

AVEVA Group plc

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

AVEVA Group plc ('AVEVA'; stock code : AVV), one of the world's leading providers of engineering data and design IT systems, today announces its unaudited results for the six months ended 30 September 2009.

Highlights

- Solid performance in the first half year focussing on our core strengths of supplying world class solutions and services to our customers in the Oil and Gas, Power and Marine markets
- Revenue of £69.9 million (2008 £74.8 million) in challenging market conditions
- Recurring revenue up 18% to £48.1 million (2008 £40.9 million) representing 69% (2008 55%) of total revenue
- Investment in Research and Development of £10.3 million (2008 £12.9 million)
- Restructuring programme now complete at a cost of £1.8 million and annualised savings of £5 million per annum
- Adjusted profit before tax of £26.6 million (2008 £31.0 million)*
- Profit before tax of £23.3 million (2008 £29.2 million)
- Adjusted basic earnings per share of 27.91 pence (2008 33.11 pence)*
- Basic earnings per share of 22.99 pence (2008 30.50 pence)
- Interim dividend increased by 5% to 3.00 pence (2008 2.86 pence)
- Strong cash generation with net cash and deposits at the period end of £133.9 million (2008 £101 million)

* Adjusted profit before tax and adjusted basic earnings per share are calculated before amortisation of intangible assets, share-based payments and restructuring costs in the relevant year.

Commenting on the outlook, Chairman Nick Prest said :

“AVEVA has focused on its core strengths in the first half and delivered a solid performance against a backdrop of challenging economic conditions. Many of our customers remain cautious about the outlook with continuing uncertainty in some geographies and industries. However, we are successfully exploiting opportunities in developing countries where growth continues. The Board remains cautious on the outlook for 2010 but believes that the considerable investment made over the years in developing the product portfolio and sales infrastructure positions AVEVA well to trade successfully through this challenging environment.”

Enquiries:

AVEVA Group plc

Richard Longdon, Chief Executive
Paul Taylor, Finance Director

On 12 November 2009
Thereafter

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Hudson Sandler

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An analysts' briefing will be held at 29 Cloth Fair, London EC1A 7NN at 9.30 a.m. on 12 November 2009. For further information please contact Alix Haysom on 020 7796 4133 or on ahaysom@hudsonsandler.com.

CHAIRMAN'S STATEMENT

Overview

AVEVA has delivered a solid performance in the first half of the financial year. During the current economic turmoil AVEVA has remained focused on its core strengths of supplying world class solutions and services to its customers in the Oil and Gas, Power and Marine markets. During the period the Group has completed a restructuring programme and has strengthened its presence in the developing markets of CIS, Brazil and China.

Financials

As the Board indicated in April 2009, AVEVA's short-term trading was impacted by the global economic uncertainty. Revenue generated through initial fees in the Marine market were particularly affected. However, the strong recurring nature of the business has helped mitigate some of this impact. As a result, overall revenue only decreased by 7% to £69.9 million (2008 £74.8 million). Recurring revenue amounted to £48.1 million (2008 £40.9 million) an increase of 18% and now accounts for 69% of total revenue (2008 55%). Included in recurring fees are annuals of £19.8 million (2008 £15 million), rentals of £27.6 million (2008 £25 million) and recurring services of £0.7 million (2008 £0.9 million). Initial fees fell by 44% compared to prior years amounting to £16.2 million (2008 £28.8 million). Service revenue remained broadly in line with prior years at £5.6 million.

We implemented a restructuring programme at the start of the financial year to make sure that AVEVA was better equipped to address the difficult trading environment, whilst also selectively investing to exploit growth opportunities. As part of this restructuring programme, we combined the Central, Eastern and Southern Europe region with our Western Europe, Middle East and Africa region into one European, Middle East and Africa region (EMEA). As part of this combination and the restructuring of some of our Research and Development activities, a number of employees were made redundant giving rise to a one-off cost of £1.8 million. The cost of restructuring whilst lower than anticipated, resulted in annualised savings being in line with those indicated in April. With most of the restructuring process completed early in the period we expect only marginal additional savings to impact in the second half compared to run rate cost base in the first half.

