



Press release

Athens 24 August 2009

## NEUROSOFT

### Neurosoft S.A. approves 2009 First Half Year Results

- Consolidated turnover in the first half of 2009 increased by 100% to €966.000 from €467.000 at midyear 2008.
- Gross profit increased by 140% to €244.000 from €102.000 at midyear 2008, improving the Company's gross margin by 15%.
- Net loss increased to €551.000 from €64.000 at midyear 2008, was expected as result of the implementation the Company's aggressive business plan
- Total equity almost triple to about €7.9 million €2.1 million at the 2008 year end, resulting from the Company's successful IPO in May 2009 which brought 6,2 million proceeds.
- Net Cash at about €6.9 million.

The Board of Directors of Neurosoft S.A., a company under Greek law listed on AIM Italia (*ISIN* code [GRS802003004](#), [Reuters NRST.MI](#), [Bloomberg NRST:IM](#)), met on August 24<sup>th</sup> to review the accounts for the first half of 2009, up to 30<sup>th</sup> June 2009.

*"We are pleased to report a healthy increase in our turnover and a successful progress in implementing our business plan", declared Nikos Vasilonikolidakis, Chief Executive Officer of Neurosoft S.A. who added "We are continually upgrading our existing product line to meet our customer's evolving needs, strengthening our technical and commercial base and expanding our geographical scope".*

The net loss in the first semester of 2009 was expected as we accelerated the investments foreseen by our business plan, namely from (i) increased overhead related to the establishment of an Eastern Europe sales office in Romania, (ii) the acquisition of a Cyprus operating company with exploitable technology, (iii) an increase in specialized personnel (company's average headcount increased by 40% as compared to midyear 2008), and (iiii) increased extraordinary expenses due to the Company's IPO on AIM Italia.

Yet **Nikos Vasilonikolidakis** continued: *"We recently announced a binding agreement to acquire Fasbet Group: we have the exclusivity to carry-out the due diligences within the next months and we expect a further boost in our activity from the fulfillment of this acquisition thanks to the integration of Fasbet technologies with Neurosoft ones."*

Neurosoft will integrate the acquired betting exchange software platform into its existing flagship risk and liability management software system (BOLT) and its premier trading software engine (Tensor). This strategic move places Neurosoft in the front and center of a rapidly expanding market representing consummated betting volumes estimated to be worth of €20 billion.

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DECLARATION EX ART. 154-BIS CODICIL 2 OF LEGISLATIVE DECREE 24 FEBRUARY 1998, N. 58

The manager responsible for the writing of the company's accounting records, declares according to the codicil 2 article 154 bis of the Unified Financial Regulation that the accountant information contained in the present official notice corresponds to documental outcomes, to books and the book keeping of the Company.

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**Neurosoft S.A.**, a company under Greek law quoted in AIM Italia (*code ISIN [GRS802003004](#), codice Reuters [NRST.MI](#), codice Bloomberg [NRST:IM](#)*), is specialized in the design, development, customization and maintenance of **software solutions developed in-house** for the sectors of sports betting, factoring and business intelligence.

Neurosoft was founded in 1994 and today is considered the **Premier Hellenic Software House**, specializing in the areas of Business Intelligence, Risk & Liability Management, Business Process Management, Middleware Transactional System, Core Factoring and the implementation of Mission Critical custom application. Neurosoft develops internally products thanks to a team of highly specialized professionals that they constitute the asset carrying of the technology and the excellence of the Company. Neurosoft, in fact, constantly careful to the new technologies in computer science field and the field of software, invests meaningful financial resources in Research & Development: in 2006 approximately 2.7%, in 2007 approximately 3.2%, in 2008 the 4.1% of its turnover with the aim of offering its customers innovative solutions that represent the "state of the art" to an international level.

Neurosoft offers services and technological solutions in Greece and numerous international markets, in continuous expansion, also thanks to strategic alliances with operating heads in the field of the technologies in support of the Sport, Gaming & Betting. In 2008 the Company has opened a branch (office) to Bucharest - Neurosoft Rumania SRL - with the objective to expand its presence in the East Europe and to service at best the needs and requirements of its customers. Today Neurosoft is a Software house consolidated with a pocketbook of projects and global partners who, besides the difficulty of the international economic context, is experiencing an increase without precedent.

In 2008 Neurosoft has recorded, in fact, a turnover equal to €3,7 million (greater than a 100% increase relatively to 2007), an EBITDA equal to €2,1 million (greater than a fivefold increase over 2008), a net profit equal to €1,5 million (greater than a six fold increase).

