Press Release **29 March 2012**

zamano PLC

('zamano', the 'Company' or the 'Group')

Final Results

zamano PLC (AIM:ZMNO, ESM:ZAZ), a leading provider of interactive applications and services to mobile devices, has today announced results for the 12 months ended 31 December 2011.

Highlights:

- Revenue of ú15.0M (ú15.8M in 2010), overall revenue growth of 41% in H2 over H1 and Revenue growth of 61% achieved in the UK.
- EBITDA (after add-back of once off and exceptional charges ï see note 5) increased from ú0.9M to ú1.3M.
- Gross margin fell 4% to 25% as a result of increased advertising spend in H2. Subscribers acquired are not capitalised, with advertising written off as incurred.
- Banking re-negotiation completed, reducing 2012 capital repayments by ú0.8M and re-aligning covenants with trading performance.
- Administration costs (after adjustment for once off and exceptional charges) reduced by 34% year on year.

Chairman John Rockett commented; "In the early part of 2011, significant cost reductions were achieved as a result of the implementation of a staff reduction programme. In tandem with this, new growth opportunities in the area of web and mobile marketing were pursued which have largely been responsible for the overall revenue and EBITDA growth recorded in the final quarter of 2011ò

zamano's Acting CEO Pat Landy added; "2011 has been a year of exceptional change and development for zamano. During the last quarter, the Company launched a web and mobile service in the UK which has proved highly successful and has led to increased subscriber acquisition rates. zamano is continuing to leverage its resources behind this service and is seeking to launch in multiple territories "

- Ends –

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Chairman's statement

The Group is pleased to report that it has achieved modest growth in EBITDA (after add-back of once off and exceptional charges) for the year ended 31 December 2011. It is particularly pleasing that the work which commenced in H2 2010 to reposition and stabilise the core business began to bear fruit in Q3 2011 when quarter on quarter revenues increased for the first time since Q1 2008. This trend continued in Q4 2011 resulting in an encouraging revenue and EBITDA outturn in the second half of 2011.

In the early part of 2011, significant cost reductions were achieved as a result of the implementation of a staff reduction programme. In tandem with this, new growth opportunities in the area of web and mobile marketing were pursued. As a result, a significant investment in advertising inventory funded from internal cash flows has led to increased subscriber acquisition rates particularly in the UK market. This was largely responsible for the overall revenue and EBITDA growth recorded in the final quarter of 2011.

The Group is now concentrating on capitalising on its core technology and operational competencies and all marketing effort is being focused on leveraging off its unique skill base and technology platforms. In Q4 2011, as the Companyôs operating performance started to improve, zamano negotiated an amendment to its loan facilities with Bank of Scotland plc which reduced 2012 capital repayments by ú0.8M and aligned covenants more closely with business performance. This provides the Company with the financial flexibility to pursue its growth strategy in web and mobile marketing.

In November, zamanoôs Chief Executive Officer, John OôShea resigned to pursue other interests and was replaced on an interim basis by Pat Landy one of our Non-Executive Directors. The Board would like to thank John for his contribution to the business over a period of nine years and wish him well in his future career. In addition, since the year end, our former Chairman Mike Watson resigned his position as director and Chairman of the Board and was replaced by myself, John Rockett. I would like to thank Mike for his unstinting commitment to the Company over the past five and a half years. At the same time, Peter Furlong a Director of Pageant Holdings Limited, one of our largest shareholders, joined the Board as a non-executive director.

The Group has come through another challenging and in places, turbulent year. We now have a new Board and management structure together with a revised, more focused business strategy. The recent uplift in revenues together with the impact of the cost reduction programme should increase our future business performance and provide us with a platform to make significant strides in the areas of revenue, profits and cash generation during 2012.

John Rockett

Chairman

CEO's statement

The market environment in the mobile content sector continues to be characterised by changing regulation and the accelerating penetration of smartphones.

