



eXpansys plc

Results for year ended April 2008

July 2008

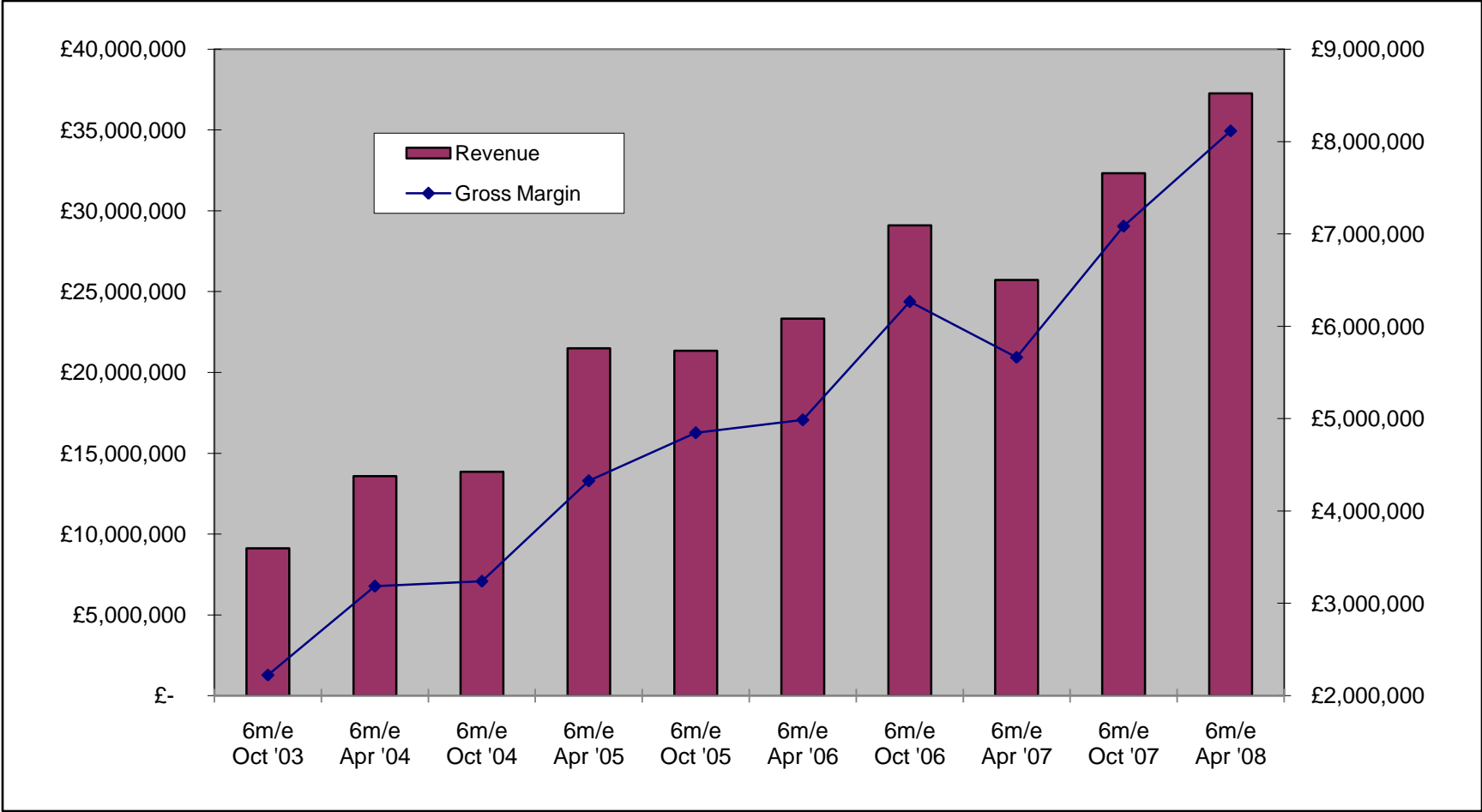
Roger Butterworth (CEO)

Full year headlines

- Revenue up to £69.7m (from £54.1m in FY07)
- Gross Margin up to £13.7m (from £12.4m in FY07)
 - Despite £1.8m of losses on stock
- Gross Profit Margin stable at 22.2%
- Sale of Portix and stock liquidation brought in significant cash in the second half of the year (£1.8m)
- Monthly costs reduced significantly over the second half of the year
- Further cost reductions and cash improvements intended for the next half year



Revenue and gross margin growth continues



Strategy

- Focus on e-commerce to deliver solid, repeatable profit and positive cash flow
 - Reduction in stock levels through EDI with suppliers
- Further utilisation of strong eXpansys brand
 - By extension of product set
 - By extension to new regions through licensing
- Cost reduction program delivering results

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YooNoo acquisition complete

- Market leading online retailer of satellite navigation systems in the UK purchased in July 2007
- Deal now closed with total consideration paid of £0.3m (£0.9m less than maximum)
- Integration now complete with costs reduced and revenue secured



MWg Singapore

- eXpansys owns 90% of MWg
- 2 new products launched on time
- Deloitte Singapore engaged to find investor to take a share in the business or buyer for the business
- Progress expected by end of Oct 08
- Valuations for the MWg business discussed at multiples of current eXpansys market cap