Operating margins remained strong at 33%. This includes Research and Development investment of £10.3 million to enhance existing and develop new products that will support future revenue growth. The Group has also continued to invest in improving the delivery of sales and support, focusing on AVEVA NET and other identified opportunities in growth markets like South America and CIS.

Adjusted profit before tax amounted to £26.6 million (2008 £31.0 million), which is before amortisation of intangibles, share-based payments and restructuring costs of £3.3 million (2008 £1.8 million). Adjusted earnings per share amounted to 27.91 pence (2008 33.11 pence). Profit before tax was £23.3 million (2008 £29.2 million) resulting in basic earnings per share of 22.99 pence (2008 30.50 pence).

First half profit has benefited from general movements in exchange rates, in particular US Dollar and Euro, by approximately £5 million.

Tax

The effective tax rate for the half year of 33% (2008 28%) is higher than in the prior year primarily due to irrecoverable withholding tax suffered in Asia.

Cash

AVEVA continues to be cash generative with net cash (including treasury deposits of £80.1 million) at 30 September 2009 of £133.9 million, an increase of £7.7 million from 31 March 2009.

CHAIRMAN'S STATEMENT CONTINUED

Dividend

The Board is declaring an increased interim dividend of 3.0 pence per share (2008 2.86 pence). The dividend will be payable on 5 February 2010 to shareholders on the register on 8 January 2010.

Operating review

Overall, the results for the past six months demonstrate a solid performance characterised by strong trading in some of the developing economies offset by the wider impact of the worldwide economic turbulence on some of our more established territories. Through these six months, AVEVA has continued to make good progress in developing the quality of its product offering and the effectiveness of its sales processes.

Asia Pacific

Revenue in Asia Pacific fell by 24% to £23.5 million (2008 £31.1 million). This was primarily a result of the anticipated reduction in initial licence fees in the Marine industry due to the lack of new ship orders and expansion in yard capacity. Marine customers have remained focused on the delivery of existing order books which has supported the current level of recurring revenue in the region. The pipeline for AVEVA NET continues to grow in Marine, particularly in China, where increasing customer demand for improved data management and productivity led to a number of AVEVA NET sales being closed in the first half. Other markets are now demonstrating greater stability in the customer base with opportunities particularly in Power in China.

Europe, Middle East and Africa (EMEA)

The new organisational structure in EMEA is now in place. Revenue in the region increased by 3% from £33.4 million to £34.4 million in the first half. Operationally the first half has seen strong growth in Russia and Eastern Europe contrasted by difficult trading conditions in Central Europe, where the lack of visibility of new projects is impacting the Oil and Gas and Power markets. Nuclear power is an opportunity for AVEVA where our design tools are already used extensively on existing projects within the region and customers are extending usage to projects around the world. Nuclear power is being actively evaluated by several countries, but lead times for project approvals and resource constraints in the Nuclear industry mean that opportunities for AVEVA will take longer to come through. There have been a growing number of successful AVEVA NET implementations in the first half, particularly in the Oil and Gas market, and we are continuing to build a strong pipeline.

Americas

The first half performance in the Americas was mixed with a strong performance in Latin America and continued difficult trading conditions in North America and Canada. Overall revenue in the first half increased by 15% to £12.0 million (2008 £10.4 million) although this does include the benefit of exchange rate movements.

The Oil and Gas business in Brazil continues to go from strength to strength with additional oilfield discoveries off the coast of Brazil and oil production expected to continue to drive usage of our design seats in both Plant and Marine. Key to our early successes is the relationship with Petrobras, the Brazilian national oil company, which is helping AVEVA exploit the opportunities in that market and increase existing usage. We are also seeing some recovery in the Marine and Mining markets in Latin America.

In North America and Canada we are continuing to see the deferral of projects in the Oil and Gas and Power markets due to the difficult market conditions, which has resulted in limited new sales. However, it is important to note that existing customers continue to renew their current agreements at similar levels to last year.

Research and Development

In the six months ended 30 September 2009, we invested £10.3 million (2008 £12.9 million) in Research and Development where the focus has been on continuing to develop our AVEVA Plant and Marine products. In addition, we have increased our investment in the AVEVA NET suite of products. This investment is delivering new functionality which allows greater collaboration within differing functions of the plant life cycle and greater integration with third party authoring tools.

