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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 United Kingdom Listing Authority (“UKLA”). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the UKLA nor the London Stock Exchange has examined or approved the contents of this document.

This document, which is an admission document required by the rules of AIM, (“Admission Document”), does not comprise a prospectus for the purposes of the Prospectus Rules or for the purposes of the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland. This document does not constitute an offer to the public within the meaning of section 85 FSMA therefore this document is not an approved prospectus for the purposes of, and as defined in section 85 FSMA and has not been prepared in accordance with the Prospectus Rules. This document has not been approved by any regulatory authority in Ireland or by any other authority which could be a competent authority for the purposes of the Prospectus Rules.

Application has been made for the Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM on 31 October 2006. The Ordinary Shares are not dealt in, or on, any other recognised investment exchange and no other such applications have been made.

The Company and its Directors, whose names and functions appear on page 3, accept responsibility for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Company and its Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts, and this document makes no omission likely to affect the import of such information.

ZAMANO PLC

(Incorporated and registered in Ireland with registered number 329336)

**Placing of 16,666,666 Ordinary Shares and 8,853,251 Vendor Placing Shares
of €0.001 at 24p per share and Admission to trading on AIM**

**NOMINATED ADVISER AND BROKER
SEYMOUR PIERCE LIMITED**

Share Capital Immediately Following Admission

<i>Authorised</i>		<i>Issued and fully paid</i>	
<i>Number of Ordinary Shares</i>	<i>Nominal Value</i>	<i>Number of Shares</i>	<i>Nominal Value</i>
3,600,000,000	€3,600,000	67,838,332	€67,838.33

Seymour Pierce Limited, which is regulated by the Financial Services Authority and is a member of the London Stock Exchange, is acting as nominated adviser and broker exclusively for the Company in connection with the Placing and Admission. Its responsibilities as the Company’s nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or any other person in respect of his decision to acquire Ordinary Shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Seymour Pierce Limited as to any of the contents of this document for which the Company and its Directors are responsible (without limiting the statutory rights of any person to whom this document is issued). Seymour Pierce Limited will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of the Placing or any acquisition of shares in the Company. Seymour Pierce Limited has not authorised the contents of, or any part of, this document, and no liability whatsoever is accepted by Seymour Pierce Limited for the accuracy of any information or opinions contained in this document or for the omission of any material information.

Investment in the Company is speculative and involves a high degree of risk. Your attention is drawn to Part II of this document, which sets out certain risk factors relating to any investment in Ordinary Shares. All statements regarding the Group’s business, financial position and prospects should be viewed in light of the risk factors set out in Part II of this document.

This document does not constitute an offer to sell or the solicitation of an offer to buy shares in any jurisdiction and should not be distributed directly or indirectly to any persons with addresses in the United States of America (or any of its territories or possessions), Canada, Japan or Australia, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement. The Ordinary Shares have not been and will not be registered under the applicable securities laws of the United States, Canada, Australia or Japan.

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DIRECTORS OFFICERS AND ADVISERS

Directors

Roderick Alfred Matthews, *Non Executive Chairman*
John O'Shea, *Managing Director*
Seán Mac Réamoinn, *Executive Director*
Colin Patrick Tucker, *Non Executive Director*
John Michael Watson, *Non Executive Director*
Brendan Mullin, *Non Executive Director*
Niall James McKeon, *Non Executive Director*

whose address is:

c/o 4 St Catherine's Lane West
Digital Hub
Dublin 8
Republic of Ireland

Secretary:

Seán Mac Réamoinn

Registered Office:

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Digital Hub
Dublin 8
Republic of Ireland

Nominated Adviser and Broker:

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3 Queen Victoria Street
London EC4N 8EL

Solicitors to the Company:

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One Earlsfort Centre
Earlsfort Terrace
Dublin 2
Republic of Ireland

Solicitors to the Placing:

Davenport Lyons
30 Old Burlington Street
London W1S 3NL

Auditors and Reporting Accountants:

Ernst & Young
Harcourt Centre
Harcourt Street
Dublin 2
Republic of Ireland

Registrars:

Capita Corporate Registrars plc
Unit 5, Manor Street Business Park
Manor Street
Dublin 7
Republic of Ireland

Financial Public Relations Adviser:

Edelman
Haymarket House
28-29 Haymarket
1st Floor
London SW1Y 4SP

PLACING STATISTICS

Placing Price	24p
Number of Ordinary Shares in issue prior to the Placing	51,171,666
Number of Placing Shares being placed on behalf of the Company	16,666,666
Number of Vendor Placing Shares being offered in the Placing	8,853,251
Percentage of the Enlarged Share Capital subject to the Placing	37.62%
Number of Ordinary Shares in issue immediately following Admission	67,838,332
Market capitalisation of the Company at the Placing Price	£16,281,199
Estimated net proceeds receivable by the Company pursuant to the Placing after expenses (excluding VAT)	£3.25m
International Security Identification Number (ISIN)	1E00BIG17W46

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Issue of, and dealings commence in, the Ordinary Shares on AIM	31 October 2006
Expected date of delivery of Ordinary Shares into CREST accounts	31 October 2006
Definitive share certificates dispatched in respect of the Placing Shares (where applicable)	by 13 November 2006

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Acts” or “Companies Acts”	the Companies Acts 1963 to 2005 of Ireland
“Admission”	admission of the issued and to be issued Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	a market operated by the London Stock Exchange
“AIM Rules”	the rules of the London Stock Exchange governing the admission to, and operation of, AIM
“Articles”	the articles of association of the Company
“Board”	the board of directors of the Company
“Company”	Zamano plc incorporated in Ireland with registered number 329336
“CREST”	the computerised settlement to facilitate the transfer of title to shares in uncertificated form operated by CRESTCo
“CRESTCo”	CRESTCo Limited
“Directors”	the directors of the Company whose names are set out on page 3 of this document
“Enlarged Share Capital”	the issued share capital of the Company immediately following Admission
“EU”	the European Union
“Existing Issued Share Capital”	the existing issued Ordinary Shares prior to the Placing
“FSMA”	the Financial Services and Markets Act 2000, as amended
“Group” or “Zamano”	the Company and its subsidiaries as at the date of this document
“Irish GAAP”	generally accepted accounting principles of the Republic of Ireland
“Irish Takeover Rules”	Irish Takeover Panel Act 1997, Irish Takeover Rules 2001 to 2006
“London Stock Exchange”	London Stock Exchange plc
“Mobile Operator”	companies such as Vodafone, 02 and Orange who provide and operate mobile phone networks
“Official List”	the official list of the United Kingdom Listing Authority
“Options”	options to subscribe for Ordinary Shares granted pursuant to the Share Option Plans
“Ordinary Shares”	ordinary shares of €0.001 each in the capital of the Company
“Placing”	the proposed placing by Seymour Pierce on behalf of the Company of the Placing Shares and the Vendor Placing Shares with institutional and other investors at the Placing Price pursuant to the terms and conditions of the Placing Agreement and the Vendor Placing Agreement as described in this document

“Placing Agreement”	the conditional agreement dated 24 October 2006 between the Company, Seymour Pierce and the Directors relating to the Placing Shares, a summary of the principal terms and conditions of which is set out in paragraph 10.1 of Part V of this document
“Placing Price”	24 per Placing Share
“Placing Shares”	the 16,666,666 new Ordinary Shares to be issued by the Company pursuant to the Placing
“Prospectus Rules”	the Prospectus Rules contained in the Financial Services Authority Handbook
“Selling Shareholders”	shareholders selling shares under the Vendor Placing Agreement
“Seymour Pierce”	Seymour Pierce Limited
“Shareholder”	a holder of Ordinary Shares
“Share Option Plans”	2004 Share Option Plan and the 2006 Share Option Plan
“subsidiary”, “subsidiary undertaking”, “associated undertaking” and “undertaking”	have the meanings respectively ascribed to them by the Acts
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland
“UKLA”	United Kingdom Listing Authority
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
“Vendor Placing Agreement”	the conditional agreement dated 24 October 2006 between Seymour Pierce and the Selling Shareholders relating to the sale of Vendor Placing Shares
“Vendor Placing Shares”	the 8,853,251 Ordinary Shares to be sold by Selling Shareholders pursuant to the Placing
“2004 Share Option Plan”	the Zamano Holdings Limited Share Option Plan established on 3 February 2004, a summary of the principal provisions of which is set out in paragraph 12.1 of Part V of this document
“2006 Share Option Plan”	the Zamano Plc Share Option Plan established on 26 September 2006, a summary of the principal provisions of which is set out in paragraph 12.2 of Part V of this document

GLOSSARY

3G	third generation mobile networks and handsets. 3G allows approximately ten times more bandwidth than 2G networks and facilitates increasingly complex data services.
Application	a technology structure that administers mobile services or content.
ARPU	average revenue per user.
B2B	Business-To-Business – a transaction that occurs between two companies, as opposed to a transaction involving a consumer.
B2C	Business-To-Consumer – a transaction that occurs between a company and a consumer, as opposed to a transaction between companies.
GPRS	General Packet Radio Service – a mobile data service available to users of GSM mobile phones.
GSM	Global System for Mobile communication – a European digital standard for mobile or telephony.
IVR	a system to automatically manage incoming calls. IVR can link phone callers (voice and/or touchtone) with a computer database. It can accept a question, access a company's database and provide a caller with the information they are seeking.
Interoperability	this refers to the ability of a system or a protocol to work with other systems or protocols without input on the part of the consumer.
Java	a high level object oriented programming language developed by Sun Microsystems.
MMS	Multimedia Messaging Service – an extension of SMS which enables photographs, video and audio clips to be transmitted to other MMS users.
Mobile Operator	a company which owns a mobile phone network.
Premium Rate Data Services	a premium rate text message or WAP download containing content that the mobile phone user pays either through his/her monthly bill issued by a mobile operator or by an immediate deduction from the mobile phone user's pre-paid phone credit.
SMS	Short Message Service – a facility for sending short text messages between mobile phones, other hand held devices and landline telephones, for the purposes of personal communication as well as ordering mobile content or entering competitions.
Shortcode	a four or five digit number typically rented from mobile operators which is used to purchase premium rate data services and mobile content.
Wallpaper	a background graphic that is formatted to fit the screen of a hand held device, usually a mobile phone.
WAP	Wireless Application Protocol – a global open standard for accessing online services through mobile phones.

KEY INFORMATION

Zamano was established in 2000 to take advantage of the growing demand for mobile content and mobile data services. Zamano facilitates communication and interaction between companies and consumers on mobile phones through a range of value-added mobile applications (“B2B”). Zamano also develops, promotes and distributes mobile content and interactive services directly to consumers (“B2C”). The B2B business accounts for approximately 65 per cent. of overall revenues, with the remaining approximately 35 per cent. generated by B2C activities. Overall, the Group has in excess of 130,000 active subscription relationships.

Zamano is a leading mobile data service provider in Ireland and also has a strong presence in the UK. Zamano has recently commenced sales into Australia which to date have provided returns in line with management’s expectations.

Zamano’s management team combines a depth of technical experience and a demonstrable track record in creating shareholder value. The Board comprises executives and non-executives from the technology and communications market, who have experience in operational and strategic development across a number of multinational companies.

The Directors anticipate that Admission should enable Zamano to deliver on three primary objectives:

- Strategic mergers and acquisitions for further market penetration and technical advancement;
- Investment in new technology to take advantage of mobile handset advances and increased bandwidth; and
- Territorial expansion into new geographical markets.

In the years 2003 to 2005, Zamano experienced recurring revenue and profit growth. The Directors believe that the markets in which the Group operate offer further scope for continued profitable growth.

FINANCIAL INFORMATION

The following financial information has been extracted from the Group’s financial information contained in Part III of this document. **The information below should be read in conjunction with the full text of this document. Investors should not rely solely on the key information summarised**

	<i>12 months ended 31 December 2003 €000</i>	<i>12 months ended 31 December 2004 €000</i>	<i>12 months ended 31 December 2005 €000</i>	<i>6 months ended 30 June 2006 €000</i>
Turnover	1,431	5,067	9,694	6,029
Operating (loss)/profit	(518)	155	1,329	1,144
(Loss)/profit before taxation	(532)	151	1,334	1,157
(Loss)/profit after taxation	(532)	125	1,303	988

PART I

INFORMATION ON THE GROUP

INTRODUCTION

Established in 2000 with offices in the UK and Ireland, Zamano is a leading provider of mobile data services, technology and mobile content in Ireland and has a strong presence in the UK. Since its foundation, Zamano has built an advanced technology platform that services a broad range of customers and delivers millions of text messages as well as mobile downloads monthly.

BUSINESS OVERVIEW

Zamano enables businesses and brands to interact with their end-users on mobile phones through a range of mobile data services. Zamano also develops, promotes and distributes mobile content and interactive services directly to consumers.

Zamano's applications and services enable business partners to deliver interactivity and content via SMS, MMS, IVR, video telephony and WAP over mobile phone networks.

Zamano has developed its own proprietary technology platform entitled Mobile Messaging Gateway ("MMG") which offers a diverse range of functionality and communication capabilities to the Company's business partners. These applications can be used on a stand alone basis or as part of an integrated bespoke combination depending on client requirements. The MMG platform identifies which device is requesting information or content and delivers it in the format which is applicable for that device.

Over 50 customers currently utilise the Group's MMG technology platform on an ongoing basis, including Mobile Operators, media and marketing companies as well as mobile content providers. Zamano's clients include companies such as Advanced Telecom Services, Choice Hotels, iTouch, Buy and Sell, O2, C&C Group plc and RTE.

Revenues are predominantly generated through the end-users being charged by Mobile Operators for every interaction which occurs. These transactions result in a defined revenue share being paid to Zamano. The amount of revenue retained by Zamano is dependent upon the extent to which the Group's B2B customers utilise Zamano's technology services on any given transaction.

In May 2004, Zamano acquired Enabletel Limited and since then has operated a mobile content brand, MobileX, around which the Group's B2C business is based. The MobileX brand markets mainstream mobile content and interactive services targeted at the 16 to 30 year old demographic. Zamano develops in-house, and sources externally, mobile content including games, mini-videos, wallpapers, logos, alerts and ringtones which enable Zamano to deliver promotions effectively. Income is generated through the sale of mobile content or interactive services to consumers. Consumers are directly billed the cost of the content or service by their Mobile Operator, which in turn pays Zamano a pre-determined percentage of revenue received.

Zamano's B2B business accounts for approximately 65 per cent. of overall Group revenues with approximately 35 per cent. generated by the sale of the Group's mobile content and interactive services in the B2C business. The Directors believe that strong growth prospects exist for both aspects of the Group's business.

As a result of growth in the Group's business and the level of data transmitted and processed on Zamano's MMG platform, Group annual revenues have grown from €1.4 million to €9.7 million over the past three financial years.

B2B BUSINESS

Zamano has developed a number of innovative applications which are provided to business partners and customers through the Group’s MMG platform. Zamano’s MMG platform provides connectivity between applications, Mobile Operators and end-users.

The MMG platform is directly connected to all Mobile Operators in the UK and Ireland and indirectly to all Australian mobile operators.

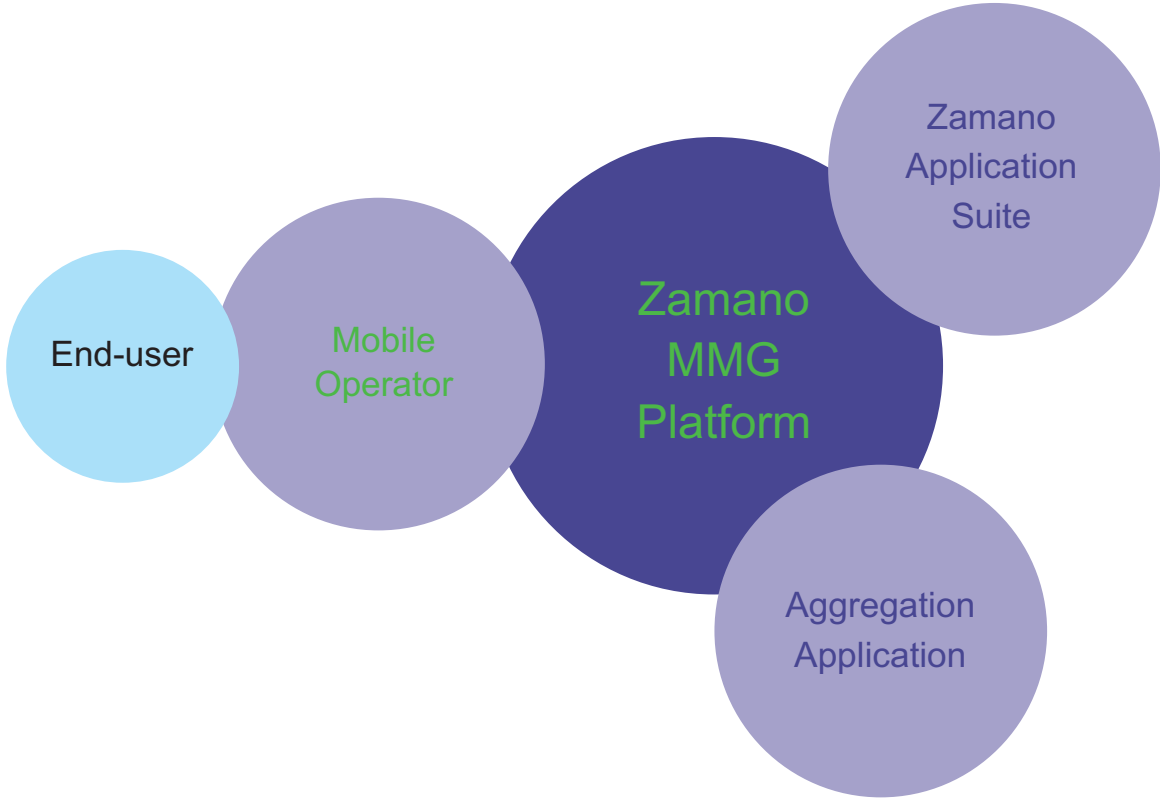
Zamano is jointly running subscription services in collaboration with B2B customers for approximately 16,000 subscribers.

Aggregation

Aggregatees are businesses who have typically developed their own mobile content and applications, but who are reliant on third party aggregators to deliver these applications and content to end-users via direct connections with Mobile Operators. Zamano’s MMG platform provides this aggregation capability. Zamano also manages the transit of mobile data between Mobile Operators and aggregatees.

Zamano’s aggregation service facilitates the delivery to end-users of premium rate text messages containing mobile content and services. Products typically purchased by end-users include ringtones, video downloads and entertainment-based interactive services such as dating, horoscopes and chat.

Zamano’s B2B Business



Application Suite

Zamano’s application suite comprises a number of software programmes which enable the Group’s B2B customers to deliver mobile content and provide interaction with end-users.

The following are some of the bespoke applications which have been developed by the Group, the intellectual property rights in which are owned by the Group.