All zamano's markets are subject to ongoing regulatory changes. As a result of changing regulatory regimes revenues can be negatively impacted. In order to remain compliant and to reduce any impact on revenues, the Company must be pro-active and vigilant in meeting its regulatory responsibilities.

The penetration of smartphones continued at an accelerating rate throughout 2011. As a result, zamano has a significantly larger advertising inventory base to target and the new devices provide us with the opportunity to increase the level of functionality provided to customers. In this regard, as many smartphone services are free or are introduced at very low price points, the level of market competition is intense. Nevertheless, the Company remains focused on delivering a competitive offering to consumers in order to drive sales volumes and margins.

During 2011, the Group was structured into two operating segments, consisting of three business divisions, Everneo, zamano Solutions Limited (ZSL) and Newsworthie. Everneo is the Group's biggest division and is focused on selling mobile content to consumers in territories such as Ireland, UK, USA, Australia and Spain. ZSL provides messaging services to businesses in Ireland and the UK. Newsworthie, a search engine optimisation service, the development of which commenced in January 2011, failed to achieve the necessary market traction and was discontinued in September 2011.

Market review

The Irish business continued to experience a decline in revenues during 2011. Sales revenues in the business to business (B2B) segment fell 19.8% compared to 2010 as B2B partners continued to exit the market as a result of regulatory changes. In the direct to consumer (D2C) segment, sales revenues fell by 25.0% year on year as mobile network operator portals on which the bulk of our D2C product is delivered, continued to lose market share to smartphones.

The Company made considerable progress in the UK market in H2 2011. Sales revenues for the year were 61% ahead of 2010. This was due to the successful launch of a new web and mobile marketing (D2C) product towards the end of the third quarter. The Company is hopeful that this product will remain a mainstay of our UK business during 2012. UK B2B business revenues decreased during the year as zamano concentrated its resources in the D2C market. The UK is likely to become our largest market in 2012.

Revenues also fell year-on-year in the US, down 17% on 2010. This is largely due to the reducing effectiveness of TV advertising in the US market. However, the downward trend was reversed during the course of Q4 2011 as our TV advertising campaigns around the Thanksgiving and Christmas periods resulted in an uplift in sales revenues. The Company is currently exploring the possibility of launching a web and mobile marketing service similar to the UK in the US during the second half of 2012.

The Spanish market was challenging in 2011 with sales volumes down 9% on 2010. This was due to our reliance on the mobile network operator portals for inventory in this region.

In other territories, zamano re-entered the Australian D2C market in December 2011 and continues to identify and evaluate markets where we can deploy our core competencies in the web and mobile market sectors.

Strategy

Over the course of the past year, zamano has sought to stabilise and reposition its core business operations in Ireland, UK and US. In this regard we have established a development opportunities team to explore and identify new territories where we can exploit our core capabilities in web and mobile marketing in particular.

As a result of the staff reduction programme undertaken in the first quarter of 2011 and the closing down of non profitable revenue lines, the core business is now running efficiently, albeit, in a difficult market environment. This core focus strategy, resulted in a short-term reduction in revenues, during H1 2011. In H2, however, due to the significant investment made in acquiring inventory, overall revenue increased by 41% over H1.

Financial Review

As announced in December 2011, zamano successfully re-negotiated its banking arrangement, to align its covenants with business performance. Capital repayments have been reduced to ú0.6M per annum for 2012. In 2011, capital repayments of ú1.2M were made. Net debt at year end was ú4.4M, due to a reduction in cash balances as a result of increased inventory spend in Q4 2011. The subscribers acquired as a result of this spend will continue to yield dividends in 2012. The working capital cycle around the web marketing campaign in Q4 2011 absorbed zamano's cash balances in the quarter to 31 December

2011. Since the year end, however, this position has improved with cash generated from the service, delivering a significant uplift in cash balances.

During Q4, the Company successfully entered into a B2B service agreement with Mr Nick Furlong a Director of Pageant Holdings Limited, the Companyꞌs largest shareholder, to assist it with the acquisition of web and mobile inventory in the UK (see note 7).