CHAIRMAN'S STATEMENT CONTINUED

Outlook

AVEVA has focused on its core strengths in the first half and delivered a solid performance against a backdrop of challenging economic conditions. Many of our customers remain cautious about the outlook with continuing uncertainty in some geographies and industries. However, we are successfully exploiting opportunities in developing countries where growth continues. The Board remains cautious on the outlook for 2010 but believes that the considerable investment made over the years in developing the product portfolio and sales infrastructure positions AVEVA well to trade successfully through this challenging environment.

NICK PREST

Chairman

12 November 2009

INDEPENDENT REVIEW REPORT TO AVEVA GROUP PLC

INTRODUCTION

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2009 which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Consolidated statement of changes in shareholders' equity, the Consolidated cash flow statement and the related notes 1 to 13. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

DIRECTORS' RESPONSIBILITIES

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

OUR RESPONSIBILITY

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

ERNST & YOUNG LLP

Registered auditor

Cambridge

12 November 2009

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

	Notes	Six months ended 30 September		Year ended
		2009 £000 (unaudited)	2008 £000 (unaudited)	31 March 2009 £000 (audited)
Revenue	4,5	69,886	74,837	164,041
Cost of sales		(15,169)	(17,507)	(37,612)
Gross profit		54,717	57,330	126,429
Operating expenses				
Selling and distribution costs		(27,891)	(23,332)	(53,248)
Administrative expenses		(3,540)	(6,273)	(16,532)
Total operating expenses		(31,431)	(29,605)	(69,780)
Profit from operations		23,286	27,725	56,649
Finance revenue		1,266	2,669	4,846
Finance expense		(1,238)	(1,148)	(2,294)
Analysis of profit before tax				
Profit before tax, share-based payments, amortisation and restructuring costs		26,645	31,012	62,623
Share-based payments		(598)	(526)	(940)
Amortisation of intangibles (excluding software)		(926)	(1,240)	(2,482)
Restructuring costs	6	(1,807)	—	—
Profit before tax	5	23,314	29,246	59,201
Income tax expense	7	(7,744)	(8,623)	(17,047)
Profit for the period attributable to equity holders of the parent		15,570	20,623	42,154
Earnings per share	9			
– basic		22.99p	30.50p	62.27p
– diluted		22.87p	30.34p	61.98p
Proposed dividend per share		3.00p	2.86p	6.50p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

	Six months ended 30 September		Year ended
	2009	2008	31 March
	£000	£000	£000
	(unaudited)	(unaudited)	(audited)
Profit for the period	15,570	20,623	42,154
Other comprehensive income			
Tax on items recognised directly in equity	1,277	548	1,460
Exchange differences arising on translation of foreign operations	916	(148)	5,503
Actuarial loss on defined benefit pension schemes	(4,310)	(2,729)	(7,523)
Comprehensive income for the period	13,453	18,294	41,594

CONSOLIDATED BALANCE SHEET

30 SEPTEMBER 2009

	Notes	As at 30 September		As at
		2009	2008	31 March
		£000 (unaudited)	£000 (unaudited)	2009 £000 (audited)
Non-current assets				
Goodwill		17,800	16,288	17,055
Other intangible assets		10,021	9,563	10,750
Property, plant and equipment		7,612	6,417	8,096
Deferred tax assets		5,808	2,583	5,514
Other receivables	11	823	568	804
		42,064	35,419	42,219
Current assets				
Trade and other receivables	11	38,834	42,802	56,768
Current tax assets		833	983	746
Financial assets		71	—	—
Treasury deposits	10	80,105	—	—
Cash and cash equivalents	10	53,784	100,953	126,164
		173,627	144,738	183,678
Total assets		215,691	180,157	225,897
Equity				
Issued share capital		2,261	2,260	2,260
Share premium		27,176	27,150	27,176
Other reserves		13,834	8,379	13,535
Retained earnings		108,857	83,540	100,160
Total equity		152,128	121,329	143,131
Current liabilities				
Trade and other payables	12	41,556	41,298	56,598
Financial liabilities		14	1,403	4,643
Current tax liabilities		7,203	9,929	11,172
		48,773	52,630	72,413
Non-current liabilities				
Deferred tax liabilities		1,575	1,828	1,589
Financial liabilities		—	—	—
Retirement benefit obligations	13	13,215	4,370	8,764
		14,790	6,198	10,353
Total equity and liabilities		215,691	180,157	225,897