SMS Broadcaster

SMS Broadcaster is typically used by direct marketing companies or business organisations who wish to communicate with end-users via text message. This service is a web based application which allows businesses to upload lists of mobile phone numbers, schedule broadcasts and send bulk SMS to any mobile phone user worldwide.

The Directors believe that SMS broadcasting will continue to grow due to increasing recognition by businesses of the benefits that bulk text messaging afford in communicating directly with a large number of end-users.

Subscription

Zamano has developed a subscription application that allows businesses to set up and manage a range of subscription based services provided by them.

Zamano's subscription application facilitates:

- Detailed breakdown of subscriber and unsubscriber numbers;
- Fast and easy to use visual control of content lists; and
- Pre-scheduled text and multimedia content delivery to subscribers.

WAP Publisher

Zamano's WAP Publisher empowers mobile content providers to develop and publish their own mobile internet (WAP) sites and broadcast them to end-users via bulk SMS. WAP Publisher enables content providers to market a broader selection of their own content directly to end-users. This service allows end-users simply to click and download the content they select whilst browsing through the mobile internet site. The link to the WAP page can be stored in the mobile handset allowing end-users to refresh the site at anytime and also check for new and updated content.

Chat

Zamano's chat application is a fully managed interactive multi-media chat system. The application has extensive multimedia capability and is also used by some customers for the provision of tarot card reading services.

Dating

Zamano's dating application was built in partnership with a customer which has extensive experience of IVR dating services in the UK. These dating services are promoted in a broad range of newspaper and magazine titles in the UK and Ireland, including the Financial Times, Irish Times, Daily Mirror, The Guardian and Evening Standard. Advertisements can be placed via text by end-users upon reading these advertisements in newspapers. End-users typically choose to communicate via IVR or SMS.

HelpText

The "HelpText" application is a text message solution which enables end-users to send their queries via text message direct to the screen of a HelpText operator. The application also provides a history of prior interaction. In cases where all operators are busy at a certain time, all incoming messages will be automatically queued and stored.

Interactive Voice and Video Recognition

Interactive Voice and Video Recognition is a new area of focus for Zamano. Interactive Voice and Video Recognition is only available on 3G networks. The service allows end-users to interact with each other in real time through video images streamed to their handsets. The Directors believe that this represents a natural extension of mobile content delivery, permitting users to watch, listen and simultaneously interact with services.

Reporting

Zamano's reporting application enables businesses to access and analyse up-to-date traffic and revenue results. This application allows businesses to analyse product performance and to group traffic by date, service, shortcode, Mobile Operator or service type. Customers can also configure the reporting interface to highlight relevant information in accordance with personal preferences.

Data Miner

Zamano's Data Miner records details of all interactions between applications and users, amounting to millions of records. Data Miner allows B2B customers to track usage of services and establish patterns of usage for targeted marketing.

B2C BUSINESS

Zamano's B2C business, trading as "MobileX", delivers mobile content and interactive services directly to consumers. Interactive services include competitions, horoscopes, chat and dating. Zamano develops in-house and sources externally mobile phone content which is marketed and sold directly to consumers under the Group's MobileX brand. Examples of mobile content offerings developed in-house by Zamano include:

- Graphics or images which can be sent and received via text message;
- Monophonic and polyphonic ringtones and realtones;
- Games which can be downloaded and played on mobile phones; and
- Video clips.

MobileX primarily markets to 16 to 30 year olds, with a strategy focused on advertisements and inserts placed in mass circulation tabloid newspapers and youth magazines. MobileX also engages in micro-marketing of specific products or services based on historic usage patterns.

At present MobileX has in excess of 109,000 active subscribers (representing 117,000 subscriptions) interacting with the brand on a regular basis. Income is derived from the sale of content which is typically ordered by a consumer sending a premium rate text message or making a premium rate phone call. The mobile phone user is charged the cost of the premium rate SMS or phone call. Zamano retains the majority of revenues generated from these premium rate phone calls and text messages. The B2C business accounts for approximately 35 per cent of the Group's entire revenue.

THE B2B MARKET

There are several competitors in each of the key markets in which the Group operates. However the Directors believe that there are few competitors who provide as comprehensive an application and service offering as the Group's.

The Group has invested significant human resources in ensuring that the MMG platform is updated and enhanced on an ongoing basis. The MMG platform has been upgraded based on direct feedback from consumer behaviours, as monitored by the Group's B2C staff. Continuous incremental improvements in the platform and application suite have led to increased ARPU's for both the B2B and B2C customer bases. The Directors believe that investment in the Group's MMG platform has enabled the Group to build its reputation as a leading provider of mobile data services.

The Group also possesses a high degree of technical expertise which the Directors believe has allowed the Group to effectively administer and operate the Group's MMG platform, while also ensuring that the platform is constantly developed in line with consumer and market demands.

THE MOBILE CONTENT MARKET

The global market for mobile content is predicted to be worth £5.32 billion by the end of 2006. As of July 2005 it was estimated that 20 per cent. of mobile phone owners worldwide had downloaded content to their handsets and this figure is expected to reach 60 per cent. in 2006. New multimedia phones are fuelling a growth in video and movie downloads, with more than 10 per cent. of mobile phone users worldwide expected to download video content in 2006.

The market for mobile data has been stimulated by the advent of technologically sophisticated mobile handsets which can receive and transmit greater quantities of data and run Java based applications.

The Directors believe that the Group's marketing strategy coupled with its ability to develop and market all forms of mobile content should ensure that the Group retains a strong presence in what the Directors believe is a growing market.

SUMMARY FINANCIAL INFORMATION

The summary consolidated financial information of the Group for each of the three years ended 31 December 2005 and the six months ended 30 June 2006 is set out in the table below. The following summary should be read in conjunction with the accountant's report and financial information on the Group as set out in Part III of this document and the Interim Results as set out in Part IV.

	<i>12 months ended 31 December 2003 €000</i>	<i>12 months ended 31 December 2004 €000</i>	<i>12 months ended 31 December 2005 €000</i>	<i>6 months ended 30 June 2006 €000</i>
Turnover	1,431	5,067	9,694	6,029
Operating (loss)/profit	(518)	155	1,329	1,144
(Loss)/profit before taxation	(532)	151	1,334	1,157
(Loss)/profit after taxation	(532)	125	1,303	988

At 30 June 2006 Zamano had net assets of €1.7 million with a cash balance of €1.8 million.

CURRENT TRADING AND PROSPECTS FOR THE GROUP

The Group has continued to perform well in the current year and the Directors are confident of a successful outcome for the full year to December 2006. The Group has recently started to provide services into Australia which to date have provided returns in line with management's expectations and represent a valuable growth prospect for the Group. The Directors are continually reviewing strategic acquisition opportunities and potential expansion into new geographic markets. The Directors also intend to increase investment in the Group's MMG technology platform and mobile B2C business which the Directors believe will enhance the Group's market share.

DIRECTORS, KEY MANAGEMENT AND EMPLOYEES

The biographical details of the Directors and senior management are set out below:

Directors

Rod Matthews, aged 63, (Non Executive Chairman)

Chairman of UK-listed company Keycom plc, Rod was previously Chairman of AIM listed company Transcomm plc which was sold to BT in 2004. As Chief Executive of ScottishTelecom he successfully built the company from incorporation to deliver revenues in excess of GBP £200m per annum and positive earnings within 4 years. Rod was also President & COO of Global Crossing EMEA and Engineering Director and IT Director of the Central Electricity Generating Board in the UK. He was appointed a Member of the Order of the British Empire following his leadership of a European/Asian/American harmonisation of interoperability of computing networks. Rod was appointed Chairman of Zamano in March 2003.

John O’Shea, aged 42, (Managing Director)

John’s career to date spans 11 years of multinational telecommunications companies, and 10 years spent building up two technology innovators. John worked in Munich with Siemens, before joining Rohde and Schwarz. He then took up a role as a Product Manager for AT&T Network Systems.

He was appointed Managing Director of Webfactory, a web development company, in January 1997, and grew annual revenues from €400,000 that year to nearly €3 million in 2000. The company was sold to Horizon in 2000 for €10 million. John joined Zamano as Commercial Director in May 2002, charged with growing sustainable revenue streams. He became Managing Director in January 2005.

Seán Mac Réamoinn, aged 35, (Executive Director)

Seán was one of the founding directors of Zamano and is now Executive Director and Company Secretary responsible for investor relations and the execution of strategic growth initiatives, including acquisitions. A qualified chartered accountant, he also works closely with the financial controller on all financial matters of significance to the Group. Seán is the former head of finance in the e-business solutions division of Horizon Technology plc and was previously employed with GE Capital and Ernst & Young.

Brendan Mullin, aged 42, (Non-Executive Director)

Brendan is a director of Quinlan Private, a leading international real estate and investment advisory group in Ireland. He previously worked with both Goodbody and Davy Stockbrokers in Dublin, and immediately before joining Quinlan ran Powerscourt Capital, a public and private equity investment firm.

Colin Tucker, aged 61, (Non-Executive Director)

Colin is Deputy Chairman of Hutchison 3G Europe. He was a founding director of Orange, and ran Hutchison UK (subsequently under the brand 3) prior to his current appointment. He is a non-executive director of FTSE listed technology integrator Morse plc and was appointed a Director of the Company in September 2006.

John Michael Watson, aged 60, (Non-Executive Director)

John Michael (“Mike”) was Director of Marketing and Technical Strategy for ICL/Fujitsu, Managing Director of BICC Technologies and more recently CEO of Tertio. He is a Non-executive director of AIM-listed Spectrum Interactive plc, and previously Xitec plc and OSI Group plc. He became a Director of the Company in September 2006.

Niall McKeon, aged 34, (Non-Executive Director)

Niall is Managing Director of Deisecom Limited, a telecommunications solution provider. He qualified as a Chartered Accountant with Ernst & Young in 1996. Prior to founding Deisecom, he worked in senior roles with Alpha Telecom and First National Telecom. He has been a Director of Zamano since June 2000.

Key Management

The Board will be supported by the following senior management:

Aoife Warren, (Financial Controller)

Aoife is a qualified chartered accountant with significant experience of financial roles within the technology space internationally having previously worked with IBM and Informix. She also worked with PricewaterhouseCoopers in Cork and Silicon Valley.

Enda Farrell, (Chief Technical Officer)

Enda joined Zamano in 2001 and is responsible for managing the optimisation of Zamano’s technology platform, planning the Company’s development roadmap, and is also charged with integrating technology

acquired either through purchase or business acquisition. Enda has extensive software development and project management experience and was previously employed with EDS.

Paul O’Shea, (B2C Channel Manager)

Paul has extensive business experience within the operator space, having worked at a senior level with O2 in Ireland for four years. Paul was previously employed with Vodafone Australia and Ernst & Young London.

Libby Foley, (Development Manager)

Libby joined Zamano in 2001 and is responsible for Zamano’s development team, which is focused on new application development and enhancement of the Group’s platform architecture.

Declan Pettit, (Head of UK Sales)

Declan joined Zamano in early 2005, bringing a wealth of experience from the UK mobile application space. Prior to joining Zamano, Declan ran a development company that delivered a range of mobile applications for the UK market. Declan has overall responsibility for growing Zamano’s UK business.

Paul McKeagney, (Business Manager – Ireland)

Paul joined Zamano in 2002 and is responsible for the Irish sales division of the Group. Paul was previously employed as a business analyst with Accenture.

Solveig Smith, (Customer Service Manager)

Solveig joined Zamano in 2002 and manages services configuration, technical support and the customer services support functions. Solveig has significant experience of the technology sector.

Employees

As at 29 September 2006 the Group had 28 employees, located in offices in Dublin and London.

DETAILS OF THE PLACING

The Company is proposing to raise up to £3.25 million (net of expenses) through a placing by Seymour Pierce of 16,666,666 Placing Shares at a Placing Price of 24p per Ordinary Share. Existing Shareholders are selling 8,853,251 existing Ordinary Shares valued at 24p, at the Placing Price.

Under the Placing Agreement, Seymour Pierce has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Shares are being placed by Seymour Pierce with institutions and other investors. The obligations of Seymour Pierce under the Placing Agreement are conditional upon, *inter alia*, Admission taking place by 8.00 a.m. on 10 November 2006 and the Placing Agreement not being terminated. The Placing Shares will represent approximately 24.57 per cent. of the Enlarged Share Capital on Admission. On Admission, at the Placing Price, the Company will have a market capitalisation of approximately £16.3 million.

Under the Vendor Placing Agreement Seymour Pierce has agreed to use its reasonable endeavours to procure subscribers for the Vendor Placing Shares at the Placing Price. The Vendor Placing Shares are being placed by Seymour Pierce with institutions and other investors. The obligations of Seymour Pierce under the Vendor Placing Agreement are conditional upon, *inter alia*, Admission taking place by 8.00 a.m. on 10 November 2006 and the Vendor Placing Agreement being unconditional and not being terminated. The Vendor Placing Shares will represent approximately 13.05 per cent. of the Enlarged Share Capital on Admission.

The Group has obtained advance assurance from HM Revenue and Customs that it will be a qualifying company for Venture Capital Trusts (“VCT”) and for the Enterprise Investment Scheme (“EIS”). Investors should consider the comments in paragraph 14 of Part V regarding taxation.

Shares to be issued to VCT and EIS investors will be issued to such investors by the Company on the day immediately prior to Admission. Prospective VCT and EIS investors should be aware that such issues will be irrevocable and are not conditional on Admission taking place.

The Placing of the remaining Placing Shares (after the issue of any Placing Shares to VCT and EIS investors) is conditional, *inter alia*, upon Admission taking place on 10 November 2006.

Further details of the Placing Agreement are set out in paragraph 10.1 of Part V of this document.

REASONS FOR ADMISSION AND USE OF PROCEEDS

The Group is seeking Admission in order to raise its profile and status, to enable employees to be incentivised by the grant of options in publicly traded shares and to provide access to capital to develop its business.

The net proceeds of the Placing will be used to further develop the Group's technology platform and mobile content offering. The Company will also review strategic acquisition opportunities which the Directors believe would add value to its business. The Directors also intend to expand the business into new geographic markets.

LOCK-IN AGREEMENTS

On Admission, the Directors will be interested in an aggregate of 19,017,134 Ordinary Shares, representing 28 per cent. of the issued share capital of the Company. Details of the Directors' holdings of Ordinary Shares are set out in paragraph 6 of Part V of this document.

The Directors and shareholders, who on Admission are the holders of 42,318,415 Ordinary Shares in aggregate, have undertaken to Seymour Pierce not to dispose of any interests in Ordinary Shares (except in certain limited circumstances) for a period of 12 months from Admission and for a further 6 months thereafter to deal in their Ordinary Shares only through Seymour Pierce.

SHARE OPTION PLANS

In order to incentivise employees of the Group in the future the Company has established the Share Option Plans. Details of the Share Option Plans and the Options that have been granted thereunder are set out in paragraphs 12.1 and 12.2 of Part V of this document.

ADMISSION, SETTLEMENT AND CREST

Application has been made to the London Stock Exchange for all the existing Ordinary Shares and the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Ordinary Shares of the Company will commence on 31 October 2006.

The Articles permit the Company to issue shares in uncertificated form. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities, including depository interests, to be held in electronic rather than paper form. Application has been made by the Company's Registrar and transfer agent for all of the Ordinary Shares in issue at Admission to be admitted to CREST. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if relevant Shareholders so wish.

CREST is a voluntary system and Shareholders who wish to retain certificates for their Ordinary Shares will be able to do so.

It is expected that share certificates will be dispatched by the Company's Registrars no later than 13 November 2006 and Ordinary Shares will be delivered in CREST on 31 October 2006.

CORPORATE GOVERNANCE AND BOARD PRACTICES

The Directors recognise the importance of sound corporate governance and will, in so far as is practicable given the Company's size and the constitution of the Board, comply with the main provisions of the Combined Code: Principles of Corporate Governance and Code of Best Practice ("Combined Code").

Board

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. The Company intends to hold Board meetings at least 6 times each financial year and at other times as and when required.

Committees

The audit committee of the Company, comprising John Michael Watson, Colin Tucker, Niall McKeon and Brendan Mullin (all non-executive Directors) and Seán Mac Réamoinn (an executive Director) is chaired by John Michael Watson and meets at least three times a year. The audit committee is responsible for ensuring that the Company's financial performance is properly monitored, controlled and reported. It will also meet the auditors and review reports from the auditors relating to accounts and internal control systems. The audit committee will meet once a year with the auditors.

The remuneration committee of the Company, comprising John Michael Watson, Colin Tucker, Rod Matthews, Brendan Mullin and Niall McKeon (all non-executive Directors) is chaired by Colin Tucker and meets at least twice a year. The remuneration committee will set and review the scale and structure of the executive Directors' remuneration packages, including share options and the terms of their service contracts. The remuneration and the terms and conditions of the non-executive Directors will be determined by the Directors with due regard to the interests of the Shareholders and the performance of the Group. The remuneration committee will also make recommendations to the Board concerning the allocation of share options to employees. Committee members will serve for such terms as the Board determines.

The Company has adopted a model code for Directors' dealings which is appropriate for an AIM quoted company. The Directors will comply with Rule 21 of the AIM Rules relating to Directors' dealings and will take all reasonable steps to ensure compliance by the Group's applicable employees as well.

DIVIDEND POLICY

Initially and in the medium term the Directors' intention is to re-invest funds into the Company rather than making payment of dividends. Thereafter, the payment of dividends will be considered subject to the availability of distributable reserves, whilst maintaining an appropriate level of dividend cover and having regard to the need to retain sufficient funds to finance the development of the Group's activities.

TAXATION

Information regarding taxation is set out in paragraph 14 of Part V of this document. These details are, however, intended only as a general guide to the current tax position under UK and Irish taxation law.

Shareholders who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK or Ireland are strongly advised to consult their own independent financial adviser immediately.

ADDITIONAL INFORMATION

The attention of investors is drawn to the information contained in Parts II to V of this document which provides additional information on the Group.

PART II

RISK FACTORS

An investment in the Ordinary Shares of the Company involves a high degree of risk. Accordingly prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this document before investing in the Company's Ordinary Shares. The Board considers the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority.

If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Company's business and the information set out below does not purport to be an exhaustive summary of the risks affecting the Company.

An investment in the Ordinary Shares described in this document is speculative. Potential investors are accordingly advised to consult a person authorised for the purposes of FSMA who specialises in advising on investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her.

Securities Traded on AIM

The Ordinary Shares will be traded on AIM rather than the Official List. An investment in shares traded on AIM carries a higher risk than those listed on the Official List. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions, overall market or sector sentiment, legislative changes in the Company's sector, and other events and factors outside of the Company's control. Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up, and investors may therefore not recover their original investment especially as the market in the Ordinary Shares may have limited liquidity. Admission to AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares.

Share Price Effect of Sales of Ordinary Shares

The market price of Ordinary Shares could decline significantly as a result of any sales of Ordinary Shares by certain Shareholders following the expiry of the relevant lock-in periods, details of which are set out in Parts I and V of this document, or the expectation or belief that sales of such shares may occur.