Overhead expenses were reduced by 34% as a result of the rationalisation and restructuring programme in Q1 2011. Current overhead costs are now in line with the operating activity of the business. zamano continues to focus on all costs across the Company to ensure that maximum levels of efficiency are maintained.

Gross margins for the year at 25% (29% 2010) were 4 percentage points down on the previous year. As zamano does not capitalise the acquisition of subscribers, in a period of growth, margins are negatively impacted as the acquisition of inventory is written off as it is incurred. In 2012, we expect margins to increase as the new web and mobile marketing subscriber base starts to deliver a recurring revenue stream.

As there was no goodwill impairment charge required in 2011, the operating loss was reduced by ú12.5M to ú0.3M for the year ended 31 December. Goodwill and intangible assets are retained on the balance sheet at ú6.4M.

Outlook

2011 has been a year of exceptional change and development for zamano. During the last quarter, the Company launched a web and mobile service in the UK which has proved highly successful. zamano is continuing to leverage its resources behind this service and is seeking to launch in multiple territories. zamano is partnering with major international web and mobile advertising and aggregation companies in the rollout of this service.

The management and board of zamano remain confident that its new business focus on web and mobile services will result in a further improvement in the overall prospects of the Group during 2012.

Pat Landy
Acting CEO

zamano plc and subsidiaries

Condensed consolidated income statement

for the year ended 31 December 2011

	Notes	**2011**	2010
		€’000	ú’000
Revenue	3	**15,009**	15,795
Cost of sales		**(11,288)**	(11,180)
Gross profit		**3,721**	4,615
Other administrative expenses		**(3,368)**	(3,830)
Amortisation of intangible assets		**(598)**	(866)
Depreciation		**(83)**	(124)
Impairment of goodwill		**-**	(12,670)
Total administrative expenses		**(4,049)**	(17,490)
Operating loss		**(328)**	(12,875)
Finance income		**5**	71
Finance expense		**(262)**	(476)
Loss before income tax		**(585)**	(13,280)
Income tax expense		**(9)**	(176)
Loss for the year attributable to equity holders of the parent		**(594)**	(13,456)
Loss per share			
basic	4	**(€0.006)**	(ú0.141)
diluted	4	**(€0.006)**	(ú0.141)

Condensed consolidated statement of comprehensive income

for the year ended 31 December 2011

	2011	2010
	€’000	ú’000
Loss for the year	**(594)**	(13,456)
Other comprehensive income:		
Foreign currency translation adjustment	**1**	(1)
Total comprehensive loss all attributable to equity holders of the parent	**(593)**	(13,457)

zamano plc and subsidiaries

Condensed consolidated balance sheet

at 31 December 2011

		2011	2010
Assets	*Notes*	**€'000**	ú'000
Non-current assets			
Property, plant and equipment		**57**	108
Intangible assets	*6*	**6,447**	6,800
Deferred tax asset		**69**	69
Total non-current assets		**6,573**	6,977
Current assets			
Trade and other receivables		**4,200**	2,098
Cash and cash equivalents		**160**	2,724
Income tax recoverable		**-**	29
Total current assets		**4,360**	4,851
Total assets		**10,933**	11,828
Equity			
Equity share capital		**96**	96
Share premium		**13,442**	13,442
Capital conversion reserve		**1**	1
Foreign currency translation reserve		**(64)**	(65)
Share-based payment reserve		**3**	517
Retained loss		**(11,453)**	(11,371)
Total equity		**2,025**	2,620
Liabilities			
Non-current liabilities			
Loans and borrowings		**3,973**	4,538
Total non-current liabilities		**3,973**	4,538
Current liabilities			
Trade and other payables		**4,358**	3,145
Business combination accrual		**-**	356
Loans and borrowings		**568**	1,169
Current tax liabilities		**9**	-
Total current liabilities		**4,935**	4,670
Total liabilities		**8,908**	9,208
Total equity and liabilities		**10,933**	11,828