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
30 SEPTEMBER 2009

	Share capital £000	Share premium £000	Merger reserve £000	Cumulative translation adjustments £000	Treasury shares £000	Total other reserves £000	Retained earnings £000	Total equity £000
At 1 April 2008	2,250	26,522	3,921	4,606	—	8,527	68,447	105,746
Profit for the period	—	—	—	—	—	—	20,623	20,623
Other comprehensive income	—	—	—	(148)	—	(148)	(2,181)	(2,329)
Total comprehensive income	—	—	—	(148)	—	(148)	18,442	18,294
Issue of share capital	10	628	—	—	—	—	—	638
Share-based payments	—	—	—	—	—	—	526	526
Investment in own shares	—	—	—	—	—	—	(495)	(495)
Equity dividends	—	—	—	—	—	—	(3,380)	(3,380)
At 30 September 2008	2,260	27,150	3,921	4,458	—	8,379	83,540	121,329
Profit for the period	—	—	—	—	—	—	21,531	21,531
Other comprehensive income	—	—	—	5,651	—	5,651	(3,882)	1,769
Total comprehensive income	—	—	—	5,651	—	5,651	17,649	23,300
Issue of share capital	—	26	—	—	—	—	—	26
Share-based payments	—	—	—	—	—	—	414	414
Transfer to treasury shares reserve	—	—	—	—	(495)	(495)	495	—
Equity dividends	—	—	—	—	—	—	(1,938)	(1,938)
At 31 March 2009	2,260	27,176	3,921	10,109	(495)	13,535	100,160	143,131
Profit for the period	—	—	—	—	—	—	15,570	15,570
Other comprehensive income	—	—	—	916	—	916	(3,033)	(2,117)
Total comprehensive income	—	—	—	916	—	916	12,537	13,453
Issue of share capital	1	—	—	—	—	—	—	1
Share-based payments	—	—	—	—	—	—	598	598
Investment in own shares	—	—	—	—	(653)	(653)	—	(653)
Cost of employee benefit trust shares issued to employees	—	—	—	—	36	36	(36)	—
Equity dividends	—	—	—	—	—	—	(4,402)	(4,402)
At 30 September 2009	2,261	27,176	3,921	11,025	(1,112)	13,834	108,857	152,128

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

	Six months ended 30 September		Year ended
	2009	2008	31 March
	£000	£000	£000
	(unaudited)	(unaudited)	(audited)
Cash flows from operating activities			
Profit for the year	15,570	20,623	42,154
Income tax	7,744	8,623	17,047
Net finance revenue	(28)	(1,521)	(2,552)
Depreciation of property, plant and equipment	951	703	1,550
Amortisation of intangible assets	970	1,268	2,538
Profit on disposal of non-current assets	31	5	11
Share-based payments	598	526	940
Difference between pension contributions paid and amounts recognised in the income statement	(256)	(90)	(603)
Changes in working capital:			
Trade and other receivables	18,227	546	(15,550)
Trade and other payables	(14,724)	(3,932)	9,409
Fair value of forward contracts	(4,715)	431	3,737
Cash generated from operating activities before tax	24,368	27,182	58,681
Income taxes paid	(10,738)	(5,912)	(15,109)
Net cash generated from operating activities	13,630	21,270	43,572
Cash flows from investing activities			
Purchase of property, plant and equipment	(734)	(1,737)	(3,668)
Purchase of intangibles	(15)	(38)	(58)
Acquisition of subsidiary, net of cash acquired	—	—	(1,664)
Proceeds from disposal of property, plant and equipment	76	54	30
Interest received	413	1,672	2,815
Purchase of treasury deposits	(80,105)	—	—
Net cash used in investing activities	(80,365)	(49)	(2,545)
Cash flows from financing activities			
Interest paid	(3)	(12)	(7)
Payment of finance lease liabilities	—	(77)	(145)
Purchase of own shares	(653)	(495)	(495)
Proceeds from the issue of shares	1	638	664
Dividends paid to equity holders of the parent	(4,402)	(3,380)	(5,318)
Net cash flows used in financing activities	(5,057)	(3,326)	(5,301)
Net (decrease)/increase in cash and cash equivalents	(71,792)	17,895	35,726
Net foreign exchange difference	(588)	209	7,589
Opening cash and cash equivalents	126,164	82,849	82,849
Closing cash and cash equivalents	53,784	100,953	126,164