Future Fundraisings

Whilst the Directors have no current plans for raising additional capital immediately after Admission and are satisfied that the working capital available to the Company will, for 12 months from Admission, be sufficient for its present requirements, it is possible that the Company will need to raise extra capital in the future to develop fully the Company's business or to take advantage of acquisition opportunities. The Company's capital requirements depend on numerous factors, including its ability to maintain and expand its customer base and potential acquisitions, although none are currently envisaged. It is difficult for the Directors to predict accurately the timing and amount of the Company's capital requirements for such extraordinary items. If the plans or assumptions set out in the Company's business plan change or prove to be inaccurate, or if the Company makes any material acquisitions, the Company may require further financing. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve

restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

International Financial Reporting Standards (“IFRS”)

The Group currently prepares its financial statements in accordance with Irish GAAP. It is a requirement under the AIM rules that companies will have to comply with IFRS for each financial year on or after 1 January 2007. The Company will therefore have to adopt IFRS from 1 January 2007 and will need to provide comparable data in accordance with IFRS for the financial year ending 31 December 2006. It is difficult to predict the impact that the conversion from Irish GAAP to IFRS will have on the Company’s financial results, although it could adversely affect the capital position or the reported profitability of the Company.

Taxation Change

There may be changes in future government fiscal policy in relation to mobile content and mobile data services. Any such changes may have a material effect on the Company’s business.

Dependence on Key Executives and Personnel

The Company’s future success is substantially dependent on the continued services and performance of its executive Directors and senior management and its ability to continue to attract and retain highly skilled and qualified personnel. The Directors cannot give assurances that members of the senior management team and the executive Directors will continue to remain with the Company. The loss of the services of the Directors, members of senior management and other key employees could damage the Company’s business.

Dependence on Key Consultants

A proportion of Zamano’s B2C business is managed and operated by a third party consultancy, Storm Consulting Limited (“Storm”). The contract with Storm is for a period of one year expiring 31 December 2006 with an option to extend by mutual agreement. The B2C business is a very significant proportion of Zamano’s current operations and Zamano’s expansion in Australia is being managed by Storm. The Group therefore places strong reliance on Storm for the operations and strategy of the B2C business.

Although management are taking steps to reduce this dependency, should the contract with Storm not be renewed for any reason, this could have an adverse impact on the Group.

Intellectual Property/Patent Protection

As Zamano does not have patents over its proprietary MMG platform or over any of the applications developed by the Group there is a risk that a competitor may develop the same or similar platforms or applications which will decrease Zamano’s current competitive advantage.

Potential Litigation

Zamano may have to initiate litigation to enforce its patent and licence rights. If Zamano’s competitors file patent applications that claim technology also claimed by Zamano, Zamano may have to participate in interference or opposition proceedings to determine the priority of patents. An adverse outcome could subject Zamano to significant liabilities and require Zamano to cease using a technology.

Zamano could incur substantial costs in any litigation or other proceedings relating to patent rights, even if it is resolved in Zamano’s favour. Some of its competitors may be able to sustain the costs of complex litigation more effectively or for a longer time than Zamano can because of their substantially greater resources. In addition, uncertainties relating to any patent, pending patent or intellectual property litigation could have a material adverse effect on the Zamano’s ability to commercialise a technology, or raise additional funds.

Dependence on Strategic Partners

Zamano's business relies significantly on strategic partners. If the relationship with any one of these partners is adversely affected Zamano's results of operations may be adversely impacted.

Zamano cannot guarantee that:

- existing arrangements or agreements will be maintained;
- existing partners will not seek to renegotiate the terms of existing arrangements or contracts;
- any new arrangements or agreements will be on favourable terms; or
- any arrangements or agreements will prove successful.

If Zamano is unable to continue with any of the existing relationships and, following negotiations with the relevant partners, terminates an agreement, no assurance can be given that this will not have a negative impact on the reputation of Zamano or its ability to secure additional agreements in the future.

Subscription Based Business Models

Subscription based business models which are important enablers of the businesses of Zamano may be impacted by varying levels of customer acceptance, from time to time. Customer acceptance of subscription based services may also be adversely impacted by consumer trends and fashions, adverse publicity and regulatory changes.

Dividends

The Group has not paid dividends in the past and the Directors do not expect that dividends will be paid in the foreseeable future. The amount of any dividends will depend upon the Company's results of operations, financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed by the Directors to be relevant at the time.

Competition

Zamano's competitors may have superior research and development capabilities, products or marketing expertise. Many of Zamano's competitors have significantly greater financial and human resources and may have more experience in research and development. As a result, Zamano's competitors may develop more effective products, implement more effective sales and marketing programs or be able to establish superior proprietary positions. In addition, Zamano anticipates that it will face increased competition in future as new companies enter Zamano's markets and alternative products and technologies become available.

Product Lifespan and Technological Change

It should be recognised that the Group is in a market that sees continuous technological development. If competitors introduce new products that employ new technologies, the Group's existing technology and systems may become obsolete. The future success of the Company will depend (*inter alia*) on the Company's ability to:

- enhance its existing products and services;
- address the increasingly sophisticated and varied needs of its customers; and
- respond to technological advances and emerging industry standards and practices on a cost effective and timely basis.

Developing the Group's technology and product range entails significant technical and business risks. The Group may use or procure new technologies ineffectively or fail to adapt its systems to customer requirements or emerging industry standards. If the Group faces material delays in introducing new products, services or enhancements, it may be at a significant competitive disadvantage.

Management of Growth

The ability of the Company to implement its strategy in a rapidly evolving market requires effective planning and management control systems. The Directors anticipate that further expansion will be required to respond to market opportunities and the potential growth in its client base. The Company's growth plans may place a significant strain on the Company's management, operational, financial and personnel resources. Therefore the Company's future growth and prospects will depend on its ability to manage this growth and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Company's growth could have a material adverse effect on the Company's business, financial condition and results of operations.

Exchange Rate Fluctuations

The Group currently sells its products in the UK, Ireland and Australia. As the sales are made in the local currency of each of these countries, the Group is open to exchange rate fluctuations. This may adversely affect the profitability of the Company.

VCT and EIS

The Group has received provisional approval from HM Revenue and Customs confirming that its activities and the Ordinary Shares to be issued should qualify under the VCT and EIS legislation. Neither the Group, nor the Group's advisers give any warranties or undertakings that VCT or EIS qualifying status will be available or that, if given, such relief or status will not be withdrawn.

Circumstances may arise where the Directors believe that the interests of the Group are not best served by acting in a way that preserves VCT or EIS qualifying status. In such circumstances, the Group cannot undertake to conduct its activities in a way designed to preserve any such relief or status claimed by investors.

Should the law regarding VCT or EIS change then any reliefs or qualifying status previously obtained may be lost.

If the Group ceases to carry on the business outlined in this document during the three year period from the last issue of Ordinary Shares, this could prejudice the qualifying status of the Group under the VCT and EIS scheme. This situation will be closely monitored with a view to preserving the Group's qualifying status but this cannot be guaranteed.

Regulatory and Licensing

Existing and future legislation, regulation and actions could cause additional expense, capital expenditure, restrictions and delays in the activities of the Group, the extent of which cannot be predicted. No assurance can be given that new laws, rules and regulations will not be enacted or existing laws, rules and regulations will not be applied in a manner which could limit or curtail certain of the Group's services.

Denial of Service

While the Group has wherever possible designed the Zamano platform, including its internet service connectivity, to have substantial elements of dual redundancy on-site to help to ensure service reliability for its clients, a total loss of facilities at the Company co-location centre or a prolonged disruption in telephone and data lines would have a material adverse impact on the Group's business. There could be no assurance that, in the time it took the Group to re-establish the Zamano platform, Zamano customers would be prepared or able to wait before migrating to competing service providers.

Revenue Related Taxation

Sales taxes are subject to taxation legislation and regulations which vary from country to country. Where mobile data service providers, such as Zamano, operate across multiple taxation jurisdictions, there may be significant variation in interpretation between those jurisdictions. Should such a conflict arise it could have an adverse impact on the accounting in this regard and could result in additional taxation liabilities for the Group.

PART III

FINANCIAL INFORMATION ON THE GROUP

SECTION A: ACCOUNTANT'S REPORT ON THE GROUP

The Directors,
Zamano Plc,
4 St Catherine's Lane West,
Dublin 8,
Ireland.

25 October 2006

Dear Sirs,

ACCOUNTANT'S REPORT ON ZAMANO PLC & SUBSIDIARIES ("THE GROUP") AND ITS SUBSIDIARY UNDERTAKINGS: ZAMANO SOLUTIONS LIMITED, ZAMANO LIMITED, M-ISPHERE TELECOMMUNICATIONS LIMITED AND ENABLETEL LIMITED, FOR THE YEARS ENDED 31 DECEMBER 2003, 2004 AND 2005.

We report on the financial information set out below in respect of the Group. This financial information has been prepared for inclusion in the AIM Admission Document ("Admission Document") dated 25 October 2006 of Zamano Plc on the basis of the accounting policies set out in note 4.1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with those paragraphs and for no other purpose.

Responsibilities

The Directors of Zamano Plc are responsible for preparing the financial information on the basis of preparation set out in note 4.1 to the financial information and in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland, ("Generally Accepted Accounting Practice in Ireland").

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 Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board. 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 of whether the accounting policies are appropriate to the Group'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.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document dated 25 October 2006, a true and fair view of the state of affairs of the Group as at the dates stated and of its profits, losses, cash flows and recognised gains and losses for the periods then ended in accordance with the basis of preparation set out in note 4.1 and in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland as described in note 4.1.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the 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 the import of such information. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

Ernst & Young

Chartered Accountants and Registered Auditors

SECTION B: FINANCIAL INFORMATION ON THE GROUP

1. CONSOLIDATED PROFIT AND LOSS ACCOUNT

		2005	2004	2004	2004	2003
	<i>Note</i>	€	<i>Continuing operations</i> €	<i>Acquisitions</i> €	<i>Total</i> €	€
Turnover	4.2	9,693,971	5,017,579	49,583	5,067,162	1,430,983
Administration expenses		(8,365,315)	(4,841,194)	(70,890)	(4,912,084)	(1,949,298)
Operating profit/(loss) – continuing operations	4.4	1,328,656	<u>176,385</u>	<u>(21,307)</u>	155,078	(518,315)
Interest payable and similar charges	4.5	(3,388)			(7,343)	(13,960)
Interest receivable and similar income		8,246			2,857	–
Profit/(loss) on ordinary activities before taxation		1,333,514			150,592	(532,275)
Tax on profit/(loss) on ordinary activities	4.6	(30,977)			(26,082)	–
Profit/(loss) on ordinary activities after taxation		1,302,537			124,510	(532,275)
Loss brought forward at beginning of year		(1,243,490)			(1,368,000)	(835,725)
Profit/(loss) carried forward at end of year		<u>59,047</u>			<u>(1,243,490)</u>	<u>(1,368,000)</u>

There are no recognised gains or losses other than the profit attributable to the shareholders of the Group of €1,302,537 for the year ended 31 December 2005 (year ended 31 December 2004 – profit €124,510; year ended 31 December 2003 – loss €532,275), therefore a separate statement of total recognised gains or losses has not been prepared.

2. CONSOLIDATED BALANCE SHEET

	<i>Note</i>	2005 €	2004 €	2003 €
Assets employed				
Fixed assets				
Intangible assets	4.7	1,112,122	1,212,957	–
Tangible assets	4.8	51,811	96,827	169,745
		<u>1,163,933</u>	<u>1,309,784</u>	<u>169,745</u>
Current assets				
Debtors	4.9	1,924,208	994,432	403,247
Cash at bank		683,119	604,317	262,055
		<u>2,607,327</u>	<u>1,598,749</u>	<u>665,302</u>
Creditors (amounts falling due within one year)	4.10	<u>(2,155,424)</u>	<u>(2,660,696)</u>	<u>(752,512)</u>
Net current assets/(liabilities)		<u>451,903</u>	<u>(1,061,947)</u>	<u>(87,210)</u>
Total assets less current liabilities		<u>1,615,836</u>	<u>247,837</u>	<u>82,535</u>
Creditors (amounts falling due after more than one year)	4.11	<u>(906,956)</u>	<u>(906,956)</u>	<u>(864,594)</u>
		<u>708,880</u>	<u>(659,119)</u>	<u>(782,059)</u>
Capital and reserves				
Called up share capital	4.12	26,302	25,605	25,605
Share premium	4.13	623,231	558,466	560,036
Capital conversion reserve	4.14	300	300	300
Profit and loss account	4.15	59,047	(1,243,490)	(1,368,000)
Shareholders' funds	4.15	<u>708,880</u>	<u>(659,119)</u>	<u>(782,059)</u>

3. CONSOLIDATED CASH FLOW STATEMENT

	<i>Note</i>	<i>2005</i> €	<i>2004</i> €	<i>2003</i> €
Net cash inflow/(outflow) from operating activities	4.18	1,202,489	629,799	(434,422)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received		8,246	2,857	–
Interest paid		(3,172)	(6,427)	(11,205)
Interest element of finance lease rental payments		(216)	(916)	(2,755)
Net cash inflow/(outflow) from returns on investments and servicing of finance		4,858	(4,486)	(13,960)
TAXATION				
Corporation tax paid		(32,617)	(11,639)	–
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Purchase of subsidiary undertaking		(1,095,447)	(358,071)	–
Net cash acquired with subsidiary undertaking		–	63,505	–
Payments to acquire tangible fixed assets		(37,848)	(32,260)	(23,596)
		(1,133,295)	(326,826)	(23,596)
Net cash inflow/(outflow) before financing		41,435	286,848	(471,978)
Financing:				
Net proceeds from issue of share capital		65,462	–	(15,950)
Capital element of finance lease rental payments		(7,815)	(14,796)	(28,722)
Net proceeds from issue of redeemable preference shares		–	49,930	228,153
		57,647	35,134	183,481
Increase/(decrease) in cash		99,082	321,982	(288,497)
RECONCILIATION OF NET CASH FLOWS TO MOVEMENTS IN NET FUNDS (Note 4.19)				
Increase/(decrease) in cash for the period		99,082	321,982	(288,497)
Cash outflow/(inflow) from movement in debt and lease financing		7,815	(35,134)	(199,431)
Movement in net debt for the period		106,897	286,848	(487,928)
Net debt at 1 January		(330,734)	(617,582)	(129,654)
Net debt at 31 December		(223,837)	(330,734)	(617,582)

4. NOTES TO THE FINANCIAL INFORMATION

4.1 ACCOUNTING POLICIES

Basis of preparation:

The financial statements are prepared under the historical cost convention.

In preparing the financial statements for the year ended 31 December 2005, the Group has adopted FRS 25 'Financial Instruments: – Disclosure and Presentation'. This has resulted in a change in the presentation of Series 'A' Convertible Redeemable Preferred Shares so that they are included in Creditors (amounts falling due after more than one year) whereas previously they were included in Shareholders' funds. The effect of this is the reduction in Shareholders funds of €906,956 at 31 December 2004 and €855,456 at 31 December 2003.

Basis of consolidation:

The Group financial statements consolidate the financial statements of Zamano Holdings Limited and all its subsidiary undertakings drawn up to 31 December 2005.

Goodwill:

Positive goodwill arising on acquisition is capitalised and classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other years if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

Turnover

Turnover represents the amount excluding value added tax derived from the provision of services to customers.

Revenue from the provision of mobile data services is recognised on the basis of recorded transactions with the ultimate end user. Fee based income is recognised on delivery of services to the customer.

Government grants:

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Research and development:

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Pension costs:

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

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

4.1 ACCOUNTING POLICIES (CONTINUED)

Deferred tax:

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred that will result in an obligation to pay more, or a right to pay less tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Timing differences are differences between profit as computed for taxation purposes and profit as stated in the financial statements which arise because of certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Depreciation:

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Computer hardware, software and equipment	3 years
Leased equipment	3 years
Fixtures and fittings	3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Leasing and hire purchase commitments:

Assets held under finance leases which are leases, where substantially all the risks and rewards of ownership of the asset have passed to the Group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital element of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the period of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Foreign currencies:

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate.

All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves together with the exchange difference on the carrying amount of the related investments. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in reserves.

4.2 TURNOVER

Turnover and profits are attributable to the provision of mobile data services.

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

4.3 EMPLOYEES AND REMUNERATION

The average weekly numbers of employees during the year ended 31 December 2005 was 20 (years ended 31 December 2004 – 16 and 31 December 2003 – 16).

	2005	2004	2003
	€	€	€
<i>Staff costs comprise:</i>			
Wages and salaries	1,140,316	827,105	602,557
Social welfare	79,727	75,060	55,856
Pension	15,938	11,451	9,131
Employment/Revenue grant received	(13,280)	–	(111,000)
Healthcare	8,235	7,671	6,720
	<u>1,230,936</u>	<u>921,287</u>	<u>563,264</u>

4.4 OPERATING PROFIT/(LOSS)

	2005	2004	2003
	€	€	€
<i>This is arrived at after charging:</i>			
Directors' remuneration	261,500	234,000	174,167
Depreciation	82,864	105,178	86,781
Amortisation of goodwill	219,858	127,680	–
Auditors' remuneration	47,887	17,000	15,000
	<u>518,109</u>	<u>483,858</u>	<u>275,948</u>

4.5 INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004	2003
	€	€	€
Bank interest and charges	3,172	1,215	1,871
Finance lease charges	216	916	2,755
Other interest and charges	–	5,212	9,334
	<u>3,388</u>	<u>7,343</u>	<u>13,960</u>

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

4.6 TAX ON PROFIT/ (LOSS) ON ORDINARY ACTIVITIES

	2005	2004	2003
	€	€	€
(a) Analysis of charge for the year:			
Current tax:			
Corporation tax	30,977	21,350	–
Under provision in prior year	–	4,732	–
Current tax (Note 4.6 (b))	<u>30,977</u>	<u>26,082</u>	<u>–</u>
(b) Factors affecting tax charge for the year			
The tax assessed for the year is higher/lower than the standard rate of corporation tax in the Republic of Ireland of 12.5%. The differences are explained below:			
Profit/(loss) on ordinary activities before tax	<u>1,333,514</u>	<u>150,592</u>	<u>(532,275)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the Republic of Ireland of 12.5%	166,689	18,824	(66,534)
<i>Effects of:</i>			
Items not deductible for tax	29,572	16,839	–
Income not taxable	–	–	(13,875)
Depreciation in excess of capital allowances	4,915	9,975	7,140
Leasing	(977)	(1,849)	(3,590)
Passive income taxed at a higher rate	1,030	1,042	682
Other timing differences	(4,196)	4,546	–
Utilisation of tax losses	(166,056)	(28,027)	–
Losses carried forward	–	–	76,177
Under provision in prior year	–	4,732	–
Current tax charge for year (Note 4.6 (a))	<u>30,977</u>	<u>26,082</u>	<u>–</u>

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

4.7 INTANGIBLE FIXED ASSET

	2005 <i>Goodwill</i> €	2004 <i>Goodwill</i> €	2003 <i>Goodwill</i> €
<i>Cost</i>			
At 1 January	1,340,637	–	–
Arising on acquisition during the year	–	1,340,637	–
Adjustment arising from additional consideration	119,023	–	–
At 31 December	<u>1,459,660</u>	<u>1,340,637</u>	<u>–</u>
<i>Amortisation</i>			
At 1 January	127,680	–	–
Charge	219,858	127,680	–
At 31 December	<u>347,538</u>	<u>127,680</u>	<u>–</u>
<i>Book value</i>			
At 31 December	<u>1,112,122</u>	<u>1,212,957</u>	<u>–</u>

The amount added in 2005 is the unaccrued portion of the final tranche payment to complete the acquisition of Enabletel Limited.