zamano plc and subsidiaries

Condensed consolidated statement of changes in equity

for the year ended 31 December 2011

	Equity share capital €'000	Share premium €'000	Capital conversion reserve €'000	Retained earnings €'000	Foreign currency translation reserve €'000	Share-based payment reserve €'000	Total equity €'000
At 1 January 2011	96	13,442	1	(11,371)	(65)	517	2,620
Total comprehensive loss for the year							
Loss for the year	-	-	-	(594)	-	-	(594)
Other comprehensive income							
Currency translation adjustment	-	-	-	-	1	-	1
Total comprehensive loss for the year	96	13,442	1	(11,965)	(64)	517	2,027
Other transactions							
Issue of equity share capital	-	-	-	-	-	-	-
Lapsed share options ï transfer of reserve	-	-	-	512	-	(512)	-
Share based payment credit	-	-	-	-	-	(2)	(2)
At 31 December 2011	**96**	**13,442**	**1**	**(11,453)**	**(64)**	**3**	**2,025**
At 1 January 2010	95	13,442	1	2,085	(64)	576	16,135
Total comprehensive loss for the year							
Loss for the year	-	-	-	(13,456)	-	-	(13,456)
Other comprehensive income							
Currency translation adjustment	-	-	-	-	(1)	-	(1)
Total comprehensive loss for the year	-	-	-	(13,456)	(1)	-	(13,457)
Other transactions							
Issue of equity share capital	1	-	-	-	-	-	1
Share based payment credit	-	-	-	-	-	(59)	(59)
At 31 December 2010	96	13,442	1	(11,371)	(65)	517	2,620

zamano plc and subsidiaries

Condensed consolidated cash flow statement

for the year ended 31 December 2011

	2011 €'000	2010 €'000
Cash flows from operating activities		
Loss before tax	**(585)**	(13,280)
Adjustments to reconcile profit for the year to net cash inflow from operating activities		
Depreciation	**83**	124
Amortisation of intangible assets	**598**	866
Impairment of goodwill	**-**	12,670
Share-based payments credit	**(2)**	(59)
Foreign exchange	**2**	(1)
(Increase)/decrease in trade and other receivables	**(2,102)**	1,293
Increase/(decrease) in trade and other payables	**1,213**	(896)
Finance income	**(5)**	(71)
Finance expense	**262**	476
Cash generated from operations	**(536)**	1,122
Interest paid	**(94)**	(27)
Income tax refunded	**30**	120
Net cash (outflow)/inflow from operating activities	**(600)**	1,215
Cash flows from investing activities		
Settlement of deferred consideration on acquisition of subsidiaries	**(267)**	(741)
Purchase of property, plant and equipment	**(32)**	(26)
Purchase of intangible assets	**(5)**	(252)
Capitalisation of internally generated intangible assets	**(330)**	(552)
Interest received	**5**	71
Net cash outflow from investing activities	**(629)**	(1,500)
Cash flows from financing activities		
Proceeds from issue of share capital	**-**	1
Repayment of debt	**(1,335)**	(3,950)
Net cash outflow from financing activities	**(1,335)**	(3,949)
Net decrease in cash and cash equivalents	**(2,564)**	(4,234)
Cash and cash equivalents at 1 January	**2,724**	6,958
Cash and cash equivalents at 31 December	**160**	2,724

Notes to the condensed consolidated preliminary financial information
for the year ended 31 December 2011

1 Basis of preparation

The condensed consolidated preliminary financial information, included in the preliminary financial results announcement, which should be read in conjunction with the statement of accounting policies contained in the 2010 Annual Report, has been derived from the consolidated financial statements for the year ended 31 December 2011, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU") and effective as at 31 December 2011.