NOTES TO THE INTERIM REPORT

1 THE INTERIM REPORT

The interim report was approved by the Board on 12 November 2009. The financial information set out in the interim report is unaudited but has been reviewed by the auditor, Ernst & Young LLP, and their report to the Company is set out on page 5.

The interim report will be posted to shareholders in due course and copies will be available from the registered office of AVEVA Group plc, High Cross, Madingley Road, Cambridge CB3 0HB and on the Company's website at www.aveva.com.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim report for the six months ended 30 September 2009 has been prepared in accordance with IAS 34 Interim Financial Reporting and the disclosure requirements of the Listing Rules.

The interim report has been prepared on the basis of the accounting policies set out in the most recently published annual report of the Group for the year ended 31 March 2009 except for the adoption of the following standards which are mandatory for accounting periods beginning on or after 1 January 2009:

- *IFRS 2 Share-based Payment – Vesting Conditions and Cancellations*

The standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. The adoption of this amendment did not have any impact on the financial position or performance of the Group.

- *IFRS 8 Operating Segments*

This standard requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary (geographical) and secondary (business) reporting segments of the Group. The Group determined that the operating segments were the same as the business segments previously identified under IAS14 Segment Reporting. Additional disclosures about each of these segments are shown in Note 5, including revised comparative information.

- *IAS 1 Revised Presentation of Financial Statements*

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in a single statement, or two linked statements. The Group has elected to present two statements.

The adoption of these standards did not affect the Group results of operations or financial position in the six months ended 30 September 2009.

The interim report does not include all the information and disclosures required in the annual report and should be read in conjunction with the annual report for the year ended 31 March 2009.

The financial information set out within this report does not constitute AVEVA's Consolidated statutory financial statements as defined in Section 435 of the Companies Act 2006. The results for the year ended 31 March 2009 have been extracted from the Consolidated statutory financial statements for AVEVA Group plc for the year ended 31 March 2009 which are prepared in accordance with IFRS as adopted by the European Union, on which the auditor gave an unqualified report (which made no statement under Sections 237 (2) or (3) respectively of the Companies Act 1985 and did not draw attention to any matters by way of emphasis) and have been filed with the Registrar of Companies.

The Group presents adjusted profit before tax on the face of the Consolidated income statement disclosing those material items of operating income and expense which materially impact on the underlying performance of the business. The items that are added back in deriving adjusted profit before tax are share-based payments, amortisation of intangible assets and restructuring costs. The Directors believe that adjusted profit before tax allows shareholders to understand better the elements of financial performance in the period, so as to facilitate comparison with prior periods in assessing trends in financial performance.

NOTES TO THE INTERIM REPORT CONTINUED

3 RISKS AND UNCERTAINTIES

As with all businesses, the Group is affected by certain risks, not wholly within our control, which could have a material impact on the Group's long-term performance and could cause actual results to differ materially from forecast and historical results.

The primary risk and uncertainty related to the Group's performance for the remainder of the year is the challenging macro economic environment, which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results.

The other principal risks and uncertainties facing the Group have not changed from those set out in the annual report for the year ended 31 March 2009. These include:

- protection of the Group's intellectual property rights;
- dependency on key markets;
- competition;
- foreign exchange risk;
- recruitment and retention of employees;
- identification and successful integration of acquisitions;
- Research and Development; and
- international operations.

These risks are described in more detail on pages 16 and 17 of the 2009 annual report. The Directors routinely monitor all of these risks and uncertainties and appropriate actions are taken where possible to mitigate these risks. Included in the Chairman's statement is a commentary on the outlook of the Group for the remaining six months of the year.