	<i>Book value and fair value</i>	
	2005 €	2004 €
<i>Analysis of the acquisition of Enabletel Limited:</i>		
Cash	–	63,505
Debtors	–	312,324
Creditors	–	(130,163)
Net assets	–	245,666
Goodwill	119,023	1,340,637
Consideration	<u>119,023</u>	<u>1,586,303</u>
Discharged by cash in year	–	358,071
Deferred consideration	119,023	1,228,232
	<u>119,023</u>	<u>1,586,303</u>

The share purchase agreement covered the purchase of 80% of the share capital of Enabletel Limited on 28 May 2004 together with the purchase of 20% over an earn out period subsequent to 28 May 2004.

Goodwill arising on the acquisition of Enabletel Limited is being amortised over 7 years.

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

4.8 TANGIBLE FIXED ASSETS

	<i>Computer, Hardware, Software & Equipment</i> €	<i>Leased Equipment</i> €	<i>Fixtures & Fittings</i> €	<i>Total</i> €
<i>Cost</i>				
At 1 January 2003	198,275	117,188	–	315,463
Additions	23,596	–	–	23,596
Disposal	–	(31,385)	–	(31,385)
Transfer	5,615	(5,615)	–	–
At 1 January 2004	227,486	80,188	–	307,674
Additions	32,260	–	–	32,260
Transfer	–	–	37,534	37,534
At 1 January 2005	259,746	80,188	37,534	377,468
Additions	37,848	–	–	37,848
At 31 December 2005	297,594	80,188	37,534	415,316
<i>Depreciation</i>				
At 1 January 2003	33,709	48,054	–	81,763
Charged	49,464	37,317	–	86,781
Disposal	–	(31,385)	–	(31,385)
Transfer	5,615	(4,845)	–	770
At 1 January 2004	88,788	49,141	–	137,929
Charged	82,016	23,162	–	105,178
Transfer	–	–	37,534	37,534
At 1 January 2005	170,804	72,303	37,534	280,641
Charged	74,979	7,885	–	82,864
At 31 December 2005	245,783	80,188	37,534	363,505
<i>Net book value:</i>				
At 31 December 2003	138,698	31,047	–	169,745
At 31 December 2004	88,942	7,885	–	96,827
At 31 December 2005	51,811	–	–	51,811

4.9 DEBTORS

	2005 €	2004 €	2003 €
Trade debtors and prepayments	1,924,208	994,432	403,247
	<u>1,924,208</u>	<u>994,432</u>	<u>403,247</u>

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

4.10 CREDITORS (amounts falling due within one year)

	2005	2004	2003
	€	€	€
Trade creditors and accruals	1,658,875	1,323,874	572,880
Bank overdraft	–	20,280	–
Other creditor	251,808	1,228,232	–
PAYE/PRSI	63,225	35,187	118,809
VAT	168,713	30,415	27,410
Corporation tax	12,803	14,443	–
Obligations under finance leasing	–	7,815	13,473
Director's loan	–	450	19,940
	<u>2,155,424</u>	<u>2,660,696</u>	<u>752,512</u>

Other creditor at 31 December 2005 and at 31 December 2004 is the directors' estimate of the deferred consideration due on the acquisition of Enabletel Limited.

4.11 CREDITORS (amounts falling due after more than one year)

	2005	2004	2003
	€	€	€
Obligations under finance leases	–	–	9,138
Convertible Redeemable Preferred Shares	906,956	906,956	855,456
	<u>906,956</u>	<u>906,956</u>	<u>864,594</u>

The Convertible Redeemable Preferred Shares comprise 925,962 Series 'A' Convertible Redeemable Preferred Shares of €0.01 each, including a premium at €897,696. Each Series 'A' Convertible Redeemable Preferred Shares is convertible to 1 Ordinary Share immediately prior to a listing of the Company.

At 31 December 2002 there were 298,124 Series 'A' Cumulative Convertible Redeemable Preferred Shares in issue which had an issue price, including a premium of €625,892, of €628,873. These shares were re-designated as Series 'A' Convertible Redeemable Preferred Shares of €0.01 each on 21 November 2003.

During 2003 the Company issued for cash consideration 572,982 Series 'A' Convertible Redeemable Preferred Shares of €0.01 each. The total consideration was €226,583 including a premium on issue of €220,853. The purpose of these issues was to finance the ongoing development of the Group

On 23 March 2004 the Company issued for cash consideration 54,856 Series 'A' Convertible Redeemable Preferred Shares of €0.01 each. The total consideration was €51,500 including a premium on issue of €50,951. The purpose of this issue was to finance the ongoing development of the Group.

Provided redemption is permitted by the Companies Acts, the holders of the Series 'A' Convertible Redeemable Preferred Shares are entitled to seek full or partial redemption at any date after the fifth anniversary of allotment. The redemption price is the higher of the issue price of these shares or their value as determined by a formula set out in the Articles of Association of the Company.

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

4.12 CALLED UP SHARE CAPITAL

	2005 €	2004 €	2003 €
<i>Authorised:</i>			
100,000,000 Ordinary Shares of €0.01 each	1,000,000	1,000,000	1,000,000
115,000,000 'A' Ordinary Shares of €0.01 each	1,150,000	1,150,000	1,150,000
25,000,000 'B' Ordinary Shares of €0.01 each	250,000	250,000	250,000
120,000,000 Series 'A' Convertible Redeemable Preferred Shares of €0.01 each	1,200,000	1,200,000	1,200,000
	<u>3,600,000</u>	<u>3,600,000</u>	<u>3,600,000</u>
<i>Issued and fully paid:</i>			
2,062,909 (2004 – 1,993,180, 2003 – 1,885,375)			
Ordinary Shares of €0.01 each	20,629	19,932	18,854
377,445 (2004 – 377,445; 2003 – 485,250)			
'A' Ordinary Shares of €0.01 each	3,774	3,774	4,852
189,875 'B' Ordinary Shares of €0.01 each	1,899	1,899	1,899
	<u>26,302</u>	<u>25,605</u>	<u>25,605</u>

On 21 November 2003, the authorised capital of the company was increased from €1,255,000 to €3,600,000. This was by way of the creation of 100,000,000 Ordinary Shares of €0.01 each, 2,500,000 'A' Ordinary Shares of €0.01 each, 12,500,000 'B' Ordinary Shares of €0.01 each, and 119,500,000 'A' Convertible Redeemable Preferred Shares of €0.01 each.

On the same date 1,885,375 'A' Ordinary Shares of €0.01 in issue were re-designated as 1,885,375 Ordinary Shares of €0.01 each and 500,000 (of which 294,874 were in issue) Series 'A' Cumulative Convertible Redeemable Preferred Shares of €0.01 each were re-designated as 500,000 Series 'A' Convertible Redeemable Preferred Shares of €0.01 each (included at note 4.11 in accordance with FRS 25).

On 7 December 2004, 107,805 'A' Ordinary Shares in issue were re-designated and converted into 107,805 Ordinary Shares.

During 2005 69,729 Ordinary Shares of €0.01 each with an aggregate nominal value of €697 were issued and fully paid for cash of €65,462. The share premium arising on the issues amounted to €64,765.

With the exception of the holders of the 'B' Ordinary Shares, the holders of all classes of shares are entitled to attend, speak and vote at general meetings of the company.

No dividend can be paid on any class of share without the consent of the majority of the holders of the Series 'A' Convertible Redeemable Preferred Shares.

On a winding up or a repayment of capital preference is given to the holders of Series 'A' Convertible Redeemable Preferred Shares until the amount paid up on these shares has been satisfied. Thereafter preference is given to the holders of the 'A' Ordinary Shares until they have received an aggregate amount of €650,000. Thereafter all classes participate *pro rata*.

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

4.13 SHARE PREMIUM

	2005 €	2004 €	2003 €
At beginning of year	558,466	560,036	574,418
Issue expenses	–	(1,570)	(14,382)
Premium on shares issued during the year (Note 4.12)	64,765	–	–
At end of year	<u>623,231</u>	<u>558,466</u>	<u>560,036</u>

4.14 CAPITAL CONVERSION RESERVE

	2005 €	2004 €	2003 €
Renominalisation to Euro	<u>300</u>	<u>300</u>	<u>300</u>

4.15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER' FUNDS

	<i>Share Capital</i> €	<i>Share Premium</i> €	<i>Capital Reserve</i> €	<i>Profit and Loss Account</i> €	<i>Total Shareholders' Funds</i> €
At 1 January 2003	25,605	574,418	300	(835,725)	(235,402)
Issue expenses	–	(14,382)	–	–	(14,382)
Loss for the year	–	–	–	(532,275)	(532,275)
At 1 January 2004	25,605	560,036	300	(1,368,000)	(782,059)
Issue expenses	–	(1,570)	–	–	(1,570)
Profit for the year	–	–	–	124,510	124,510
At 1 January 2005	25,605	558,466	300	(1,243,490)	(659,119)
Shares issued	697	64,765	–	–	65,462
Issue expenses	–	–	–	–	–
Profit for the year	–	–	–	1,302,537	1,302,537
At 31 December 2005	<u>26,302</u>	<u>623,231</u>	<u>300</u>	<u>59,047</u>	<u>708,880</u>

4.16 PROFIT/(LOSS) CARRIED FORWARD

	2005 €	2004 €	2003 €
Retained by:			
The company	(310,450)	(310,898)	(313,029)
Subsidiaries	369,497	(932,592)	(1,054,971)
At end of period	<u>59,047</u>	<u>(1,243,490)</u>	<u>(1,368,000)</u>

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

4.17 INTERESTS OF THE DIRECTORS AND SECRETARY IN THE SHARE CAPITAL OF THE COMPANY

	2005	2005	2004	2004	2003	2003	2002	2002
	'A'	'B'	'A'	'B'	'A'	'B'	'A'	'B'
	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary
	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares
Séan MacRéamoinn	438,625	18,750	438,625	18,750	438,625	18,750	438,625	37,531
Niall Mc Keon	246,000	18,750	246,000	18,750	246,000	18,750	246,000	37,531
John O'Shea	99,375	–	99,375	–	99,375	–	99,375	–
Rod A. Matthews	–	75,125	–	75,125	–	75,125	–	–

Brendan Mullin is a director of Powerscourt Nominees Limited. The interests of Powerscourt Nominees Limited in the share capital of the company at the end of each year were as follows:

	2005	2004	2003
	€	€	€
Ordinary Shares	192,305	192,305	84,500
'A' Ordinary Shares	266,070	266,070	373,875
Series 'A' Cumulative Redeemable Preference Shares	690,369	690,369	635,513

4.18 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO OPERATING CASH FLOWS

	2005	2004	2003
	€	€	€
Operating profit/(loss)	1,328,656	155,078	(518,315)
Depreciation of tangible fixed assets	82,864	105,178	87,551
Amortisation of goodwill	219,858	127,680	–
Increase in debtors	(929,776)	(278,861)	(100,749)
Increase in creditors	500,887	520,724	97,091
Net cash inflow/(outflow) from operating activities	1,202,489	629,799	(434,422)

4.19 ANALYSIS OF NET (DEBT)/FUNDS

	At 1 Jan		At 31 Dec		At 31 Dec		At 31 Dec
	2003	Cash flow	2003	Cash flow	2004	Cash flow	2005
	€	€	€	€	€	€	€
Cash at bank and in hand	550,552	(288,497)	262,055	342,262	604,317	78,802	683,119
Bank overdraft	–	–	–	(20,280)	(20,280)	20,280	–
	550,552	(288,497)	262,055	321,982	584,037	99,082	683,119
Finance lease obligations	(51,333)	28,722	(22,611)	14,796	(7,815)	7,815	–
Convertible redeemable preferred shares	(628,873)	(228,153)	(857,026)	(49,930)	(906,956)	–	(906,956)
Total	(129,654)	(487,928)	(617,582)	286,848	(330,734)	106,897	(223,837)

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

4.20 SUBSIDIARY UNDERTAKINGS

<i>Name</i>	<i>Principal Activity</i>	<i>% owned</i>
Zamano Solutions Limited	Provision of mobile data value added services and technology	100%
Zamano Limited	Provision of mobile messaging and consultancy services	100%
M-isphere Telecommunications Limited	Does not trade	100%
Enabletel Limited	Provision of mobile content services.	100%

4.21 TRANSACTIONS WITH RELATED PARTIES

Included in administration expenses for the year ended 31 December 2005 are consultancy fees of €70,000 (€10,000 in year ended 31 December 2004, €10,000 in year ended 31 December 2003) charged by Rod Matthews, a director of the Company.

Also included in administrative expenses are consultancy fees of €79,962 charged by MMZ Limited, a company in which Rod Matthews has an ownership interest. These fees were discharged by way of the issue of 69,729 Ordinary Shares as referred to in Note 4.12 and the balance by way of cash.

4.22 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the year ended 31 December 2005 were approved and authorised for issue by the board of directors on 6 September 2006.

4.23 COMPARATIVE AMOUNTS

Certain comparative figures have been reclassified to conform to the presentation for the year ended 31 December 2005.

4.24 POST BALANCE SHEET EVENTS

On 27 September 2006, the Company re-registered as a public limited company, Zamano Plc. Immediately prior to this conversion, all existing share classes of the Company were converted, one for one, to a single class of Ordinary Shares. Each share was subdivided ten for one and a bonus issue of four shares for every ten held followed immediately thereafter.

PART IV

UNAUDITED INTERIM RESULTS OF THE GROUP

ZAMANO HOLDINGS LIMITED & SUBSIDIARIES INTERIM GROUP FINANCIAL STATEMENTS for the six months ended 30 June 2006

INDEPENDENT REVIEW REPORT TO ZAMANO HOLDINGS LIMITED & SUBSIDIARIES

We have been instructed by the Company to review the financial information for the six months ended 30 June 2006 which comprises the consolidated profit and loss account, the consolidated balance sheet and the related notes 1 to 8.

This report is made solely to the Company in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board for use in Ireland and the United Kingdom. To the fullest extent permitted by law, we do not accept or assume responsibility to any one other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities:

The interim financial statements are the responsibility of and have been approved by the directors.

Review work performed:

We conducted our review in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied, unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards issued by the Auditing Practices Board and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion:

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2006.

Ernst & Young
Chartered Accountants,
Annville House,
Newtown,
Waterford.

6 September 2006

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the six months ended 30 June 2006

	<i>Note</i>	<i>6 months ended 30 June 2006</i>	<i>Year ended 31 Dec 2005</i>	<i>6 months ended 30 June 2005</i>
		€	€	€
Turnover – continuing operations		6,028,648	9,693,971	4,021,484
Administrative expenses		(4,884,675)	(8,365,315)	(3,672,867)
Operating profit – continuing operations		1,143,973	1,328,656	348,617
Interest payable and similar charges		(3,126)	(3,388)	(2,178)
Interest receivable and similar income		16,349	8,246	4,506
Profit on ordinary activities before taxation		1,157,196	1,333,514	350,945
Tax on profit on ordinary activities	2	(169,671)	(30,977)	106,219
Profit on ordinary activities after taxation		987,525	1,302,537	457,164
Profit/(loss) brought forward at beginning of year		59,047	(1,243,490)	(1,243,490)
Profit/(loss) carried forward at end of period		1,046,572	59,047	(786,326)

CONSOLIDATED BALANCE SHEET
at 30 June 2006

	<i>Note</i>	<i>As at 30 June 2006</i>	<i>As at 31 Dec 2005</i>	<i>As at 30 June 2005</i>
		€	€	€
FIXED ASSETS				
Intangible assets	3	1,007,860	1,112,122	1,117,197
Tangible assets	4	81,288	51,811	73,220
		1,089,148	1,163,933	1,190,417
CURRENT ASSETS				
Debtors	5	1,822,833	1,924,208	1,712,518
Cash at bank		1,825,066	683,119	387,895
		3,647,899	2,607,327	2,100,413
CREDITORS (amounts falling due within one year)	6	(2,133,686)	(2,155,424)	(2,520,829)
NET CURRENT ASSETS/(LIABILITIES)		1,514,213	451,903	(420,416)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,603,361	1,615,836	770,001
CREDITORS (amounts falling due after more than one year)	7	(906,956)	(906,956)	(971,956)
		1,696,405	708,880	(201,955)
CAPITAL AND RESERVES				
Called up share capital		26,302	26,302	25,605
Share premium		623,231	623,231	558,466
Capital conversion reserve		300	300	300
Profit and loss account		1,046,572	59,047	(786,326)
Shareholders' funds	8	1,696,405	708,880	(201,955)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 June 2006

1. ACCOUNTING POLICIES

Basis of preparation:

The accounting policies under which the interim financial statements are prepared are consistent with those under which the audited financial statements for the year ended 31 December 2005 are prepared.

Basis of consolidation:

The group financial statements consolidate the financial statements of the Zamano Holdings Limited and all its subsidiary undertakings up to 30 June 2006.

2. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>6 months ended 30 June 2006</i>	<i>Year ended 31 Dec 2005</i>	<i>6 months ended 30 June 2005</i>
	€	€	€
Corporation tax	162,634	30,977	13,417
Under provision in prior year	7,037	–	–
Current tax	<u>169,671</u>	<u>30,977</u>	<u>13,417</u>
<i>Deferred tax:</i>			
Origination of timing differences	–	–	(119,636)
Tax on profit on ordinary activities	<u>169,671</u>	<u>30,977</u>	<u>(106,219)</u>

3. INTANGIBLE FIXED ASSET

<i>Goodwill</i>	€
<i>Cost</i>	
At 1 January 2006 and at 30 June 2006	<u>1,459,660</u>
<i>Amortisation</i>	
At 1 January 2006	347,538
Charge	<u>104,262</u>
At 30 June 2006	<u>451,800</u>
<i>Book value</i>	
30 June 2006	<u>1,007,860</u>
31 December 2005	<u>1,112,122</u>

Goodwill arising on the acquisition of Enabletel Limited is being amortised over 7 years.

