Group financial information set out in Part Two of this document was prepared.
- 1.2 Save as disclosed in this document and the Original Admission Document, there has been no significant change in the financial or trading position of the Cardpoint Group since 30 September 2007, the date to which the Cardpoint Group financial information set out in Part Three of this document was prepared.
- 1.3 Save as disclosed in this document, there have been no other significant changes affecting any matter contained in the Original Admission Document and no significant new matter has arisen, the inclusion of information in respect of which would have been required to be included in the Original Admission Document had it arisen at the time of its preparation.

2. Director and Senior Manager Resignations

- 2.1 As announced by Cardpoint on 15 October 2007, due to other work commitments, Lee Ginsberg has resigned from his non-executive directorship of Cardpoint with effect from 31 December 2007. Mr Ginsberg will resign from his non-executive directorship of Payzone with effect from the same date.
- 2.2 As announced by Cardpoint on 18 October 2007, Paul Saxton has decided to leave Cardpoint and resign as a director of Cardpoint (and therefore as a senior manager of Payzone also) with effect from 31 December 2007. Cardpoint and Mr Saxton have agreed the terms of his departure and these are set out below:
 - (a) Mr Saxton will continue in his current role on full remuneration until 31 December 2007;
 - (b) Mr Saxton will then be paid a compensation payment equal to the portion of the £150,000 per annum salary he would have received had he continued to be employed by Cardpoint until 14 October 2008; and
 - (c) Mr Saxton will be paid £75,000 in respect of his bonus entitlement for the financial year ending 30 September 2008.

Cardpoint and Mr Saxton have agreed to enter into a settlement agreement to give effect to these terms prior to Completion.

3. United Kingdom Taxation

This paragraph 3 should be read as a supplement to and in conjunction with paragraph 13.1 of Part Eleven of the Original Admission Document headed "United Kingdom Taxation", which contains general comments summarising certain material UK tax consequences for Shareholders in respect of the ownership and disposal of Ordinary Shares, and in respect of the Scheme. Any persons who are in any doubt as to their tax position in respect of the ownership or disposal of Ordinary Shares, or the Scheme, should consult their own professional advisers without delay.

Since the Original Admission Document was issued, the UK government has proposed a number of changes in relation to UK taxation in its Pre-Budget Report of October 2007. In particular, the Pre-Budget Report indicated that for individuals resident in the United Kingdom, but not domiciled or ordinarily resident in the United Kingdom, the restriction on the application of the rules relating to remittances of foreign income to foreign income arising in the Republic of Ireland will cease to apply from 6 April 2008. If the proposed change is enacted, the rules relating to remittances of foreign income

would therefore apply to dividends on Ordinary Shares from that date for individual Shareholders who are resident in the United Kingdom, but not domiciled or ordinarily resident in the United Kingdom. The Pre-Budget Report also indicated that further changes will be made to the rules relating to remittances of foreign income. Any persons who are in any doubt as to how the Pre-Budget Report might affect their tax position in respect of the ownership or disposal of Ordinary Shares should consult their own professional advisers without delay.

4. Consents

- 4.1 PricewaterhouseCoopers has given and not withdrawn its written consent to the inclusion in this document of its report contained in Part Two of this document in the form and context in which it is included and has authorised the contents of the report for the purpose of Schedule 2 of the AIM Rules.
- 4.2 Each of Panmure Gordon, Rothschild, Goldman Sachs International and NCB Stockbrokers Limited has given and not withdrawn its written consent to the issue of this document with the inclusion in it of its name in the form and context in which it appears.

5. Documents Available for Inspection

In addition to a copy of the Original Admission Document and the other documents and copies referred to in paragraph 19 of Part Eleven of the Original Admission Document, the following documents or copies thereof are available for inspection at the registered office of the Company and at the office of Freshfields Bruckhaus Deringer at 65 Fleet Street, London EC4Y 1HS, in each case during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and shall remain so available for at least one month after Admission:

- 5.1 the report of PricewaterhouseCoopers set out in Part Two of this document;
- 5.2 the consent letters referred to in paragraphs 4.1 and 4.2 of this Part Four; and
- 5.3 a copy of this document.

2 November 2007