4 REVENUE

An analysis of the Group's revenue is as follows:

	Six months ended 30 September		Year ended
	2009	2008	31 March
	£000	£000	2009
	(unaudited)	(unaudited)	(audited)
Annual fees	19,836	14,998	33,912
Rental fees	27,574	25,009	57,657
Recurring services	703	866	2,627
Total recurring revenue	48,113	40,873	94,196
Initial licence fees	16,190	28,844	57,741
Services	5,583	5,120	12,104
Total revenue	69,886	74,837	164,041
Finance revenue	1,266	2,669	4,846
	71,152	77,506	168,887

The operations of the Group are not subject to significant seasonality.

Services consist of consultancy and training fees.

NOTES TO THE INTERIM REPORT CONTINUED

5 SEGMENT INFORMATION

For management purposes the Group is organised into three geographical segments known as Sales divisions: Asia Pacific, Americas, and Europe, Middle East and Africa (EMEA). On 1 April 2009, Central, Eastern and Southern (CES) Europe Sales division and Western Europe, Middle East and Africa (WEMEA) Sales division merged into one known as Europe, Middle East and Africa (EMEA). Comparatives have been restated to reflect this change. Each segment is determined by the location of the Group's operations and is organised and managed separately due to the differing local requirements in each market. Sales divisions are granted distribution rights to license the Group's software to customers in their respective territories. The segments identified under IFRS 8 are unchanged from those previously identified under IAS 14.

The Executive Board, comprising of the Chief Executive, Finance Director, Head of Group Operations, Head of Product Development and Head of Human Resources, monitors the operating results of the Sales divisions for the purposes of making decisions about performance assessment and resource allocation. Sales division performance is evaluated based on profit before tax using the same accounting policies as adopted for the Group's financial statements. There is no inter-segment revenue. Support functions such as product development and head office functions are controlled and monitored centrally.

	Six months ended 30 September 2009 (unaudited)			
	Asia Pacific £000	EMEA £000	Americas £000	Total £000
Income statement				
Revenue				
Annual fees	7,452	10,076	2,308	19,836
Rental fees	5,533	14,122	7,919	27,574
Recurring services	—	50	653	703
Initial licence fees	8,830	6,711	649	16,190
Services	1,692	3,409	482	5,583
Total revenue	23,507	34,368	12,011	69,886
Total operating costs	(8,371)	(13,800)	(5,526)	(27,697)
Sales division profit contribution before interest	15,136	20,568	6,485	42,189
Finance revenue	14	10	10	34
Sales division profit contribution	15,150	20,578	6,495	42,223
Reconciliation of Sales division profit contribution to profit before tax				
Sales division profit contribution				42,223
Research and development expenditure				(10,259)
Corporate overheads (including restructuring costs of £1,594,000)				(8,644)
Other finance revenue				1,232
Other finance expense				(1,238)
Profit before tax				23,314
Other segmental disclosures				
Restructuring costs	(71)	(117)	(25)	(213)
Depreciation	(312)	(130)	(71)	(513)

NOTES TO THE INTERIM REPORT CONTINUED

5 SEGMENT INFORMATION CONTINUED

	Six months ended 30 September 2008 (unaudited) (restated)			
	Asia Pacific £000	EMEA £000	Americas £000	Total £000
Income statement				
Revenue				
Annual fees	5,138	8,273	1,587	14,998
Rental fees	6,421	12,481	6,107	25,009
Recurring services	—	41	825	866
Initial licence fees	18,530	9,249	1,065	28,844
Services	963	3,339	818	5,120
Total revenue	31,052	33,383	10,402	74,837
Total operating costs	(10,004)	(11,829)	(3,735)	(25,568)
Sales division profit contribution before interest	21,048	21,554	6,667	49,269
Finance revenue	86	171	7	264
Sales division profit contribution	21,134	21,725	6,674	49,533
Reconciliation of Sales division profit contribution to profit before tax				
Sales division profit contribution				49,533
Research and development expenditure				(12,901)
Corporate overheads				(8,643)
Other finance revenue				2,401
Other finance expense				(1,144)
Profit before tax				29,246
Other segmental disclosures				
Depreciation	(253)	(96)	(35)	(384)