4. TANGIBLE FIXED ASSETS

	<i>Computer hardware, software & equipment</i> €	<i>Leased equipment</i> €	<i>Fixtures & Fittings</i> €	<i>Total</i> €
Cost:				
At 1 January 2006	297,594	80,188	37,534	415,316
Additions	48,285	–	–	48,285
At 30 June 2006	<u>345,879</u>	<u>80,188</u>	<u>37,534</u>	<u>463,601</u>
<i>Depreciation:</i>				
At 1 January 2006	245,783	80,188	37,534	363,505
Charge	18,808	–	–	18,808
At 30 June 2006	<u>264,591</u>	<u>80,188</u>	<u>37,534</u>	<u>382,313</u>
<i>Net book value:</i>				
At 30 June 2006	<u>81,288</u>	<u>–</u>	<u>–</u>	<u>81,288</u>
At 31 December 2005	<u>51,811</u>	<u>–</u>	<u>–</u>	<u>51,811</u>

5. DEBTORS (amounts falling due within one year)

	<i>As at 30 June 2006</i> €	<i>As at 31 Dec 2005</i> €	<i>As at 30 June 2005</i> €
Trade debtors and prepayments	1,822,833	1,924,208	1,592,882
Deferred tax asset	–	–	119,636
	<u>1,822,833</u>	<u>1,924,208</u>	<u>1,712,518</u>

6. CREDITORS (amounts falling due within one year)

	<i>As at 30 June 2006</i> €	<i>As at 31 Dec 2005</i> €	<i>As at 30 June 2005</i> €
Trade creditors and accruals	1,756,649	1,658,875	1,553,564
Bank overdraft	–	–	7,099
Deferred Consideration	–	251,808	707,978
PAYE/PRSI	75,645	63,225	39,669
VAT	138,823	168,713	196,805
Corporation tax	162,569	12,803	12,765
Obligations under finance leases	–	–	2,949
	<u>2,133,686</u>	<u>2,155,424</u>	<u>2,520,829</u>

7. CREDITORS (amounts falling due after more than one year)

	<i>As at 30 June 2006</i> €	<i>As at 31 Dec 2005</i> €	<i>As at 30 June 2005</i> €
Series 'A' Convertible Redeemable Preferred Shares	906,956	906,956	906,956
Other creditor	–	–	65,000
	<u>906,956</u>	<u>906,956</u>	<u>971,956</u>

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<i>Share capital</i> €	<i>Share premium</i> €	<i>Capital conversion reserve</i> €	<i>Profit and loss account</i> €	<i>Total Shareholders funds</i> €
At 1 January 2006	26,302	623,231	300	59,047	708,880
Profit for the period	–	–	–	987,525	987,525
At 30 June 2006	<u>26,302</u>	<u>623,231</u>	<u>300</u>	<u>1,046,572</u>	<u>1,696,405</u>

PART V

ADDITIONAL INFORMATION

1 The Company

- 1.1 The Company was incorporated in Ireland under the Companies Acts, 1963 to 1999 on 27 June 2000 with number 329336 as a private limited company with the name Clonea Castle Holidays Limited. On 25 July 2000 the Company changed its name to Blakenall Properties Limited and on 8 November 2000 the Company changed its name to Zamano Holdings Limited. On 25 September 2006, the Company changed its name to Zamano Limited and on 27 September 2006, the Company was re-registered as a public limited company under the Companies Acts 1963 to 2005.
- 1.2 The Company trades under the name Zamano.
- 1.3 The liability of the members of the Company is limited.
- 1.4 The principal legislation under which the Company operates is the Acts and the regulations made thereunder.
- 1.5 The Company's registered office and principal place of business is at 4 St Catherine's Lane West, Digital Hub, Dublin 8, its telephone number is +353 (0) 1 488 5820.
- 1.6 The accounting reference date of the Company is 31 December.

2 The Group

- 2.1 The Company has 4 subsidiaries, all of which are 100 per cent. owned. The details of the subsidiaries are as follows:

<i>Company</i>	<i>Activity</i>	<i>Country of Incorporation</i>
Enabtel Limited	Mobile Content and Interactive Services	Ireland
Zamano Solutions Limited	Mobile Data Services	Ireland
M-isphere Telecommunications Limited	Dormant	Ireland
Zamano Limited	Mobile Data Services	England

- 2.2 The Company's principal investment made during the period from 1 January 2003 to 31 December 2005 was the acquisition of Enabtel Limited.
- 2.3 The Company is the holding company of the Group.

3 Share Capital

- 3.1 At the date of incorporation, the authorised share capital of the Company was IR£1,000,000 divided into 1,000,000 shares of IR£1.00 each.
- 3.2 The Company's authorised share capital on 1 January 2003 was €1,255,000 divided into 112,500,000 A Ordinary Shares of €0.01 each, 12,500,000 B Ordinary Shares of €0.01 each and 500,000 Series A Cumulative Convertible Redeemable Preferred Shares of €0.01 each.
- 3.3 On 12 February 2003, the Company issued 750 series A Convertible Redeemable Preferred Shares of €0.01 each to Powerscourt Nominees Limited, credited as fully paid.
- 3.4 On 21 November 2003:
 - (i) 1,885,375 A Ordinary Shares of €0.01 each in the capital of the Company were redesignated as 1,885,375 Ordinary Shares of €0.01 each;

- (ii) 500,000 Series A Cumulative Convertible Redeemable Preferred Shares of €0.01 each in the capital of the Company were converted into 500,000 Series A Convertible Redeemable Preferred Shares of €0.01 each; and
- (iii) the authorised capital of the Company was increased by the creation of 119,500,000 new Series A Convertible Redeemable Preferred Shares of €0.01 each, 12,500,000 new B Ordinary Shares of €0.01 each, 4,385,375 new A Ordinary Shares of €0.01 each and 98,114,625 Ordinary Shares of €0.001 each;

such that the authorised capital of the Company was then €3,600,000 divided into 100,000,000 Ordinary Shares of €0.01 each, 115,000,000 A Ordinary Shares of €0.01 each, 25,000,000 B Ordinary Shares of €0.01 each and 120,000,000 Series A Convertible Redeemable Preferred Shares of €0.01 each.

- 3.5 On 21 November 2003, the Company issued 397,733 Series A Convertible Redeemable Preferred Shares of €0.01 each in the capital of the Company to Powerscourt Nominees Limited and 174,499 Series A Convertible Redeemable Preferred Shares of €0.01 each in the capital of the Company to Enterprise Ireland, for an aggregate subscription price of €225,000, all credited as fully paid.
- 3.6 On 23 March 2004, the Company issued 54,856 Series A Convertible Redeemable Preferred Shares of €0.01 each in the capital of the Company to Powerscourt Nominees Limited at a subscription price of €51,500, credited as fully paid.
- 3.7 On 7 December 2004, 107,805 A Ordinary Shares of €0.01 each registered in the name of Powerscourt Nominees Limited were re-designated as 107,805 Ordinary Shares of €0.01 each.
- 3.8 On 2 September 2005, the Company issued 69,729 Ordinary Shares of €0.01 each to MMZ Limited, credited as fully paid, pursuant to the agreement described at paragraph 11.3 below.
- 3.9 On 27 September 2006, the Company issued 98,928 Ordinary Shares of €0.01 each to Rod Matthews, credited as fully paid, pursuant to exercise of an option at a price of €0.01 per share.
- 3.10 On 27 September 2006:
 - (i) the 925,962 issued Series A Convertible Redeemable Preferred Shares of €0.01 each were converted into 925,962 Ordinary Shares of €0.01 each;
 - (ii) the issued 377,445 A Ordinary Shares of €0.01 were redesignated as 377,445 Ordinary Shares of €0.01 each;
 - (iii) the issued 189,875 B Ordinary Shares of €0.01 were redesignated as 189,875 Ordinary Shares of €0.01 each;
 - (iv) the authorised share capital of €3,600,000 divided into 100,000,000 Ordinary Shares of €0.01 each, 115,000,000 A Ordinary Shares of €0.01 each, 25,000,000 B Ordinary Shares of €0.01 each, and 120,000,000 Series A Convertible Redeemable Preferred Shares of €0.01 was redesignated as €3,600,000 divided into 360,000,000 Ordinary Shares of €0.01 each.
- 3.11 On 27 September 2006, the Company issued a total of 14,620,476 Ordinary Shares of €0.01 each to its shareholders on that date by way of capitalisation of the sum of €14,620.48 which was standing to the credit of the Company's share premium account.
- 3.12 On 27 September 2006 the authorised share capital of €3,600,000 divided into 360,000,000 Ordinary Shares of €0.01 each (whether issued or unissued) were sub-divided into 3,600,000,000 Ordinary Shares of €0.001 each.

- 3.13 The Company's authorised and issued fully paid share capital, at the date of this document is, and immediately following the Placing and Admission (assuming subscription in full) will be as follows:

	<i>At the date of this document</i>		<i>Following the Placing</i>	
	<i>Number of Ordinary Shares</i>		<i>Number of Ordinary Shares of</i>	
	<i>Amount</i>	<i>€0.001 each</i>	<i>Amount</i>	<i>€0.001 each</i>
Authorised	€3,600,000	3,600,000,000	€3,600,000	3,600,000,000
Issued and fully paid	€51,171.67	51,171,666	€67,838.33	67,838,332

- 3.14 The provisions of section 23(1) of the Companies (Amendment) Act 1983 ("the 1983 Act") (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees' share scheme as defined in section 2 of the 1983 Act) will apply to the authorised but unissued share capital of the Company to the extent not disapplied by the Articles (as set out below) or by resolution of the Company.

- 3.15 Pursuant to the Articles of Association of the Company, the Directors are authorised to exercise all powers of the Company to allot relevant securities (within the meaning of section 20 of the 1983 Act), provided that such power shall be limited to;

- (i) the allotment of Ordinary Shares pursuant to the Placing; and
- (ii) the allotment of relevant securities up to a maximum aggregate nominal value equal to one third of the nominal value of the issued ordinary share capital of the Company immediately following the allotment referred to in paragraph (i) above

and will expire on the earlier of the Annual General Meeting of the Company to be held during the year 2007 and 27 December 2007 and to allot equity securities (as defined by Section 23 of the 1983 Act) for cash up to the earlier of the Annual General Meeting of the Company to be held during the year 2007 and 27 December 2007 pursuant to such power as if sub-section (1) of the said Section 23 did not apply to any such allotment provided that such allotment is;

- (i) pursuant to the Placing;
- (ii) in connection with any offer of securities, open for a period fixed by the Directors, by way of rights, open offer or otherwise in favour of ordinary shareholders and/or any persons having a right to subscribe for or convert securities into ordinary shares in the capital of the Company and subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to legal or practical problems; or
- (iii) up to a maximum aggregate nominal value equal to 10 per cent. of the nominal value of the issued ordinary share capital of the Company immediately following the allotment referred to in paragraph (i) above.

- 3.16 The Company had 1,993,180 Ordinary Shares of €0.01 each, 377,445 A Ordinary Shares of €0.01 each, 189,875 B Ordinary Shares of €0.01 each and 925,962 Series A Convertible Redeemable Preferred Shares of €0.01 each in issue on 1 January 2005 and 2,062,909 Ordinary Shares of €0.01 each, 377,445 A Ordinary Shares of €0.01 each, 189,875 B Ordinary Shares of €0.01 each and 925,962 Series A Convertible Redeemable Preferred Shares of €0.01 each in issue on 31 December 2005. The Company has not used more than 10 per cent. of the issued share capital for the purchase of assets other than cash during the period from 1 January 2003 to 31 December 2005.

- 3.17 There are no shares in the Company which are held by, or on behalf of, the Company and none of the Company's subsidiaries holds any shares in the Company.

- 3.18 Other than set out in paragraph 4 of this Part V, no person has any rights to purchase the authorised but unissued capital of the Company and no person has been given an undertaking by the Company to increase its authorised capital.
- 3.19 The International Security Identification Number for the Ordinary Shares is IE00B1G17W46.
- 3.20 No person has any rights over the capital of any of the subsidiaries of the Company and the Company has not agreed conditionally or unconditionally to grant any option over the capital of any of its subsidiaries.
- 3.21 On completion of the Placing, the issued share capital of the Company shall be increased by 32.6 per cent. resulting in an immediate dilution of 32.6 per cent.

4 Convertible Securities

As at the date of this document, the Company has granted a total of 5,112,800 Options under the 2004 Share Option Plan. The Company does not intend to grant further Options under the 2004 Share Option Plan. Of these, 1,168,994 Options will become exercisable on Admission. As at the date of this document, the Company has granted a total of 1,050,000 Options under the 2006 Share Option Plan.

5 Memorandum and Articles of Association

- 5.1 The objects of the Company are set out in full in clause 2 of its Memorandum of Association and include the carrying on of business as a holding, management and investment company.
- 5.2 The Articles of Association of the Company (the “Articles”) which were adopted pursuant to a written resolution of the Company passed on 27 September 2006 contain provisions, *inter alia*, to the following effect:

(i) *Issue of Shares*

Under Section 23 of the Companies (Amendment) Act 1983, where a company proposes to issue equity securities (e.g. Ordinary Shares) for cash, the existing shareholders in that company have a pre-emptive right to subscribe for those securities on the same terms in proportion to their existing holdings. This right can be disapplied by a company’s articles of association or by a special resolution of the shareholders. In the case of the Company, the Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of section 20 of the Companies (Amendment) Act 1983) provided that such powers shall be limited to;

- (a) the allotment of Ordinary Shares pursuant to the Placing; and
- (b) the allotment of relevant securities up to a maximum aggregate nominal value equal to one third of the nominal value of the issued ordinary share capital of the Company immediately following the allotment referred to in paragraph (a) above.

up to the earlier of the Annual General Meeting of the Company to be held during the year 2007 and 27 December 2007 and to allot equity securities (as defined by Section 23 of the 1983 Act) for cash up to the earlier of the Annual General Meeting of the Company to be held during the year 2007 and 27 December 2007 pursuant to such power as if sub-section (1) of the said Section 23 did not apply to any such allotment provided that such allotment is (i) pursuant to the Placing; (ii) in connection with any offer of securities, open for a period fixed by the Directors, by way of rights, open offer or otherwise in favour of ordinary shareholders and/or any persons having a right to subscribe for or convert securities into ordinary shares in the capital of the Company and subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to legal or practical problems; or (iii) up to a maximum aggregate nominal value equal to 10 per cent. of the nominal value of the issued ordinary share capital of the Company immediately following the allotment referred to in paragraph (i). The Directors may issue warrants to subscribe (by whatever name they are

called) to any person to whom the Company has granted the right to subscribe for shares in the Company.

(ii) *Rights attaching to Ordinary Shares*

The Shareholders shall have the right to receive notices of and to attend and vote at any general meeting of the Company. On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst the members shall belong to the Shareholders (*pari passu*) according to the number of Ordinary Shares held by them. Subject to any special rights or restrictions as to voting for the time being attached to any class or classes of shares, on a show of hands every member present in person and every proxy shall have one vote so however that no individual shall on a show of hands have more than one vote and on a poll every member who is present in person or by proxy shall have one vote for each share of which he is the holder.

(iii) *Restriction of Voting Rights*

If at any time the Directors shall determine a holder(s) has failed to pay any call or instalment at the time appointed for payment thereof or, if the holder(s) has failed to comply with the requirements relating to Disclosure of Beneficial Ownership contained in the Articles or in section 81 of the Companies Act 1990 to the satisfaction of the Directors, the Directors may serve a notice (a "Restriction Notice") to such effect on the holder(s). Upon the service of a Restriction Notice no holder(s) of the share(s) specified therein shall be entitled to attend, speak or vote, either personally, by representative or by proxy, at any general meeting, for so long as the Restriction Notice remains in force.

(iv) *Variation of Rights and Share Capital*

Subject to the Acts, if at any time the share capital is divided into different classes of shares, the rights attached to any class, may be varied or abrogated, either while the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of three fourths of the issued shares in that class or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares in that class.

(v) *Transfers of Shares*

The Board may, in their absolute discretion and without giving any reason, refuse to register a transfer of any share which is not fully paid up, subject to a lien, relates to more than one class of shares, is in favour of more than 4 joint holders as transferees or which is subject to disenfranchisement in accordance with the Articles of Association. Where a Restriction Notice has been served and the shares to which it relates represent not less than 0.25 per cent. of the class of shares concerned, the Directors shall be entitled in certain circumstances to refuse to register a transfer of any of the shares in question or a renunciation of any allotment of new shares or debentures made in respect thereof.

Shares may be transferred by instrument in writing in any usual common form or any other form which the Directors may approve. Subject to the Companies Act 1990 (Uncertificated Securities) Regulations 1996, the Board may permit the holding of shares in any class in uncertificated form and the transfer of title to shares in that class by means of a relevant system (as defined in such Regulations).

(vi) *Disclosure of Beneficial Ownership*

Any two members of the Board (acting together) may at any time and from time to time, in their absolute discretion, if they consider it to be in the interests of the Company give a notice to the holder(s) of any share requiring the holder(s) to notify the Company in writing within such period as may be specified in such notice (being not less than 14 days from the date of service of such notice) of full and accurate particulars of the holder(s) interest in such share, if it does not constitute the entire beneficial interest, the interests of any person having any

beneficial interest in the share, and any arrangements entered into regarding the transfer of such share or any interest therein or to act in any particular way at any meeting of the Company.

(vii) *Directors*

(1) *Rotation of Directors*

At every annual general meeting of the Company one third of the Directors or, if their number is not three or a multiple of three, then the number nearest one third shall retire from office. A Director retiring at a annual general meeting shall retain office until the conclusion of the meeting or adjourned meeting at which he is due to retire.

The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons of equal seniority, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

(2) *Remuneration of Directors*

The emoluments of any executive Director shall be determined by the Board, and may be of any description, and (without limiting the generality of the foregoing) may include admission to or continuance of membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership of any such scheme or fund.

Any non-executive director who at the request of the board goes or resides abroad for any purpose of the Company or otherwise performs special services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission or otherwise as the board may determine.

The Directors (or their appointed alternate) shall be entitled to be paid all expenses properly incurred by them in attending General Meetings or Meetings of the holders of any class of shares or meetings of the Board or Committees of the Board or otherwise in or with a view to the performance of their duties.

(3) *Executive Directors*

The Board may from time to time appoint one or more of their number to be the holder of any executive office (including that of executive Chairman or Deputy Chairman) on such terms and for such period as they think fit and, subject to the terms of any contract between him and the Company, may at any time revoke any such appointment.

(4) *Qualifying Shares*

There is no share qualification for a Director.

(5) *Proceedings of Directors*

The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they may think fit. Until otherwise determined, the quorum necessary for the transaction of the business of the Directors shall be two. Questions arising at any meeting shall be decided by a majority vote. In the case of an equality of votes, the Chairman of the Meeting shall have a casting vote.

(6) *Borrowing Powers*

The Board may exercise all the powers of the Company to borrow money or to guarantee and to mortgage or charge its undertaking, property and uncalled capital and to issue

debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(7) Dividends

The Company may by ordinary resolution declare dividends to be paid but no dividends shall exceed the amount recommended by the Board. The Board also have the power to pay interim dividends and scrip dividends. Where a Restriction Notice has been served and the shares to which it relates represent not less than 0.25 per cent. of the class of shares concerned, the Directors shall be entitled to withhold payment of any dividend or other amount payable in respect thereof.