*On behalf of **Neurosoft SA***

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*Attached: synthetic data of Profit & Loss Accounts, Balance Sheets.*

**NEUROSOFT SOFTWARE PRODUCTIONS S.A AND ITS SUBSIDIARIES  
INTERIM CONSOLIDATED INCOME STATEMENT AND COMPREHENSIVE  
INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2009**

Amounts in Euro, unless otherwise stated

	<u>Notes</u>	<b>The Group</b>	
		<b>01.01- 30.06.2009</b>	<b>01.01- 30.06.2008<sup>1</sup></b>
		<b>Unaudited</b>	<b>Unaudited</b>
Revenues		966.656	467.878
Cost of services amortization		(53.950)	
Cost of services other		(668.685)	(365.745)
<b>Gross profit</b>		<b>244.020</b>	<b>102.133</b>
Selling and distribution expenses		(150.473)	(67.794)
Administrative expenses		(542.838)	(98.375)
Depreciation		(58.925)	(19.688)
Research and development expenses		-	
Other income		20.667	37.341
Share of profits of associates accounted for under the equity method		-	-
Financial income		10.370	-
Financial costs		(2.628)	(4.913)
<b>Income/ (Loss) before income taxes</b>		<b>(479.807)</b>	<b>(51.297)</b>
Income taxes		(71.139)	(12.517)
<b>Net income/ (loss)</b>		<b>(550.945)</b>	<b>(63.813)</b>
<b>Attributable to:</b>			
Equity holders of the parent		(550.945)	(63.813)
Minority interests		-	-
		<b>(550.945)</b>	<b>(63.813)</b>
<b>EBITDA</b>		<b>(366.932)</b>	<b>(31.609)</b>
<b>Earnings per share (Basic)</b>		(0,2755)	(0,0604)
<b>Earnings per share (Diluted)</b>		(0,2755)	(0,0604)

<sup>1</sup>: Stand - alone financial statements

**The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements**

**NEUROSOFT SOFTWARE PRODUCTION S.A AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED FINANCIAL POSITION AT 30 JUNE 2009**

Amounts in Euro, unless otherwise stated

	<b>The Group</b>	
	<b>30.06.2009</b>	<b>31.12.2008</b>
	<b>Unaudited</b>	<b>Audited</b>
	<u>Notes</u>	
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	135.118	120.652
Intangible assets -R&D	227.219	
Intangible assets -Betonews	142.500	-
Other non-current assets	17.416	9.049
Deferred tax asset	283.416	35.294
<b>Total Non-Current Assets</b>	<b>805.669</b>	<b>164.995</b>
<b>Current Assets</b>		
Inventories		
Financial assets at fair value through profit and loss	10.200	3.800
Trade accounts receivable	837.107	1.828.134
Prepayments and other receivables	489.387	691.039
Cash and cash equivalents	6.889.277	814.295
<b>Total Current Assets</b>	<b>8.225.971</b>	<b>3.337.266</b>
<b>TOTAL ASSETS</b>	<b>9.031.640</b>	<b>3.502.263</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent company</b>		
Share capital	2.100.000	700.000
Share premium	6.204.294	-
Other reserves	156.241	156.191
Retained earnings	(585.244)	1.210.347
	<b>7.875.291</b>	<b>2.066.539</b>
Minority interests	-	-
<b>Total Equity</b>	<b>7.875.291</b>	<b>2.066.539</b>
<b>Non-Current Liabilities</b>		
Long-term leases	-	4.291
Reserve for staff retirement indemnities	39.963	39.963
Provisions	33.706	26.800
<b>Total Non-Current Liabilities</b>	<b>73.670</b>	<b>71.054</b>
<b>Current Liabilities</b>		
Trade accounts payable	287.463	23.847
Short-term borrowings	-	52.730
Short-term portion of finance lease obligations	9.857	10.918
Income tax payable	660.320	881.018
Accrued and other current liabilities	125.040	396.157
<b>Total Current Liabilities</b>	<b>1.082.679</b>	<b>1.364.670</b>
<b>Total Liabilities</b>	<b>1.156.349</b>	<b>1.435.724</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>9.031.640</b>	<b>3.502.263</b>

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements

**NEUROSOFT SOFTWARE PRODUCTIONS S.A AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF EQUITY FOR THE SIX MONTHS**  
**ENDED 30 JUNE 2009**