NOTES TO THE INTERIM REPORT CONTINUED

5 SEGMENT INFORMATION CONTINUED

	Year ended 31 March 2009 (unaudited) (restated)			
	Asia Pacific £000	EMEA £000	Americas £000	Total £000
Income statement				
Revenue				
Annual fees	12,541	17,774	3,597	33,912
Rental fees	14,983	28,289	14,385	57,657
Recurring services	—	99	2,528	2,627
Initial licence fees	36,774	19,069	1,898	57,741
Services	2,769	7,377	1,958	12,104
Total revenue	67,067	72,608	24,366	164,041
Total operating costs	(22,957)	(26,487)	(9,868)	(59,312)
Sales division profit contribution before interest	44,110	46,121	14,498	104,729
Finance revenue	112	238	12	362
Sales division profit contribution	44,222	46,359	14,510	105,091
Reconciliation of Sales division profit contribution to profit before tax				
Sales division profit contribution				105,091
Research and development expenditure				(27,332)
Corporate overheads				(20,748)
Other finance revenue				4,484
Other finance expense				(2,294)
Profit before tax				59,201
Other segmental disclosures				
Depreciation	(507)	(207)	(93)	(807)

6 RESTRUCTURING COSTS

Restructuring costs incurred in the six months ended 30 September 2009 amounted to £1.8 million (2008 £nil) and arise from the programme to reduce headcount following the merger of CES Europe and WEMEA Sales divisions and the restructuring of operations in Research and Development. The costs mainly comprise of headcount and related expenditure.

7 INCOME TAX EXPENSE

The current year income tax expense for the six months ended 30 September 2009 is estimated at 33.2% (2008 29.5%) of profit before tax.

The total tax charge of £7.7 million (2008 £8.6 million) is made up of UK tax of £4.1 million (2008 £5.5 million) and overseas tax of £3.6 million (2008 £3.1 million).

NOTES TO THE INTERIM REPORT CONTINUED

8 INTERIM ORDINARY DIVIDEND

The proposed interim dividend of 3.0 pence per ordinary share will be payable on 5 February 2010 to shareholders on the register on 8 January 2010. In accordance with IFRS, no provision for the interim dividend has been made in these financial statements.

An analysis of dividends paid is set out below:

	Six months ended 30 September		Year ended
	2009	2008	31 March
	£000	£000	2009
	(unaudited)	(unaudited)	(audited)
Final 2007/08 paid at 5.0 pence per share	—	3,380	3,380
Interim 2008/09 paid at 2.86 pence per share	—	—	1,938
Final 2008/09 paid at 6.5 pence per share	4,402	—	—
	4,402	3,380	5,318

9 EARNINGS PER SHARE

	Six months ended 30 September		Year ended
	2009	2008	31 March
	Pence	Pence	2009
	(unaudited)	(unaudited)	(audited)
Earnings per share for the period:			
– basic	22.99	30.50	62.27
– diluted	22.87	30.34	61.98
Adjusted earnings per share:			
– basic	27.91	33.11	67.33
– diluted	27.76	32.93	67.02

The calculations of earnings per share from continuing operations are based on the profit after tax for the six months ended 30 September 2009 of £15,570,000 and the following weighted average number of shares:

	Six months ended 30 September		Year ended
	2009	2008	31 March
	Number of shares	Number of shares	Number of shares
	(unaudited)	(unaudited)	(audited)
Weighted average number of ordinary shares for basic earnings per share	67,726,632	67,612,249	67,695,127
Effect of dilution: employee share options	366,176	371,418	312,387
Weighted average number of ordinary shares adjusted for the effect of dilution	68,092,808	67,983,667	68,007,514

NOTES TO THE INTERIM REPORT CONTINUED

9 EARNINGS PER SHARE CONTINUED

Details of the calculation of adjusted earnings per share are set out below:

	Six months ended 30 September		Year ended
	2009	2008	31 March
	£000	£000	£000
	(unaudited)	(unaudited)	(audited)
Profit for the period	15,570	20,623	42,154
Intangible amortisation (excluding software)	926	1,240	2,482
Share-based payments	598	526	940
Restructuring costs	1,807	—	—
Adjusted profit after tax	18,901	22,389	45,576

10 CASH AND CASH EQUIVALENTS AND TREASURY DEPOSITS

	As at 30 September		As at
	2009	2008	31 March
	£000	£000	£000
	(unaudited)	(unaudited)	(audited)
Cash at bank and in hand	40,784	24,946	38,491
Short-term deposits	13,000	76,007	87,673
Total cash and cash equivalents	53,784	100,953	126,164
Treasury deposits	80,105	—	—
Total cash and deposits	133,889	100,953	126,164

Treasury deposits represent bank deposits with an original maturity of over three months.

11 TRADE AND OTHER RECEIVABLES

Current

	As at 30 September		As at
	2009	2008	31 March
	£000	£000	£000
	(unaudited)	(unaudited)	(audited)
Trade receivables	36,644	39,929	54,201
Prepayments and other receivables	1,700	1,773	2,386
Accrued income	490	1,100	181
	38,834	42,802	56,768

Non-current

	As at 30 September		As at
	2009	2008	31 March
	£000	£000	£000
	(unaudited)	(unaudited)	(audited)
Other receivables	823	568	804

Non-current other receivables consist of rental deposits for operating leases.

NOTES TO THE INTERIM REPORT CONTINUED

12 TRADE AND OTHER PAYABLES

	As at 30 September		As at
	2009 £000 (unaudited)	2008 £000 (unaudited)	31 March 2009 £000 (audited)
Trade payables	1,467	1,405	2,583
Social security, employee and sales taxes	2,615	3,275	4,490
Other payables	210	221	197
Accruals	12,447	13,810	18,241
Deferred income	24,817	22,587	31,087
	41,556	41,298	56,598

13 RETIREMENT BENEFIT OBLIGATIONS

The movement on the provision for retirement benefit obligations during the period was as follows:

	UK defined benefit scheme £000	German defined benefit schemes £000	South Korean severance pay £000	Total £000
At 1 April 2008	669	539	384	1,592
Current service cost	581	15	93	689
Interest on pension scheme liabilities	1,117	20	—	1,137
Expected return on pension scheme assets	(997)	—	—	(997)
Actuarial loss	2,721	8	—	2,729
Employer contributions	(669)	(57)	(20)	(746)
Exchange adjustment	—	(2)	(32)	(34)
At 30 September 2008	3,422	523	425	4,370
Current service cost	512	16	95	623
Interest on pension scheme liabilities	1,134	13	—	1,147
Expected return on pension scheme assets	(1,034)	—	—	(1,034)
Actuarial loss/(gain)	4,796	(1)	—	4,795
Employer contributions	(1,208)	(19)	(40)	(1,267)
Exchange adjustment	—	92	38	130
At 31 March 2009	7,622	624	518	8,764
Current service cost	453	15	76	544
Interest on pension scheme liabilities	1,211	25	—	1,236
Expected return on pension scheme assets	(854)	—	—	(854)
Actuarial loss	4,288	22	—	4,310
Employer contributions	(661)	(63)	(76)	(800)
Exchange adjustment	—	(9)	24	15
At 30 September 2009	12,059	614	542	13,215

The increase in the deficit on the UK CARE Scheme was primarily due to the reduction in the discount rate from 6.6% to 5.3%. All other assumptions remained unchanged from 31 March 2009.

RESPONSIBILITY STATEMENT

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE INTERIM REPORT

The Directors of the Company confirm that to the best of our knowledge:

- the interim report has been prepared in accordance with IAS 34;
- the interim report includes a fair review of the information required by DTR 4.2.7R, being an indication of the important events that have occurred during the first six months of the financial year and a description of the principal risks and uncertainties for the remaining six months of the year; and
- the interim report includes a fair review of the information required by DTR 4.2.8R, being disclosure of related party transactions and changes therein since the last annual report.

By order of the Board

RICHARD LONGDON

Chief Executive

PAUL TAYLOR

Finance Director

12 November 2009