(8) Disclosure of Interests and Voting Rights

A Director who is any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with the Acts. Save as set out below, a Director shall not vote in respect of any transaction in which he has any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company). A Director shall not be counted in the quorum at a meeting in relation to any resolution from which he is debarred from voting.

A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely: (a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him for the benefit of the Company or any of its subsidiaries (b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; (c) any contract by him to underwrite shares or debentures or other obligations of the Company or any other company which the Company may promote or be interested in; (d) any transaction concerning any other corporation in which he is interested, directly or indirectly and whether as a officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of Section 26 of the Companies Act, 1990) is not beneficially interested in 1 per cent, or more of the issued shares of any class of such a corporation (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant corporation (any such interest being deemed for this purpose to be a material interest in all circumstances);(e) any act or thing done or to be done in respect of any scheme or arrangement to provide retirement or death benefits which has been approved by or is subject to and conditional upon approval by the Revenue Commissioners for taxation purposes; (f) any matter connected with an employees' share scheme or any share incentive or share option scheme, other than the allocation to him of any share or the grant to him of any option over any share or any other matter concerning his individual participation in any such scheme; or (g) any matter connected with the purchase or maintenance for any Director of insurance against any liability.

(viii) *General Meetings*

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year, and shall specify the meeting as such in the notices calling it. Pursuant to the Acts, at least twenty-one clear days prior to each annual general meeting, a printed copy of the Directors' and auditors' reports, accompanied by the balance sheet (including every document required by law to be annexed thereto) of the Company, shall be sent to every member of the Company. All general meetings other than annual general meetings shall be called extraordinary general meetings. The Directors may convene general meetings. General meetings may also be convened on such requisition, or in default may be

convened by such requisitionists and in such manner as may be provided by the Acts. Subject to the provisions of the Acts allowing a general meeting to be called by shorter notice, an annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice and all other extraordinary general meetings shall be called by at least fourteen clear days' notice.

The holders of Ordinary Shares shall have the right to receive notices of and to attend and vote at any general meeting of the Company. A Director shall, notwithstanding that he is not a Shareholder, be entitled to receive notice of and to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company. The Auditors of the Company shall be entitled to attend any general meeting and to be heard on any part of the business of the meeting which concerns them as the Auditors.

6 Directors' and Other Interests

- 6.1 As at 24 October 2006 (the latest practicable date prior to the publication of this document), the interests of the Directors (including any connected person of a Director within the meaning of Section 26 of the Companies Act 1990) in the Existing Issued Share Capital and the Enlarged Share Capital, the existence of which is known to, or could with reasonable diligence be ascertained by, the Directors whether or not held through another party which is notifiable, as required to be disclosed pursuant to sections 53 or 64 of the Companies Act 1990 or which are required pursuant to section 59 of that Act to be entered in the register referred to therein, or are interests of a connected person of a Director which would, if the connected person were a Director, be required to be disclosed and the existence of which is known to or could with reasonable diligence be ascertained by that Director were and will be as follows:

	<i>As at the date of this document</i>		<i>On Admission</i>	
	<i>Ordinary Shares</i>		<i>Ordinary Shares</i>	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Seán Mac Réamoinn	6,140,750	12.00%	6,140,750	9.05
Niall McKeon	3,444,000	6.73%	3,444,000	5.08
John O'Shea	1,540,000	3.01%	1,540,000	2.27
Rod Matthews	3,412,948	6.67%	3,315,328	4.89
Colin Tucker	0	0%	83,333	0.12
Brendan Mullin	7,985,390	15.61%	4,485,390	6.61
John Michael Watson	0	0%	8,333	0.01

- 6.2 The Directors are also interested in share options held by them as follows:

<i>Director</i>	<i>Date of Grant</i>	<i>Exercise Price</i>	<i>Number of Ordinary Shares</i>	
			<i>subject to option</i>	<i>Exercise Period</i>
Seán Mac Réamoinn	3 February 2004	€0.001	154,000	Admission – 3 February 2011
	16 November 2004	€0.001	98,000	Admission – 16 November 2011
	31 August 2006	€0.134	420,000	31 August 2007 – 31 August 2013
John O'Shea	3 February 2004	€0.001	560,000	Admission – 3 February 2011
	16 November 2004	€0.001	322,000	Admission – 16 November 2011
	31 August 2006	€0.134	420,000	31 August 2007 – 31 August 2013

<i>Director</i>	<i>Date of Grant</i>	<i>Exercise Price</i>	<i>Number of Ordinary Shares subject to option</i>	<i>Exercise Period</i>
Rod Matthews	31 August 2006	€0.134	630,000	31 August 2007 – 31 August 2013
Colin Tucker	29 September 2006	Placing Price	350,000	3 years from Admission – 7 years from Admission
Brendan Mullin	29 September 2006	Placing Price	350,000	3 years from Admission – 7 years from Admission
John Michael Watson	29 September 2006	Placing Price	350,000	3 years from Admission – 7 years from Admission

6.3 None of the Directors or any members of their families hold any related financial product referenced to the Ordinary Shares.

7 Substantial Shareholders

7.1 The Company is aware that the following persons have at the date of this document an interest in, or will be following Admission interested in, 3 per cent or more of the issued Ordinary Share capital of the Company:

<i>Name</i>	<i>Number of Ordinary Shares as at the date of this document</i>	<i>Percentage of Existing Issued Share Capital</i>	<i>Number of Ordinary Shares on Admission</i>	<i>Percentage of Enlarged Share Capital</i>
Powerscourt Nominees Limited*	16,082,416	31.43	10,036,247	14.8
Brendan Mullin*	7,985,390	15.61	4,485,390	6.61
Seán Mac Réamoinn	6,140,750	12	6,140,750	9.05
Enterprise Ireland	4,857,552	9.49	4,177,495	6.2
Eoin O’Ceallacháin	4,637,500	9.06	3,988,250	5.9
Darren O’Rodaigh	4,637,500	9.06	3,988,250	5.9
Niall McKeon	3,444,000	6.73	3,444,000	5.05
Rod Mathews	3,412,948	6.67	3,315,327	4.88
John O’Shea	1,540,000	3.01	1,540,000	2.27

*Brendan Mullin’s Ordinary Shares are held by Powerscourt Nominees Limited, a company in which Brendan Mullin is a director. Powerscourt Nominees Limited holds 16,082,416 (reduced on Admission to 10,036,247) Ordinary Shares, of which 7,985,390 (reduced on Admission to 4,485,390) are held for the benefit of Brendan Mullin, a Director of the Company.

7.2 Save as disclosed in this paragraph 8 and paragraph 9, and in so far as the Company has the information, the Company is not aware of any person or persons who either alone or, if connected, jointly following the completion of the Placing, will (directly or indirectly) exercise or could exercise control over the Company.

7.3 The Company’s shareholders listed in paragraphs 8 and 9, do not have different voting rights to other holders of Ordinary Shares.

7.4 The Directors are not aware of any arrangements in place or under negotiation which may, at a subsequent date, result in a change of control of the Company.

8 Additional Information on the Directors

8.1 Other than directorships of Group companies, the Directors have held the following directorships or been partners in the following partnerships within the five years prior to the date of this document:

John Michael Watson:

Current

Spectrum Interactive plc
NWP Spectrum Holdings Limited
Oxfordshire Rural Broadband Limited

Previous

NWP Communications Limited
Scapa Technologies Limited
Xitec Software plc
Tertio Limited
Tertio Holdings Limited
BR Research Limited
AEA Technology plc

Seán Mac Réamoinn:

Current

Slua Rua Teoranta
Borradh Teoranta

Previous

Clann Lir Teoranta
Beo Teoranta

Brendan Mullin:

Current

Quinlan Private Capital Limited
Powerscourt Nominees Limited
Lauderton Limited
Ribor Limited
Bantry Technologies Limited
London Irish Holdings Limited
Vordel Limited

Previous

Powerscourt Investments Limited
Powerscourt Investment Nominees Limited
London Irish Scottish Richmond Limited
Sunclear Limited
London Irish Rugby Football Ground Limited

John O'Shea:

Current

None

Previous

Irish Internet Association Limited
Webfactory Limited
Hallcrest Limited

Colin Tucker:

Current

H3G Holdings AB
Morse Group plc
Hutchison 3G Austria Holdings GmbH
Hutchison 3G Ireland Limited
Hutchison 3G UK Holdings Limited
Hutchison 3G UK Limited
Hutchison Europe Telecommunications S.a.r.l.
NETCO 3G GmbH
Oxhill Aviation Limited
Hutchison 3G Australia Holdings Pty Limited

Previous

Orange plc
Partner Israel Limited
TTP Com plc

Rod Matthews:*Current*

Keycom plc
 Keycom (Employee Benefit Trust) Limited
 MMZ Limited
 Hillside Park Management (Sunningdale) Limited

Previous

21 Access UK Limited
 HE Limited
 Hearing Enhancement plc
 Global Crossing Europe
 RAM Telecom Limited
 Transcomm plc

Niall McKeon:*Current*

Credit Xtra Limited
 Deisecom Limited
 Talk Xtra Limited (incorporated in the UK)
 Xtra Telecom Limited (incorporated in the UK)
 Talk Xtra Limited
 Xtra Telecom Limited

Previous

Copper Coast Limited
 Irish Continental Technology Limited
 Talk Partners UK Limited

- 8.2 Save as disclosed in this document, none of the Directors has:
- 8.2.1 any unspent convictions in relation to indictable offences;
 - 8.2.2 had any bankruptcy order made against him or entered into any voluntary arrangements;
 - 8.2.3 been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, whilst he was a director of that company or within the 12 months after he had ceased to be a director of that company;
 - 8.2.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement, whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - 8.2.5 been the owner of any asset which has been placed in receivership or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - 8.2.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
 - 8.2.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.
- 8.3 Rod Matthews was a director of Hearing Enhancement plc, a company incorporated in England and Wales which was dissolved on 15 March 2006 pursuant to Paragraph 84(b) of Schedule B1 of the Insolvency Act.
- 8.4 Save as disclosed in this document, no Director has or has had any interest in any transaction which is or was significant in relation to the business of the Group and which was effected during the current or immediately preceding financial period or which was effected during an earlier financial period and remains outstanding or unperformed.

9 Directors' Service Contracts and Remuneration

- 9.1 Colin Tucker holds his office as a non-executive director of the Company pursuant to a letter of appointment dated 29 September 2006. The appointment may be terminated by either party with three months' written notice. A time commitment of 1 day per month is anticipated from Mr. Tucker to include attendance at directors' meetings every two months. Mr. Tucker's initial annual director's fees shall be €30,000 per annum and in addition he has been awarded Options to subscribe for a total of

- 350,000 Ordinary Shares pursuant to the 2006 Share Option Plan. Mr. Tucker will also be entitled to reimbursement for all reasonable out of pocket expenses duly and properly incurred.
- 9.2 John Michael Watson holds his office as a non-executive director of the Company pursuant to a letter of appointment dated 29 September 2006. The appointment may be terminated by either party with three months' written notice. A time commitment of 1 day per month is anticipated from Mr. Watson to include attendance at directors' meetings every two months. Mr. Watson's initial annual director's fees shall be €30,000 per annum and in addition he has been awarded Options to subscribe for a total of 350,000 Ordinary Shares pursuant to the 2006 Share Option Plan. Mr. Watson will also be entitled to reimbursement for all reasonable out of pocket expenses duly and properly incurred.
- 9.3 Brendan Mullin holds his office as a non-executive director of the Company pursuant to a letter of appointment dated 29 September 2006. The appointment may be terminated by either party with three months' written notice. A time commitment of 1 day per month is anticipated from Mr. Mullin to include attendance at directors' meetings every two months. Mr. Mullin's initial annual director's fees shall be €30,000 per annum and in addition he has been awarded Options to subscribe for a total of 350,000 Ordinary Shares pursuant to the 2006 Share Option Plan. Mr. Mullin will also be entitled to reimbursement for all reasonable out of pocket expenses duly and properly incurred.
- 9.4 Niall McKeon holds his office as a non-executive director of the Company pursuant to a letter of appointment dated 29 September 2006. The appointment may be terminated by either party with three months' written notice. A time commitment of 1 day per month is anticipated from Mr. McKeon to include attendance at directors' meetings every two months. Mr. McKeon's initial annual director's fees shall be €15,000 per annum. Mr. McKeon will also be entitled to reimbursement for all reasonable out of pocket expenses duly and properly incurred.
- 9.5 Rod Matthews holds his office as a non-executive director of the Company pursuant to a letter of appointment dated 29 September 2006. The appointment may be terminated by either party with three months' written notice. A time commitment of 4 days per month is anticipated from Mr. Matthews to include attendance at directors' meetings every two months. Mr. Matthews initial annual director's fees shall be €50,000 per annum and he will also be entitled to reimbursement for all reasonable out of pocket expenses duly and properly incurred.
- 9.6 Seán Mac Réamoinn is employed by Zamano Solutions Limited and holds his office as a Director of the Company and any other company which is a member of the Group pursuant to a letter of employment dated 29 September 2006. Under the terms of the letter, Mr. Mac Réamoinn's employment continues until terminated by him or the Company giving to the other party not less than 3 months notice. The salary payable to Mr. Mac Réamoinn is €100,000 per annum (with effect from 1 July 2006) payable monthly in arrears and subject to annual review (but not necessarily an increase). Mr. Mac Réamoinn will carry out such duties in his position as director as may be required of him by the Company or any other member of the Group from time to time but in particular will be responsible for the matters set out in the letter e.g. investor relations, mergers and acquisitions. Mr. Mac Réamoinn will be entitled to reimbursement for agreed expenses reasonably and properly incurred. He is also entitled to health insurance which extends to his spouse and children under eighteen years of age and membership of the Company's defined pension scheme to which the Company will contribute up to 5 per cent. of Mr Mac Réamoinn's gross salary per annum. Mr. Mac Réamoinn will also be entitled to participate in the Share Option Plans in accordance with the rules thereof. If not previously terminated, the Employment Contract will be terminated when Mr. Mac Réamoinn reaches the age of 65. In the event of absence due to illness or injury, Mr. Mac Réamoinn will continue to receive his full basic salary for a maximum period of 130 days to include any social welfare or other benefits to which he is entitled by law. The agreement restricts Mr. Mac Réamoinn from competing with the Company for a period of 12 months after termination of his employment and from soliciting any employees or customers or suppliers of the Company. The contract of employment may be terminated by the Company with or without notice in certain circumstances including a material breach of the Contract, dishonesty or mis-conduct or wilful neglect. At any time after notice to terminate the agreement has

been served or received by the Company, the Company may suspend Mr. Mac Réamoinn from performance of his duties on “garden leave”.

- 9.7 John O’Shea is employed by Zamano Solutions Limited and holds his office as a director of the Company and any other company which is a member of the Group pursuant to a letter of employment dated 29 September 2006. Under the terms of the letter, Mr. O’Shea’s employment continues until terminated by him or the Company giving to the other party not less than 3 months notice. The salary payable to Mr. O’Shea is €120,000 per annum (with effect from 1 January 2006) payable monthly in arrears and subject to annual review (but not necessarily an increase). Mr. O’Shea will carry out such duties in his position as director as may be required of him by the Company or any other member of the Group from time to time but in particular will be responsible for the matters set out in the letter e.g. overall Group operations, development of strategic initiatives. Mr. O’Shea will be entitled to reimbursement for agreed expenses reasonably and properly incurred. He is also entitled to health insurance which extends to his spouse and children under eighteen years of age and membership of the Company’s defined pension scheme to which the Company will contribute up to 5 per cent. of Mr O’Shea’s gross salary per annum. Mr. O’Shea will also be entitled to participate in the Share Option Plans in accordance with the rules thereof. If not previously terminated, the Employment Contract will be terminated when Mr. O’Shea reaches the age of 65. In the event of absence due to illness or injury, Mr. O’Shea will continue to receive his full basic salary for a maximum period of 130 days to include any social welfare or other benefits to which he is entitled by law. The agreement restricts Mr. O’Shea from competing with the Company for a period of 12 months after termination of his employment and from soliciting any employees or customers or suppliers of the Company. Mr. O’Shea must at all times comply with the AIM Rules and any codes and dealings and securities. The contract of employment may be terminated by the Company with or without notice in certain circumstances including a material breach of the Contract, dishonesty or mis-conduct or wilful neglect. At any time after notice to terminate the agreement has been served or received by the Company, the Company may suspend Mr. O’Shea from performance of his duties on “garden leave”.
- 9.8 In the period ended 31 December 2005 the total aggregate remuneration paid and benefits-in-kind granted to the Directors was €261,500. The amounts payable to the Directors by the Group under the arrangements in force at the date of this document in respect of the year ending 31 December 2006 are estimated to be €295,000 (excluding any discretionary payments which may be made under these arrangements).

10 Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Group within the two years immediately preceding the date of this document and are, or may be, material:

- 10.1 The Placing Agreement pursuant to which and conditional upon, *inter alia*, Admission taking place on or before 8.00 a.m. on 10 November 2006 Seymour Pierce has agreed to use reasonable endeavours to procure subscribers for the Placing Shares proposed to be issued by the Company at the Placing Price.

The Placing Agreement contains indemnities and warranties from the Company and certain of the Directors in favour of Seymour Pierce together with provisions which enable Seymour Pierce to terminate the Placing Agreement in certain circumstances prior to Admission including circumstances where any warranties are not found to be true or accurate in any material respect. The liability of the Directors for breach of warranty is limited. Under the Placing Agreement (and engagement letter from Seymour Pierce to the Company) the Company has agreed to pay to Seymour Pierce a corporate finance fee of £155,000 and a commission of 4 per cent. of the value of the Placing Shares at the Placing Price. Under the Placing Agreement, each of the Directors has agreed with Seymour Pierce not to dispose of any Ordinary Shares held by him for a period of 12 months from the date of Admission except in certain limited circumstances permitted by the AIM Rules and to dispose of Ordinary Shares only through Seymour Pierce for a further 6 months thereafter.

