INTERIM FINANCIAL STATEMENTS

ZAMANO PLC & SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2007

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GENERAL INFORMATION

DIRECTORS		Rod A. Matthews (UK) Brendan Mullin John O'Shea Colin Tucker (UK) Michael Watson (UK)
SECRETARY		Aoife Warren
REGISTERED OFFICE		4 St. Catherine's Lane West Digital Hub Dublin 8
AUDITORS		Ernst & Young Chartered Accountants Annaville House Newtown Waterford
BANKERS	-	Bank of Ireland
	-	Lloyds TSB Bank plc
		Anglo Irish Bank Corporation
	-	Allied Irish Bank plc
SOLICITORS		O'Donnell Sweeney 1 Earlsfort Centre Earlsfort Terrace Dublin 2
NOMINATED ADVISOR & BROKER – AIM		Seymour Pierce Ltd 30 Old Bailey London EC4M 7EN
NOMINATED ADVISOR & BROKER – IEX		NCB Stockbrokers Ltd 3 George's Dock Dublin 1

INDEPENDENT REVIEW REPORT TO ZAMANO PLC & SUBSIDIARIES

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2007 which comprises the Consolidated Income Statement, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity and the related notes 1 to 12. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company having regard to guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board. To the fullest extent permitted by the 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 interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report as required by the AIM Rules issued by the London Stock Exchange and the IEX rules issued by the Irish Stock Exchange.

As disclosed in note 2, the next annual financial statements of the group will be prepared in accordance with those IFRSs adopted for use by the European Union. This interim report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" and the requirements of IFRS 1, "First Time Adoption of International Financial Reporting Standards" relevant to interim reports.

The accounting policies are consistent with those that the directors intend to use in the next financial statements.

Review work performed

We conducted our review having regard to the guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board for use in the United Kingdom and Ireland. 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 International Standards on Auditing (UK and Ireland) 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 2007.

Ernst & Young
Chartered Accountants
Annaville House
Newtown
Waterford

19 September 2007

INTERIM CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2007

		For the six months ended 30 June	
		2007	*2006*
		Unaudited	
	Notes	*€'000*	*€'000*
Continuing operations			
Revenue		9,671	5,696
Cost of sales		(5,995)	(3,077)
Gross profit		3,676	2,619
Administrative expenses		(2,366)	(1,389)
Operating profit		1,310	1,230
Finance income		150	16
Finance costs		(67)	(3)
Profit before tax		1,393	1,243
Income tax expense	4	(210)	(170)
Profit for the period attributable to equity holders of the parent		1,183	1,073
Earnings per share			
- basic	5	€0.017	€0.022
- diluted	5	€0.016	€0.020

INTERIM CONSOLIDATED BALANCE SHEET
at 30 June 2007

ASSETS	Notes	*30 June 2007 Unaudited €'000*	*30 June 2006 Unaudited €'000*	*31 December 2006 Audited €'000*
NON CURRENT ASSETS				
Property plant and equipment	9	173	81	165
Intangible assets	6	9,370	1,112	1,112
		9,543	1,193	1,277
CURRENT ASSETS				
Trade and other receivables		4,228	1,823	2,796
Deferred tax asset		26	-	-
Cash and cash equivalents	3	7,395	1,825	7,491
		11,649	3,648	10,287
TOTAL ASSETS		21,192	4,841	11,564
EQUITY				
Equity attributable to equity holders of the parent				
Share capital		69	26	68
Share premium		6,866	622	6,367
Capital conversion reserve		1	1	1
Retained earnings		3,405	1,089	2,222
Other reserves	11	164	62	99
TOTAL EQUITY		10,505	1,800	8,757
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		3,563	1,971	2,596
Deferred consideration		6,559	-	-
Income tax payable		455	163	211
		10,577	2,134	2,807
NON CURRENT LIABILITIES				
Deferred tax liability		110	-	-
Other liabilities		-	907	-
		110	907	-
TOTAL LIABILITIES		10,687	3,041	2,807
TOTAL EQUITY AND LIABILITIES		21,192	4,841	11,564

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2007

	Attributable to equity holders of the parent					
	Share Capital €'000	*Share Premium €'000*	*Capital Conversion Reserve €'000*	*Retained Earnings €'000*	*Other Reserves €'000*	*Total Equity €'000*
At 1 January 2007	68	6,367	1	2,222	99	8,757
Foreign currency translation	-	-	-	-	(7)	(7)
Total income and expense for the period recognised directly in equity	-	-	-	-	(7)	(7)
Profit for the period	-	-	-	1,183	-	1,183
Total income and expense for the period	-	-	-	1,183	-	1,183
Issue of share capital	1	499			-	500
Share based payment	-	-	-	-	72	72
At 30 June 2007 (unaudited)	69	6,866	1	3,405	164	10,505