Amounts in Euro, unless otherwise stated

<b>The Group</b>	<b>Attributable to equity holders of the parent company</b>					<b>Minority</b>	<b>Total Equity</b>
	<b>Share capital</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Interest</b>	
<b>Balance at 1 January 2009</b>	<b>700.000</b>	-	<b>156.191</b>	<b>1.210.347</b>	<b>2.066.538</b>	-	<b>2.066.538</b>
Loss for the period				(550.945)	(550.945)	-	(550.945)
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	-	-
Dividends paid (Note 12)	-	-	-	(200.000)	(200.000)	-	(200.000)
Share capital increase	350.000	7.250.000	-	-	7.600.000	-	7.600.000
Retained earnings capitalized	1.050.000	-	-	(1.050.000)	-	-	-
Other movements	-	-	50	5.354	5.404	-	5.404
AIM listing expenses (net of deferred tax)	-	(1.045.706)	-	-	(1.045.706)	-	(1.045.706)
<b>Balance at 30 June 2009</b>	<b>2.100.000</b>	<b>6.204.294</b>	<b>156.241</b>	<b>(585.244)</b>	<b>7.875.291</b>	-	<b>7.875.291</b>
<b>Balance at 1 January 2008</b>	<b>370.000</b>	-	<b>80.420</b>	<b>338.632</b>	<b>789.053</b>	-	<b>789.053</b>
Profit for the period	-	-	-	(63.813)	(63.813)	-	(63.813)
Dividends approved by the General Assembly	-	-	-	(200.000)	(200.000)	-	(200.000)
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	-	-
<b>Balance at 30 June 2008<sup>1</sup></b>	<b>370.000</b>	-	<b>80.420</b>	<b>74.819</b>	<b>525.239</b>	-	<b>525.239</b>

1: Stand - alone financial statements

**The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements**

**NEUROSOFT SOFTWARE PRODUCTION S.A AND ITS SUBSIDIARIES**  
**Notes to the interim condensed consolidated financial statements**  
Amounts in Euro, unless otherwise stated

	<b>The Group</b>	
	<b>01.01- 30.06.2009</b>	<b>01.01- 30.06.2008<sup>1</sup></b>
<b>Cash flows from COS/ Operating Activities</b>		
Loss before income taxes	(479.807)	(51.297)
Adjustments for:		
Depreciation and amortisation	114.963	19.688
Amortisation of subsidies	-	-
Loss/(gains) on disposal of tangible and intangible assets	-	-
Financial (income)/expenses	(7.779)	4.913
Decrease in financial instruments	(34.882)	7.200
Allowance for doubtful accounts receivable	-	-
Provision for staff retirement indemnities	-	-
Stock option plan	-	-
<b>Operating profit/(loss) before working capital changes</b>	<b>(407.506)</b>	<b>(19.496)</b>
<b>(Increase)/Decrease in:</b>		
Inventories		
Trade accounts receivable	1.192.679	244.005
Prepayments and other receivables		
<b>Increase/(Decrease) in:</b>		
Trade accounts payable	(7.502)	48.160
Deferred income		
Accrued and other current liabilities		
Interest paid	(2.587)	(4.913)
Tax paid	(220.698)	(70.824)
Payment of staff retirement indemnities	-	-
Increase in other long-term liabilities	-	-
Increase in other long-term obligations	-	-
<b>Net cash from/(used in) Operating Activities</b>	<b>554.386</b>	<b>196.932</b>
<b>Cash flows from Investing Activities</b>		
Capital expenditure for property, plant and equipment	(49.945)	(24.911)
Purchase/development of intangible assets	(424.401)	-
Acquisition of Loan Obligation	-	-
Sales of financial assets at fair value through profit or loss	-	-
Investment in subsidiary	-	-
Acquisition of group of companies	-	-
<b>Net cash from/(used in) Investing Activities</b>	<b>(463.980)</b>	<b>(24.911)</b>
<b>Cash flows from Financing Activities</b>		
Net proceeds from the issuance of share capital	6.242.659	-
Net proceeds from long-term borrowings	-	-
Dividends paid	(200.000)	-
Net change in short-term borrowings	(58.082)	(103.302)
Net Change in leases	-	(4.951)
<b>Net cash from Financing Activities</b>	<b>5.984.576</b>	<b>(108.252)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6.074.982</b>	<b>63.768</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>814.295</b>	<b>469.184</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>6.889.277</b>	<b>532.952</b>

<sup>1</sup> : Stand alone financial statements

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