- 10.2 A nominated adviser agreement dated 24 October 2006 made between (1) the Company, (2) the Directors and (3) Seymour Pierce pursuant to which the Company has appointed Seymour Pierce to act as nominated adviser to the Company for the purposes of the AIM Rules (“Nominated Advisor Agreement”). The Company has agreed to pay Seymour Pierce an annual fee of £25,000 plus VAT for its services as nominated adviser. The Nominated Advisor Agreement contains certain undertakings and indemnities given by the Company and in respect of, *inter alia*, compliance with applicable laws and regulations. The Nominated Advisor Agreement is for an initial term of 12 months and shall continue subsequently until terminated by either party with three months’ notice in writing.
- 10.3 A broker agreement dated 24 October 2006 made between (1) the Company and (2) Seymour Pierce pursuant to which the Company has appointed Seymour Pierce to act as broker to the Company for the purposes of the AIM Rules (“Broker Agreement”). The Company has agreed to pay Seymour Pierce an annual fee of £20,000 plus VAT for its services as broker. The Broker Agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with applicable laws and regulations. The Broker Agreement is for an initial term of 12 months and shall continue subsequently until terminated with 3 months notice’ in writing.
- 10.4 Lock in agreements dated 24 October 2006 between Seymour Pierce, the Company and shareholders of the Group pursuant to which such persons have agreed with Seymour Pierce and the Company not to dispose of any Ordinary Shares held by them for a period of 12 months from the date of Admission except in certain limited circumstances permitted by the AIM Rules (“Lock-in Agreements”). The Lock-in Agreements also contain certain orderly market provisions which apply for a further 6 months after expiry of the lock-in period.
- 10.5 Agreement dated 2 February 2006 between Zamano Solutions Limited (“Zamano Solutions”), a wholly owned subsidiary of the Company, and Storm Consulting Limited (“Storm”) for the provision of services in 2006 (“Storm Agreement”). This deals with the provision by Storm of services in relation to the management and operation of Zamano Solutions’s direct mobile channel for (a) a basic monthly fee of €10,000; (b) commission on all adjusted gross profit earned by the direct channel; (c) bonus if certain adjusted gross profit targets are achieved. Storm is prohibited from marketing the products or services of any other mobile service provider, other than Zamano, unless such services do not compete with Zamano’s service offering. All subscriber data collected by Storm will belong to Zamano Solutions and cannot be re-used by Storm if it is no longer in a working relationship with Zamano Solutions. The Storm Agreement is for a term of one year to 31 December 2006 after which it may be extended by mutual agreement of the parties.

11 Related Party Transactions

- 11.1 Seán Mac Réamoinn (a Director and shareholder in the Company) is a director of Slua Rua Teoranta Telecom and holds 49 per cent. of the issued shares of that company. In November 2003 Slua Rua Teoranta paid the Company €1,000 plus VAT to set up and configure an IVR-based automated call answering and forwarding service. There have not been any further invoices or dealings between the companies since November 2003 although the call forwarding facility remains in place.
- 11.2 Share Subscription and Shareholders’ Agreement relating to the Company dated 21 November 2003 (the “Shareholders’ Agreement”) between Powerscourt Nominees Limited (“Powerscourt”), a company which Brendan Mullin (a Director of the Company) is a director, Enterprise Ireland the Company, Seán Mac Réamoinn, Eóin ÓCeallacháin, Darren ÓRódaigh, John O’Shea and Emmanuel Doubinsky (together “the Covenantors”, some of whom were and are Directors of the Company) and the remaining shareholders in the Company at that time. The Agreement was entered into for the purpose of providing for a subscription for a total of 572,232 Series A Convertible Redeemable Convertible Preference Shares of €0.01 each by Powerscourt and Enterprise Ireland for a total subscription price of €225,000 and to regulate the future contract of the business of the Company and the relationship between the parties as shareholders in the Company. The Shareholders’ Agreement dealt with completion of the aforementioned subscriptions and also contained covenants concerning the Company regarding its business, management, board and provision of information. Under the provisions in this regard, Powerscourt and Enterprise Ireland were entitled to nominate directors to

the Board of Directors of the Company and to the Board of Directors of each member of the Group together with, in the case of Powerscourt, an observer to attend (but not vote at) board meetings of the Company. Each of Powerscourt and Enterprise Ireland was entitled to certain financial information in relation to the Company together with other information relating to the business or the Group as it might reasonably request. The Shareholders' Agreement set out a list of transactions which cannot be undertaken without the prior written consent of Powerscourt and, in some cases, Enterprise Ireland e.g. sell part of the business, incur any liability of a capital nature in excess of €50,000. The Shareholders' Agreement contained warranties from certain of the Directors in relation to the Group and its business, subject to agreed limitations. The Shareholder Agreement also restricted the Covenants while they were shareholders in the Company and for a period of two years thereafter from being interested in any competing company or soliciting any customers or staff of the Company. This Shareholders Agreement has been terminated by agreement set out in paragraph 11.5 below.

- 11.3 On 14 April 2004, the Company appointed MMZ Limited ("MMZ") (a company in which Rod Matthews, a Director of the Company, is a shareholder and which itself is now a shareholder in the Company) to identify and develop a number of acquisition targets for the Company and to develop a business plan for the Group. The remuneration payable to MMZ was to be 2 per cent. of the enterprise value of the Company at the date of the agreement. Such fee was to be paid in cash provided it would be immediately reinvested in shares in the Company. In addition, on completion of acquisitions, MMZ was entitled to receive a success fee of 1 per cent. of the post-transaction enterprise value of the Company. A further fee was payable in the event that the contract was terminated by the Company depending on whether the Company had completed a successful capital raising. MMZ had the right to sell its Ordinary Shares in a listing of more than 20 per cent. of the Company's issued share capital. The contract was for an initial term of six months subject to automatic renewals for three month periods thereafter and could be terminated by the Company at the expiration of each such period with one month's written notice. However certain fee arrangements survived for fifteen months after termination. This contract was terminated by the Company on 10 August 2005 and €65,462 of the fees paid thereunder was invested in Ordinary Shares. MMZ also received a payment of £10,000 in respect of services rendered.
- 11.4 Niall McKeon (a Director of and shareholder in the Company) is a director of Deisecom Limited ("Deisecom") and is the holder of 100 per cent. of the issued share capital of that company. On 16th September 2005, Deisecom entered into an agreement with Zamano Limited, the Group's UK subsidiary, pursuant to which Deisecom may send SMS Text Messages using Zamano's SMS broadcaster. Deisecom is charged for each message sent. To date a total of GBP£6,631 has been invoiced by Zamano for services provided to date to Deisecom Limited. Deisecom has relationships with alternative providers of SMS services and the relationship with Zamano is on-going. Deisecom has not used Zamano's service since June 2006.
- 11.5 Termination Agreement dated 27 September 2006 between Powerscourt, Enterprise Ireland and the shareholders in the Company at that date pursuant to which the Shareholders Agreement referred to at paragraph 11.2 above and all previous shareholders' agreement and warrant instruments in favour of Powerscourt and Enterprise Ireland and all rights thereunder were terminated.

12 Summary of Principal Features of Share Option Plans

12.1 2004 Share Option Plan

Under the 2004 Share Option Plan have been granted and are held by certain employees, Directors and consultants in respect of a total of 5,112,800 Ordinary Shares at various subscription prices. The following is a summary of the rules of the 2004 Share Option Plan:

The 2004 Share Option Plan was established by an ordinary resolution of the Company passed on 3 February 2004. It is not a scheme approved by the Irish Revenue Commissioners. The following is a summary of its rules:

(i) *Eligibility of Participants*

Participation in the 2004 Share Option Plan is available to all executives or employees of the Company or any subsidiary who has completed three months of continuous service with the Company or any subsidiary. The board of the Company will determine at its absolute discretion whether or not a person is an executive or an employee.

(ii) *Limitation on Participation*

No option may be granted to any person within the three years preceding the normal retirement age. The Board may review from time to time the range and extent of participation in the plan in the light of changes in personnel, remuneration, performance and other factors.

(iii) *Limitation on Issue*

The aggregate number of Ordinary Shares issued under or pursuant to options granted under the 2004 Share Option Plan or any other share option scheme or incentive plan adopted after 3 February 2004 shall not exceed 10 per cent. of the issued ordinary share capital of the Company as at 3 February 2004 (subsequently extended to 10 per cent. of the issued ordinary share capital of the Company as at 7 December 2004).

The Company may cancel any Option which is vested provided it makes a payment to the Option holder equal to the market value of the shares concerned less the exercise price which would have been paid on exercise of the option, such payment to be made net of any taxes or required deductions. The Company may require any participant in the 2004 Share Option Plan to notify it if he wishes to sell any shares issued to him on exercise of an option and may require him to sell such shares to the company or its nominee at their market value.

Where a participant's office or employment with the Company or a subsidiary has been terminated, the Company may:

- (1) cancel any options which have not yet vested;
- (2) allow an option which has vested to remain exercisable;
- (3) require the participant to exercise the option at the date of cessation of employment;
- (4) require the participant to exercise options at the date of cessation of employment and to sell to the Company or its nominee any shares issued to him at a price equal to their market value at that time; or
- (5) require the participant to sell to the Company or its nominee, at the date of cessation of employment, any shares issued to him on exercise of any options received at their market value.

If the Company requires a participant to do any of the things set out at (3), (4) or (5) above and the participant fails to comply with such requirements, all options will lapse with immediate effect.

(iv) *Grant of Options*

The Board may offer to grant Options to such executives or employees as it may nominate to subscribe at the Option price (which shall be a price not less than their market value at that time) as such number of shares as the board may determine. Such offer must be accepted by way of completion of an acceptance form in the prescribed form. Each Option is personal to the participant and not assignable subject as set out below.

(v) *Periods for Exercise of Options*

No Option may be exercised more than seven years after the date of its grant. In addition, subject to the rules of the 2004 Share Option Plan, an option may not be exercised earlier than

one year after the date of its grant. All options are subject to a vesting period of three years with one third vesting each year following the first anniversary of the date of grant of the option. No Option may be exercised after a participant ceases to be employed by the Group.

(vi) *Plan Shares*

The Company is obliged to keep sufficient unissued shares to satisfy all outstanding Options. Shares issued pursuant to the Options will rank *pari passu* with the existing ordinary shares in issue.

(vii) *Death*

If a participant dies, his legal personal representative may exercise any option which has vested within 12 months of the date of his death or such longer period as the board may determine. If such an Option is exercised in part, the unexercised balance shall expire.

(viii) *Retirement*

If a participant ceases to be employed by the Group:

- (1) at any time when an Option is capable of being exercised by him, because he has retired on or after reaching the normal retirement age;
- (2) at any time, because of health reasons (as defined);
- (3) at any time when an Option is capable of being exercised by him, because he has retired in circumstances which constitute early retirement under the rules of the company's pension plan;
- (4) at any time when an Option is capable of being exercised by him, because he is made redundant; or
- (5) in any other case at the discretion of the board,

then any Option which is capable of being exercised then held by him may be exercised within the period of 12 months thereafter or such longer period (subject to the seven year limitation set out above) as the board may determine.

(ix) *Cessation of Employment*

On cessation of employment save in the case of death or retirement as set out above, all Options granted to a participant which are not capable of being exercised at that time shall expire. All exercisable options are subject to the provisions set out at (iii) above. In no circumstances is a participant ceasing to hold employment entitled to any compensation for loss of any options.

(x) *Offers for Share Capital*

In the event that not less than 50 per cent. of the equity capital of the Company is offered for purchase to the public, the Board may at its absolute discretion allow all outstanding Options to immediately vest. In that case all Options will become immediately exercisable. If such Options are not then or subsequently exercised, they will lapse within one month of the date on which the equity capital of the company is listed on a recognised stock exchange.

(xi) *Merger or a Trade Sale*

In the event of a merger of the Company with or into another corporation or a sale of substantially all of its assets, the Board may, at its absolute discretion, allow all outstanding Options to vest immediately. In that case, participants will have a period of one month or such shorter period as the Board may decide to exercise Options failing which the options will terminate.

(xii) *Adjustment*

If an allotment of ordinary shares is made by way of capitalisation of profits or reserves or a subdivision, consolidation or reduction of the capital of the Company is carried out, existing options will be replaced with new Options and identical terms and for the same total option price but for such number of ordinary shares as will bear the same ratio between the total number of issued ordinary shares as the ratio between the number of ordinary shares to which the existing Option related bore to the number of issued ordinary shares immediately prior to such allotment or adjustment of share capital. In addition, if the holders of ordinary shares are granted rights to subscribe for further shares, the Board shall decide in its absolute discretion whether this will result in any depletion of the value of each ordinary share. In such case, existing Options will be replaced by new options in an amount certified by the auditors of the company.

(xiii) *Liquidation*

If the Company goes into liquidation, all Options shall cease to be exercisable unless the liquidation is for amalgamation, reconstruction, reorganisation or any other purpose not as a result of insolvency in which case participants may, in certain circumstances, be entitled to exercise options.

(xiv) *Amendments to the Option Scheme*

At any time, the Company by resolution in general meeting or by resolution of the board (or a committee thereof) may alter or revoke any of the provisions of the 2004 Share Option Plan in such manner as it may think fit. The amendment of specific rules however requires the prior sanction of or resolution of the company in general meeting. No alteration or revocation may increase the amount payable by any participant or otherwise impose more onerous obligations of any participant in respect of the exercise of an option which has already been granted or the transfer of planned shares.

(xv) *Termination*

The 2004 Share Option Plan may be terminated at any time by ordinary resolution of the company or by resolution of the board. This will not affect or modify any existing rights or obligations of the participants in respect of any options.

The letters to scheme participants notifying them of the grant of Options also stated that options could only be exercised once the Company's shares became tradeable on a recognised stock exchange or as otherwise provided in the 2004 Share Option Plan rules.

12.2 The 2006 Share Option Plan

The 2006 Share Option Plan was established by a written resolution of the shareholders of the Company passed on 26 September 2006 ("Adoption Date") for the purpose of incentivising directors, employees, consultants and contractors of the Company and its associated companies. It is not a scheme approved by the Irish Revenue Commissioners. The following are the principal terms of the 2006 Share Option Plan.

(i) *Plan Limits*

The maximum aggregate number of Ordinary Shares in respect of which options may be granted must not exceed 10 per cent. of the number of issued Ordinary Shares from time to time. The Board may grant options at any time within 10 years of the Adoption Date.

(ii) *Eligibility*

Employees and Directors (including non-executive Directors) together with consultants and contractors of the Group and any associated companies are eligible to participate in the 2006 Share Option Plan. Participants are nominated by the Directors at their discretion.

- (iii) *Consideration*
The grant of an Option shall be conditional on the participant paying to the Company a consideration of €1.00 in respect thereof.
- (iv) *Exercise Condition*
The exercise of Options may be made subject to an exercise condition determined by the Board at the date of grant of the Option.
- (v) *Option Price*
The option price will not be less than the higher of (a) the nominal value of the Ordinary Shares which are the subject of the Option; and (b) market price of the Ordinary Shares, or in the case of options granted prior to Admission, the Placing Price.
- (vi) *Individual Limits*
The maximum number of Ordinary Shares which may be subject to unexercised Options held by any individual participant shall not exceed in aggregate 5 per cent. of the number of issued Ordinary Shares from time to time.
- (vii) *Exercise of Options*
An Option shall be capable of being exercised at any time during the seven years after the date of grant of the Option provided that three years have passed since the Option was granted and that any exercise condition has first been satisfied.

If a participant ceases to be an employee or Director of the Company or any of its associated companies, the participant shall be entitled during the 90 days from the date of such cessation, to exercise all unexercised Options held by him (provided that any exercise conditions attaching thereto have first been satisfied) and all other Options shall expire. In the event of the death or mental incapacity of a participant, the personal representative or committee, as the case may be, of such participant shall be entitled for a period of 12 months to exercise all rights in respect of exercisable Options and all other Options shall expire.

If a liquidator is appointed to the Company (save in the case of a members' voluntary winding up), the Options shall cease to be exercisable and participants shall not be entitled to damages or other compensation of any kind.
- (viii) *Change of Control, Merger or Other Reorganisations*
On a take-over, scheme of arrangement or certain other corporate reorganisations the Directors may request options to be exercised on such terms as the Directors may determine. Alternatively, participants may be allowed or required to exchange their options for options over shares in the acquiring company or the acquirer may convert existing Options into options over its own share capital.
- (ix) *Amendments to and termination of the 2006 Share Option Plan*
The Directors may amend the 2006 Share Option Plan as they consider appropriate. However the amount payable by any participant may not be increased and his/her obligations may not be made more onerous as a result of such amendments. In addition, certain provisions may not be amended without shareholder approval. These provisions relate to the time limit for exercise of Options, individual and plan limits and the option price. The 2006 Share Option Plan may be terminated at any time by an ordinary resolution of the Company.
- (x) *General*
- any Ordinary Shares issued under the 2006 Share Option Plan will rank equally with Ordinary Shares already in issue on the date of allotment except in respect of rights arising by reference to a prior complete financial period;

- Options may be adjusted following any variation in the share capital of the Company;
- Options are non-transferable; and
- benefits under the 2006 Share Option Plan are not pensionable.

13 Working Capital

The Directors are of the opinion having made due and careful enquiry that, taking into account the net proceeds of the Placing and the existing facilities available to the Group, the Group has sufficient working capital for its present requirements, that is at least 12 months from the date of Admission.

14 Taxation

The following summary, which is intended as a general guide only, outlines certain aspects of legislation and Revenue practice in Ireland and the United Kingdom regarding the ownership and disposition of Ordinary Shares. It relates only to the position of Shareholders who are resident or ordinarily resident in Ireland or the United Kingdom for tax purposes and who hold Ordinary Shares as capital assets and not for the purpose of a trade.

This summary does not address the position of certain classes of Shareholders such as dealers in securities, to whom special rules apply. This summary is not exhaustive and Shareholders are advised to consult their own tax advisers as to the taxation consequences of their purchase, ownership and disposition of Ordinary Shares. The summary is based on current Irish and United Kingdom tax legislation and on the current Taxation Treaty between Ireland and the United Kingdom. Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below.

14.1 Taxation of the Company

The Company is an Irish incorporated company and is managed and controlled in Ireland and accordingly it is resident in Ireland for tax purposes.

14.2 Irish Withholding Tax

Withholding tax at the standard rate of income tax (20 per cent. with effect from 6 April, 1999) applies to dividend payments and other profit distributions by an Irish resident company. Certain categories of Shareholders may be entitled to receive dividends free of dividend withholding tax provided, where considered necessary, valid declarations or certificates are completed and supplied to the Company, qualifying intermediary or authorised withholding agent in advance of the dividend payment. Categories of Shareholder who may be entitled to receive dividends free of dividend withholding tax include:

- (a) Irish resident companies;
- (b) Exempt approved pension schemes within the meaning of section 774, Taxes Consolidation Act, 1997;
- (c) Retirement annuity contracts or a trust scheme to which section 784 or 785, Taxes Consolidation Act, 1997 applies;
- (d) Charities exempt from Irish tax under schedule F in accordance with section 207, Taxes Consolidation Act, 1997;
- (e) Qualifying Employee Share Ownership trusts;
- (f) Individuals who are neither resident nor ordinarily resident in Ireland and who are resident in another EU Member State or in a country with which Ireland has a double tax treaty;
- (g) Companies not resident in Ireland which are themselves resident in an EU Member State (other than Ireland) or in a country with which Ireland has a double tax treaty but who are not under the control, whether directly or indirectly, of persons resident in Ireland;

- (h) Companies, the principal class of whose shares or the shares of its 75 per cent. parent are substantially and regularly traded on one or more than one recognised stock exchange in an EU Member State (other than Ireland) or in a country with which Ireland has a double tax treaty, or such other stock exchange as may be approved of by the Minister for Finance;
- (i) Companies not resident in Ireland which are controlled, whether directly or indirectly, by a person or persons resident in another EU Member State or a country with which Ireland has a double tax treaty and who is or are, as the case may be, not controlled, whether directly or indirectly, by a person or persons not resident in another EU Member State or a country with which Ireland has a double tax treaty;
- (j) Companies resident in another EU Member State and holding at least 5 per cent. of the share capital of the Company and who are not controlled directly or indirectly by persons, other than persons resident in an EU Member State (other than Ireland) or a country with which Ireland has a double tax treaty, unless it is shown that the company receiving the dividend does not exist for bona fide commercial reasons and forms part of any arrangement or scheme of which the main purpose, or one of the main purposes, is the avoidance of a liability to tax.