	Attributable to equity holders of the parent					
	Issued Capital €'000	*Share Premium €'000*	*Capital Conversion Reserve €'000*	*Retained Earnings €'000*	*Other Reserves €'000*	*Total Equity €'000*
At 1 January 2006	26	622	1	16	43	708
Profit for the period	-	-	-	1,073	-	1,073
Total income and expense for the period	-	-	-	1,073	-	1,073
Share-based payment	-	-	-	-	19	19
At 30 June 2006 (unaudited)	26	622	1	1,089	62	1,800

INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 30 June 2007

		For the six months ended 30 June	
		2007 *Unaudited*	*2006*
	Notes	*€'000*	*€'000*
Operating activities			
Profit before tax from continuing operations		1,393	1,243
Adjustments to reconcile profit before tax to net cash flows			
Depreciation of property, plant and equipment		47	19
Amortisation of intangible assets		76	-
Share-based payments expense		72	19
Foreign exchange		(6)	-
(Increase)/decrease in trade and other receivables		(741)	101
Increase in trade and other payables		386	80
Finance Income		(150)	(16)
Finance Costs		67	3
		1,144	1,449
Interest expense		(4)	(3)
Income tax paid		(8)	(20)
Net cash flows from operating activities		1,132	1,426
Cash Flows from Investing Activities			
Interest received		112	16
Purchase of property, plant and equipment		(41)	(48)
Purchase of intangible assets		(67)	-
Acquisition of a subsidiary net of cash acquired		(1,232)	(252)
Net cash flows used in investing activities		(1,228)	(284)
Net (decrease)/increase in cash and cash equivalents		(96)	1,142
Net foreign exchange differences		-	-
Cash and cash equivalents at 1 January		7,491	683
Cash and cash equivalents at 30 June	3	7,395	1,825

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 30 June 2007

1. CORPORATE INFORMATION

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2007 were authorised for issue in accordance with a resolution of the directors on

Zamano plc is a limited company incorporated and domiciled in Ireland whose shares are publicly traded on the London Alternative Investment Market (AIM) and the Irish Enterprise Exchange (IEX) in Dublin.

The principal activities of the company and its subsidiaries ("the Group") are the provision of mobile data services and technology.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2007 have been prepared in accordance with IAS 34 Interim Financial Reporting.

Significant accounting policies – adoption of IFRS

The London Stock Exchange AIM and the IEX in Dublin has mandated the use of International Financial Reporting Standards (IFRS) for all AIM and IEX companies with financial years commencing on or after 1 January 2007. Consequently, these interim financial statements are prepared in accordance with IFRS as adopted by the European Union. The date of transition is 1 January 2006.

The interim results have been prepared on the basis of the recognition and measurement requirements of IFRS in issue that have been endorsed by the EU for the year ending 31 December 2007, the Group's first annual reporting date under IFRS. The respective standards that will be applicable for the year ending 31 December 2007 are not known with certainty at the time of preparing these interim results. Accordingly, the accounting policies for the year will be finally determined only when the annual financial statements for year ending 31 December 2007 are prepared.

The basis of preparation and accounting policies followed in this interim report differ from those set out in the Group's financial statements for the year ended 31 December 2006, which were prepared in accordance with Irish Generally Accepted Accounting Practice (GAAP).

The interim condensed financial statements do not constitute statutory accounts. The financial information for the year ended 31 December 2006 has been extracted from the statutory accounts for the Group for that year now amended to conform to the IFRS accounting policies expected to be applied in the consolidated financial statements for the year ended 31 December 2007. The statutory accounts for the year ended 31 December 2006 were reported on by the auditors without qualification or an emphasis of matter reference and have been delivered to the Registrar of Companies.

The effect of the transition from Irish GAAP to IFRS on the Group's profit and net assets are presented in a separate document ("zamano plc – Adoption of International Financial Reporting Standards"). The accounting policies of the Group under IFRS are also set out in the IFRS adoption document.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 30 June 2007 (continued)

3. CASH AND CASH EQUIVALENTS

For the purpose of the interim consolidated cash flow statement, cash and cash equivalents are comprised of the following:

	30 June	
	2007	*2006*
	Unaudited	
	€'000	*€'000*
Cash at bank and in hand	7,395	1,825

4. INCOME TAX EXPENSE

The major components of income tax expense in the interim consolidated statement are:

	For the six months ended 30 June	
	2007	*2006*
	Unaudited	
	€'000	*€'000*
Current income tax		
Current income tax charge	196	163
Underprovision in prior year	-	7
Foreign tax	35	-
	231	170
Deferred income tax		
Relating to origination and reversal of temporary differences	(21)	-
	210	170

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 30 June 2007 (continued)

5. EARNINGS PER ORDINARY SHARE

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighed average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	For the six months ended 30 June	
	2007	*2006*
	Unaudited	
	€'000	*€'000*
Profit attributable to equity holders of the parent company	1,183	1,073

	For the six months ended 30 June	
	2007	*2006*
	thousands	*thousands*
Basic weighted average number of shares	68,469	49,787
Dilutive potential ordinary shares:		
Employee share options	6,289	4,304
Diluted weighted average number of shares	74,758	54,091
Earnings per share		
- basic	€0.017	€0.022
- diluted	€0.016	€0.020