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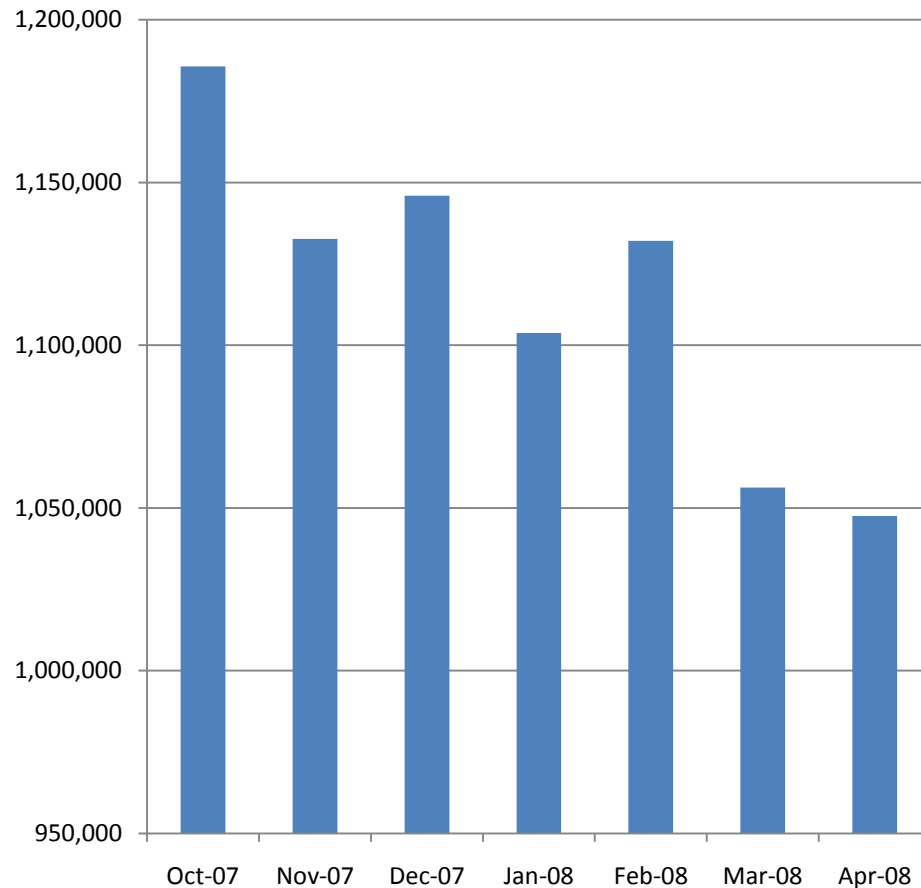


Income Statement

£ millions	Full Year 2007	Full Year 2008
Revenue	54.1	69.7
Gross profit pre exceptional items	12.4	15.2
Distribution expenses	(2.9)	(3.8)
Administration expenses	(9.0)	(11.8)
Operating profit pre exceptional items	0.5	(0.4)
Exceptional items	(0.5)	(2.0)
Gross profit margin (pre exceptional) %	22.9%	22.2%



Cost reductions in the core business



This graph shows total group costs excluding MWg costs

Monthly cost control has been a key focus for the group over the last 6 months.

Headcount has been reduced significantly.

3 offices have been closed to reduce costs.

Due to time lag on some cost reduction actions, actions already taken will continue to feed through over the next 6 months.

Further cost reductions are being actively pursued.



Cash flow

£ millions	12 m/e April 2008	6 m/e April 2008
Net cashflow from operating activities	(0.5)	1.5
Net cash inflow from Portix disposal	0.8	0.8
Payments to acquire fixed assets	(0.8)	(0.7)
Proceeds from share issue	0.4	0.4
Movements on borrowings	(0.3)	(0.3)
Change in cash	(0.4)	1.7



Balance sheet

£ millions	October 2007	April 2008
Non current assets	6.9	6.4
Inventories	10.8	6.9
Trade and other receivables	7.3	6.5
Cash	0.2	2.2
Trade and other payables	(12.9)	(11.5)
Financial liabilities	(2.3)	(2.4)
Provisions	(1.8)	(0.6)
Net assets	8.2	7.5



Market update

- Market increasingly hardware led and all UK networks now have SIM only offers
- Scale and e-tail trusted brand status becomes more and more important, and are significant strengths of eXpansys
- Price now the key point in purchase decisions
- Apple I-Phone a factor worldwide

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Competition update

- Increasing use of SIM only deals makes networks less of a competitive threat
- I-Phone 3G a huge success impacted revenues worldwide
- E-commerce model gains cost advantage
 - Dixons and other bricks and mortar resellers suffering with high costs
 - price a key factor in purchase decisions



Current trading

- Strong revenue performance despite market conditions
- Gross margin % improved by sale of Portix although depressed by sales below cost
- US and UK markets tough in Q1 FY2009
- Cost cuts have been made and more will be made



Summary conclusion

- As promised Portix sold despite significant issues in the market
 - E-commerce focus now established
- As promised cash position greatly improved
 - EDI should lead to better cash position still
- Revenue growth on track
- Cost cuts delivering value