In relation to dividends paid to a UK company that does not fall within the categories of shareholders entitled to the exemptions from dividend withholding tax the Ireland/UK Double Tax Treaty reduces the rate of withholding tax to 15 per cent. of the gross amount of the dividend provided that a treaty application is made.

14.3 Taxation of Dividends

(a) Taxation of Irish Resident Shareholders

Irish resident Shareholders who are individuals will be subject to income tax, levies and possible PRSI on the aggregate of the net dividend received and the withholding tax deducted. The withholding tax deducted will be available for offset against the individual's Irish income tax liability (including the individual's liability to levies and PRSI). A Shareholder may claim to have the withholding tax refunded to him to the extent it exceeds his Irish income tax liability.

An Irish resident Shareholder, which is a company, will not be subject to Irish corporation tax on dividends received from the Company and tax will not be withheld at source by the Company provided the appropriate declaration is made. A company, which is a close company, as defined under Irish legislation, may be subject to a corporation tax surcharge on such dividend income.

Shareholders who are Irish approved pension funds or Irish approved charities are generally exempt from tax on their dividend income and will not have tax withheld at source by the paying company from dividends received provided the appropriate declarations are made.

(b) Taxation of United Kingdom Resident Shareholders

Dividends paid to a United Kingdom resident Shareholder will generally not be subject to Irish withholding tax on the understanding that the Shareholder satisfies the necessary legislative requirements described above.

UK Resident Companies

A United Kingdom resident Shareholder that is a company which either directly or indirectly controls, or is a subsidiary of a company which either directly or indirectly controls, less than 10 per cent. of the voting power of the Company, will be subject to corporation tax in the United Kingdom on the dividends received. If Irish tax is withheld on the dividend because the company does not fall within legislative requirements described above then the company will be subject to United Kingdom corporation tax on the gross amount (i.e. net dividend received plus withholding tax) and a deduction can be claimed against the UK tax liability for the Irish withholding tax suffered. However, there may be restrictions on the offset of Irish withholding tax against the UK tax liability on the dividend where the Irish withholding tax exceeds the UK tax liability.

A United Kingdom resident Shareholder that is a company which either directly or indirectly controls, or is a subsidiary of a company which either directly or indirectly controls, 10 per cent. or more of the voting power of the Company will be liable to United Kingdom corporation tax on the aggregate of the dividend (plus any withholding tax suffered) and the underlying Irish corporation tax. The underlying Irish corporation tax (and any Irish withholding tax suffered) will be available for set off against the United Kingdom corporation tax liability on the aggregate amount. However, there may be restrictions on the offset of Irish withholding tax and underlying Irish corporation tax against the UK tax liability on the dividend where the Irish withholding tax and underlying Irish corporation tax exceed the UK tax liability.

A United Kingdom resident Shareholder which is not a company controlling directly or indirectly 10 per cent. or more of the voting power of the Company and which is not subject to tax in the United Kingdom by reason of the United Kingdom law affording relief to charities and certain superannuation schemes or to insurance companies in respect of their pension business should not be subject to tax in the United Kingdom on a dividend from the Company.

UK Resident Individuals

In respect of dividends on Ordinary Shares, individual Shareholders who are resident in the UK for tax purposes and are only liable to tax at the lower or standard rates are taxed at 10 per cent. on UK and foreign dividends. In the case of UK dividends they also entitled to a tax credit at the rate of one ninth of the cash dividend or 10 per cent. of the aggregate of the cash dividend and the associated tax credit. Dividend income will be treated as the top slice of an individual's income.

It is likely that the dividends received from the Company will be treated as foreign dividends from an Irish company. As Shareholders resident in the UK for taxation purposes no Irish dividend withholding tax will be deducted from the dividend payment, subject to completion of the relevant declarations. Consequently Shareholders receiving dividends will be liable to UK income tax on the dividend at, in the case of starting and basic rate taxpayers, the Schedule F ordinary rate of 10 per cent. in 2006-2007 or, in the case of higher rate taxpayers, the Schedule F upper rate 32.5 per cent. (in 2006-2007). As the dividend is received without any deduction of withholding tax no foreign tax credit is available.

(c) Other

Non-UK resident Shareholders and Shareholders subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser concerning their liabilities to tax on dividends received.

14.4 Capital Gains Tax

(a) Ireland

The Ordinary Shares constitute chargeable assets for Irish capital gains tax purposes and, accordingly, Shareholders who are resident or ordinarily resident in Ireland, depending on their circumstances, may be liable to Irish tax on capital gains on a disposal of Ordinary Shares.

Under normal circumstances, individuals who are neither resident nor ordinarily resident in Ireland are only subject to Irish tax on capital gains arising on the disposal of certain specified assets in Irish tax law including shares where at the time of disposal the shares derive the greater part of their value from Irish real estate.

However shares which are quoted on a stock exchange are not included in the specified assets and on this basis, non-Irish resident shareholders of the Company would not be liable to Irish Capital Gains Tax on a disposal of Ordinary Shares in the Company.

Individuals who leave Ireland for less than five complete tax years and while abroad realise gains on certain shares in a company which they held at the point of departure from Ireland may be taxed in the year of their return to Ireland on the gain arising. This provision only applies where the market

value of the shares owned by the individual on the last day of the year of departure was more than or equal to 5 per cent. of the value of the issued share capital of the company, or exceeded €500,000.

(b) United Kingdom

The Ordinary Shares constitute chargeable assets for UK capital gains tax purposes and, accordingly, Shareholders who are resident or ordinarily resident in the UK, depending on their circumstances, may be liable to UK tax on capital gains on a disposal of Ordinary Shares. Shareholders of the Company who are neither resident nor ordinarily resident in the UK and who do not hold the Ordinary Shares as part of the assets of a trade carried on in the UK by them through a branch or agency may not be subject to UK tax on capital gains arising on the disposal of these Ordinary Shares.

In most circumstances a disposal of Ordinary Shares by a Shareholder who is resident or ordinarily resident in the United Kingdom will constitute a disposal for the purposes of United Kingdom capital gains tax and, accordingly, may give rise to a tax liability at the marginal rate of tax. In the event an Irish capital gains tax liability arises on the disposal of Ordinary Shares this liability may be offset against the UK tax liability on the same disposal. Gains arising to individuals who leave the UK for less than five complete tax years may also be taxed in the year of disposal. Gains arising to individuals who intend to leave the UK for five complete tax years but fail to meet the conditions will be subject to capital gains tax on gains in the year they return to the UK. Gains arising to individuals in the year they leave the UK or return to the country may also be taxed. Gains arising to holders of Ordinary Shares taxed as dealers in securities may be treated as income and taxed as such.

Where shares are listed on AIM the shares would normally qualify for full Business Assets Taper Relief (BATR) in the case of individuals and certain trusts where they have been held for at least two years and where the company meets all of the conditions as a trading company.

Under new UK tax legislation gains on assets transferred into a UK trust can be held over.

BATR is not available to Shareholders who are companies but indexation allowance is available as a deduction in arriving at the gains chargeable to Corporation Tax.

14.5 Stamp Duty

(a) Irish Stamp Duty

Irish stamp duty will be charged at the rate of 1 per cent. of the amount or value of the consideration on any conveyance or transfer on sale of Ordinary Shares.

In relation to a conveyance or transfer on sale of Ordinary Shares under the CREST System, Irish stamp duty at the rate of 1 per cent. will be payable on the amount or value of the consideration.

Voluntary dispositions (including voluntary dispositions under the CREST System) are liable at the same rate of duty as conveyances or transfers on sale with the market value of the property being substituted for the consideration, if any, on sale.

(b) UK Stamp Duty

Other than in respect of arrangements for depositary receipts and clearance services (to which special rules apply):

- (i) the allotment and issue of Ordinary Shares by the Company pursuant to the Placing should not normally give rise to a charge to stamp duty;
- (ii) a charge to stamp duty will arise only on the transfer of the Ordinary Shares where there is a matter or thing to be done in the UK or where the document of transfer is executed in the UK. Where the transfer is within the charge to stamp duty the rate of tax is 0.5 per cent. of the actual consideration paid (rounded up to the nearest multiple of £5). Where a stamp duty liability arises, this is payable by 30 days after the date on which the stampable transfer is executed. Interest and penalties are normally charged if stamp duty is paid after the due date;

- (iii) there is normally no additional stamp duty where Ordinary Shares are taken out of CREST (otherwise than pursuant to a transfer on sale) or where Ordinary Shares are deposited in CREST for conversion into uncertificated form (otherwise than pursuant to a transfer on sale or in contemplation of such sale).
- (c) UK Stamp Duty Reserve Tax
 - (i) agreements to transfer Ordinary Shares within CREST will be subject to Stamp Duty Reserve Tax (UK tax), (“SDRT”) normally at the rate of 0.5 per cent. of the amount or value of the consideration. The charge to SDRT arises, in the case of an unconditional agreement to transfer such shares within CREST, on the date of the agreement and, in the case of a conditional agreement, on the date the agreement becomes unconditional. The SDRT will normally be collected from the transferee by the CREST member through whom the transaction is effected and paid to HM Revenue & Customs on the date agreed between HM Revenue & Customs and the operator of the CREST system. SDRT is payable on the seventh day of the month in which the charge arises. However, where an instrument of transfer is executed and duly stamped and any applicable stamp duty paid before the expiry of a period of six years beginning with the date of that agreement (or the date on which the agreement becomes unconditional, as the case may be), the SDRT charge is cancelled to the extent that the SDRT has not been paid and, if any of the SDRT has been paid, a claim may be made for it to be repaid;
 - (ii) there is normally no additional SDRT liability where Ordinary Shares are taken out of CREST (otherwise than pursuant to a transfer on sale) or where Ordinary Shares are deposited in CREST for conversion into uncertificated form otherwise than pursuant to a transfer on sale or in contemplation of such sale). A transfer of Ordinary Shares on a CREST transfer form pursuant to a transfer on sale for conversion into uncertificated form will attract an SDRT liability normally at the rate of 0.5 per cent. of the amount or value of the consideration;

14.6 Irish Capital Acquisitions Tax

Capital acquisitions tax (CAT) covers both gift tax and inheritance tax. A CAT liability arises where the donor or beneficiary is resident or ordinarily resident (unless not domiciled, in which case must be resident for 5 consecutive years immediately preceding the year of assessment and resident/ordinarily resident in that year) in Ireland or where the subject matter of the gift or inheritance is Irish property. Registered shares are located in the country of the register. Accordingly the Ordinary Shares are located in Ireland and a CAT liability may arise on a gift or inheritance of Ordinary Shares, notwithstanding that the gift or inheritance is between two non Irish resident and non ordinarily Irish resident individuals.

14.7 UK Inheritance Tax

The Ordinary Shares may be assets situated in the UK for the purposes of UK inheritance tax, depending upon how much of the Company's trade is carried out in the UK. Where this is the case, a gift of such assets by, or on the death of, an individual holder of such assets may (subject to certain exemptions and reliefs, in particular Business Property Relief) give rise to a liability to UK inheritance tax at 40 per cent. (2006/2007). This is regardless of whether or not the individual holder is domiciled or deemed to be domiciled in the UK and whether or not the holder is resident and/or ordinarily resident in the UK for tax purposes. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply where the donor reserves or retains some interest or benefit in the property being transferred. A gift of assets will be treated for UK Inheritance Tax purposes as a “potentially exempt transfer” and falls out of an individual's estate provided the donor lives for 7 years. However if the donee disposes of the assets and the donor's estate becomes chargeable to UK Inheritance Tax within the 7 year period no Business Property Relief would be available and the value of the gift when made will fall into a charge to tax at an effective rate of up to 40 per cent.

Under new proposed legislation transfers to trusts are chargeable transfers for UK Inheritance Tax (subject to certain reliefs, in particular Business Property Relief) and an immediate UK inheritance tax charge at 20 per cent. would arise in respect of any chargeable value (after the deduction for Business Property Relief) of the transfer over the Inheritance Tax nil rate band (£285,000 from 2006/2007). Special rules also apply to close companies and to trustees of settlements who hold Ordinary Shares bringing them within the charge to UK inheritance tax.

Where the shares are treated as Irish assets they may be liable to Irish Capital Acquisitions Tax as well as UK Inheritance Tax. If the individual is domiciled in the UK, Inheritance Tax is chargeable on all assets held worldwide but tax credit relief should be given on any Irish tax suffered where the relevant claim is submitted to the UK tax authorities.

The above is a summary of certain aspects of current law and practice in the UK and Ireland. A shareholder who is in any doubt as to his tax position, or who is subject to tax in a jurisdiction other than the UK and Ireland, should consult his or her professional adviser.

15 Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings in which any Group company is involved or of which any Group company is aware, pending or threatened by or against any Group company which may have or have had in the twelve months preceding the date of this document a significant effect on the Group's financial position.

16 General

- 16.1 Other than as described in this document, there has been no significant change in the trading or financial position of the Company since 31 December 2005, the date to which the last audited accounts of the Company were prepared.
- 16.2 It is estimated that the total expenses payable by the Company in connection with the Placing (including those fees and commissions referred to in paragraph 10.1) payable by the Company are estimated to amount to approximately £750,000 (excluding VAT). The net proceeds of the Placing will be £3.25 million.
- 16.3 Ernst and Young have given and not withdrawn their written consent to the inclusion in this document of their report set out in Part III and their letter set out therein and the references thereto and to their name in the form and context in which they appear.
- 16.4 Seymour Pierce has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.
- 16.5 Seymour Pierce is registered in England and Wales under number 2104188 and its registered office is at 3 Bucklersbury House, Queen Victoria Street, London, EC4N 8EL.
- 16.6 The financial information set out in this document relating to the Company does not constitute statutory accounts within the meaning of the Acts. The information contained in Part III has been audited and Ernst & Young have given unqualified audit reports on the statutory accounts of the Company for those financial years. No other information contained in this document has been audited by Ernst & Young.
- 16.7 Ernst & Young, who are a member of the Institute of Chartered Accountants in Ireland, and whose registered office is Harcourt Centre, Harcourt Street, Dublin 2, Republic of Ireland have been the auditors of the Company for the period 1 January 2003 to 31 December 2005.
- 16.8 Save as set out in this document, there are no patents or intellectual property rights, licences or particular contracts which are of material importance to the Group's business or profitability.
- 16.9 Save as set out in this document as far as the Directors are aware there are no environmental issues that may affect the issuer's utilisation of its tangible fixed assets.

- 16.10 Save as disclosed in this document the Company has no principal investments for each financial year covered by the historical financial information and there are no principal investments in progress and there are no principal future investments on which the board has made a firm commitment.
- 16.11 The Company is not aware of the existence of any takeover bid pursuant to the Irish Takeover Rules, or any circumstances which may give rise to any takeover bid, and the Company is not aware of any public takeover bid by third parties for the Ordinary Shares.
- 16.12 The sums raised pursuant to the Placing of £4 million which will be applied to the following:
- (i) to discharge commissions and expenses payable under the Placing;
 - (ii) to provide working capital to further develop the Group's technology application;
 - (iii) to review strategic acquisition opportunities; and
 - (iv) proposed expansion into new geographical markets.

The proceeds of the Placing are sufficient to fund all of the proposed uses stated above. Accordingly there are no amounts to be provided in respect of the matters mentioned above otherwise than out of the Placing or from the Company's existing resources.

- 16.13 Save as disclosed in this document no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:
- 16.13.1 received, directly or indirectly from the Group within the 12 months preceding the date of this document; or
- 16.13.2 entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Group on or after Admission any of the following:
- fees totalling £10,000 or more;
 - securities of the Company where these have a value of £10,000 or more calculated by reference to the Placing Price; or
 - any other benefit with the value of £10,000 or more at the date of this document.

17 Irish Takeover Rules

17.1 Mandatory bid

The Irish Takeover Rules will apply to the Company. Under the Irish Takeover Rules, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Irish Takeover Panel) to make an offer for the outstanding shares at a price not less than the highest price paid for Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights by 0.05 per cent.

18 Companies Acts

18.1 Squeeze-out

Under the Companies Act 1963 of Ireland, if an offeror were to acquire 80 per cent of the Ordinary Shares in issue within four months of making its offer, it could then compulsorily acquire the remaining 20 per cent. It would do so by sending a notice to outstanding shareholders telling them that it would compulsorily acquire their shares and then, unless the High Court of Ireland determined otherwise one month later, it would execute a transfer of the outstanding shares in its favour and pay

the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. Where the offeror already owns more than 20 per cent. of the Company at the time that the offeror makes an offer for the balance of the shares, then the compulsory acquisition rights only apply if the offeror acquires at least 80 per cent. of the remaining shares which also represent at least 75 per cent. in number of the holders of the accepting shareholders.

18.2 Buy-out

The Companies Act 1963 of Ireland also gives minority shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares in the Company and at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 80 per cent. of the Company's Ordinary Shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any such shareholder notice of his right to be bought out within one month of that right arising.

18.3 Disclosure of interests in Ordinary Shares

The Acts make provision regarding the disclosure of interests in shares. The Companies Act 1990 of Ireland requires, *inter alia*, that any person, which would include a person not resident in Ireland, who has an interest in shares of a public limited company which carry full voting rights is required to notify his interest to the company, if the total number of such shares in which he has an interest equals or exceeds a certain percentage (currently 5 per cent.) of all such shares. Where that person ceases to hold that percentage or there is a change in the percentage level of his shareholding, he is also obliged to notify the company. The obligation to notify must be performed within the period of 5 business days from the date upon which the obligation arises.

The notification to the relevant company must be in writing and must specify the share capital to which it relates; the number of shares comprised in that share capital in which the person making the notification knows he was interested immediately after the time when the obligation arose, or in a case where the person no longer has a notifiable interest in shares comprised in the share capital, state that he no longer has an interest; identify the notifier and give his address and except where the notice is stating that the notifier no longer has a notifiable interest in the shares, give details of the registered holder of the shares and the number of shares held by such holder.

19 Availability of Admission Document

Copies of this document will be available free of charge during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) until the date following one month after the date of Admission at the registered office of the Company and at the offices of Seymour Pierce, Bucklersbury House, 3 Queen Victoria Street, London EC4N 8EL.

Dated 25 October 2006