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 30 June 2007 (continued)

6. INTANGIBLE ASSETS	*Goodwill* *€'000*	*Software* *€'000*	*Other* *€'000*	*Total* *€'000*
Cost:				
At 1 January 2007	1,112	-	-	1,112
Additions	7,387	67	880	8,334
At 30 June 2007	8,499	67	880	9,446
Amortisation				
At 1 January 2007	-	-	-	-
Charge	-	-	76	76
At 30 June 2007	-	-	76	76
Carrying Value:				
At 31 December 2006	1,112	-	-	1,112
At June 2007 (unaudited)	8,499	67	804	9,370

Other intangible assets comprise customer lists, web portal and technology recognised on the acquisition of Eirborne Text Promotions Ltd (note 7).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 30 June 2007 (continued)

7. BUSINESS COMBINATION

Acquisition of Eirborne Text Promotions Limited

On 20 April 2007, the Group acquired 100% of the voting shares of Eirborne Text Promotions Limited ("Eirborne") an unlisted company based in Ireland specialising in mobile content and entertainment. The acquisition has been accounted for using the purchase method of accounting. The interim condensed consolidated financial statements include the results of Eirborne for the 2 month period from the acquisition date. The fair value of the identifiable assets and liabilities of Eirborne as at the date of acquisition were:

	Fair value recognised on acquisition	*Previous carrying value*
	Unaudited	
	€'000	*€'000*
Property, plant and equipment	14	66
Customer lists	751	-
Web portal and technology	129	-
Trade and other receivables	711	711
Deferred tax asset	5	5
Cash	132	132
	1,742	914
Trade and other payables	(660)	(660)
Deferred tax liability	(110)	-
Net assets	972	254
Goodwill arising on acquisition	7,387	
Total acquisition cost	8,359	
Discharged by:		
Fair value of shares issued	500	
Cash paid on acquisition	1,200	
Costs directly attributable to the acquisition	253	
Net present value of deferred consideration	6,406	
	8,359	

1,136,364 shares with a total nominal value of €1,136 were as issued as partial consideration for the acquisition. The fair value of the shares issued was based on the published share price at the date of the acquisition.

Cash outflows on acquisition:	*Unaudited*
	€'000
Net cash acquired with the subsidiary	132
Cash paid	(1,364)
Net cash outflow	(1,232)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 30 June 2007 (continued)

7. BUSINESS COMBINATION (continued)

From the date of acquisition Eirborne has contributed €316,000 to the net profit of the Group. If the combination had taken place at the beginning of the year, the operating profit for the group would have been €1,112,000 and revenue from continuing operations would have been €10,168,000.

The goodwill recognised above is attributed to the expected synergies and other benefits from combining the assets and activities of Eirborne with those of the Group.

In accordance with IFRS 3 'Business Combinations', management has reflected provisional values on the initial purchase price allocation calculation performed. All adjustments to these provisional values will be finalised within twelve months.

8. SEGMENT INFORMATION

	Six months ended 30 June 2007 Unaudited		*Six months ended 30 June 2006 Unaudited*	
	Segment Revenue €'000	*Segment Result €'000*	*Segment Revenue €'000*	*Segment Result €'000*
B2B	5,602	1,377	2,864	736
B2C	4,069	1,414	2,832	1,362
Central overheads	-	(1,474)	-	(868)
	9,671	1,317	5,696	1,230

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).

9. PROPERTY PLANT AND EQUIPMENT

Acquisitions and disposals

During the six months ended 30 June 2007, the Group acquired assets with a cost of €41,000 (six months ended 30 June 2006 - €48,000), not including property and equipment acquired through a business combination (see Note 7).

No assets were disposed of by the Group during the six months ended 30 June 2007 (six months ended 30 June 2006 - €nil).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 30 June 2007 (continued)

10. CAPITAL COMMITMENTS

	2007
	€'000
	Unaudited
Intangible assets:	
Authorised and contracted for	40

11. OTHER RESERVES

	Foreign Currency Translation Reserve €'000	*Share Based Payment Reserve €'000*	*TOTAL €'000*
At 1 January 2007	-	99	99
Movements	(7)	72	65
At 30 June 2007 (unaudited)	(7)	171	164

	Foreign Currency Translation Reserve €'000	*Share Based Payment Reserve €'000*	*TOTAL €'000*
At 1 January 2006	-	43	43
Movements	-	19	19
At 30 June 2006 (unaudited)	-	62	62

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 30 June 2007 (continued)

12. RELATED PARTY INFORMATION

Included in revenue are service fees of €3,000 (six months ended 30 June 2006: €8,000) charged to Deisecom Limited, a company owned by Niall McKeon, who is a director of the company.

Included in administration expenses are consultancy fees of €nil (six months ended 30 June 2006: €25,000) charged by Rod Matthews, a director of the company.