The condensed consolidated preliminary financial information presented herein does not constitute the Company's statutory financial statements for the years ended 31 December 2011 and 2010, with the meaning of Regulation 40(1) of the European Communities (Companies: Group Accounts) Regulations, 1992 of Ireland, insofar as such Group accounts would have to comply with disclosure and other requirements to those Regulations. The statutory financial statements for the year ended 31 December 2011, together with the independent auditor's report thereon, will be filed with the Irish Registrar of Companies following the Company's Annual General Meeting and will also be available on the Company's website, www.zamano.com. Statutory financial statements for the year ended 31 December 2010 have been filed with the Irish Registrar of Companies. The auditor's report on those financial statements was unqualified.

The consolidated financial statements and the condensed consolidated preliminary financial information were approved by the Board of Directors on 28 March 2012.

The financial information is presented in Euro ("€") rounded to the nearest thousand, being the functional currency of the parent Company and its subsidiaries. It has been prepared on the historical cost basis of accounting, except for share based payments, which are based on fair value determined at the grant date of the relevant share option.

The condensed consolidated preliminary financial information includes the results and financial position of the Company and all of its subsidiary undertakings. All significant intercompany account balances, transactions, and any unrealised gains and losses or income and expenses arising from intercompany transactions have been eliminated in preparing the financial information.

The preparation of the condensed consolidated preliminary financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results could differ materially from these estimates. In preparing this financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2010.

1 Basis of preparation *(continued)*

The accounting policies applied in the condensed consolidated preliminary financial information are the same as those applied in the consolidated financial statements as at and for the year ended 31 December 2010, as set out on pages 18 to 22 of the 2010 Annual Report. There were no new standards or amendments to standards which were mandatory for the first time for the financial year beginning 1 January 2011 which had a significant impact on the financial information.

2 Going concern

The directors have prepared revised cashflow projections to support the Company's plans for the next two years and have also considered the continued availability of the Group's bank facilities, which were restructured prior to the end of 2011 to include reasonably challenging revised EBITDA and interest cover covenants which apply during 2012, but which the directors believe will be met for the foreseeable future, based on current trading and projected results for a period of at least 12 months from the date of approval of these financial statements. Having regard to the assumed continued availability of these facilities and also to the Group's projected earnings over the next two years, the directors consider that it continues to be appropriate to prepare the financial statements on a going concern basis.

3 Operating segments

The Group has two reportable segments which are defined as follows: the Group facilitates communication and interaction between businesses and consumers on mobile phones through a range of value-added mobile applications ("B2B"). The Group also develops, promotes and distributes mobile content and interactive services directly to consumers ("D2C").

Information regarding the results of each reportable segment is included below. Performance is measured based on segment results as included in the reports that are reviewed by the Group's Chief Operating Decision Maker ("CODM")

3 Operating segments *(continued)*

The following tables present revenue and profit/(loss) and certain assets and liability information regarding the Group's business segments:

Year ended 31 December 2011

	B2B	D2C	Total
	€'000	€'000	€'000
Revenue from external customers			
Ireland	2,036	3,455	5,491
UK	355	4,495	4,850
USA	-	3,559	3,559
Spain	-	949	949
Australia	-	93	93
South Africa	-	67	67
Sales to external customers	**2,391**	**12,618**	**15,009**
Results			
Segment results before amortisation	233	2,200	2,433
Amortisation	-	(598)	(598)
Segment results	**233**	**1,602**	**1,835**
Unallocated expenses *			**(2,163)**
Operating loss			**(328)**
Net finance expense			**(257)**
Loss before tax			**(585)**
Income tax expense			**(9)**
Net loss for year			**(594)**

*****Unallocated costs relate to costs associated with Newsworthie and central overheads such as rent, administration, salaries and office overhead costs which are not allocated to individual reportable segments.

3 Operating segments *(continued)*

As at 31 December 2011	**B2B** **€'000**	**D2C** **€'000**	**Total** **€'000**
Segment assets	734	10,036	10,770
Unallocated assets*			163
Total assets			10,933
Segment liabilities	1,228	7,680	8,908
Total liabilities			8,908

Other segment information	**B2B** **€'000**	**D2C** **€'000**	**Unallocated** **€'000**	**Total** **€'000**
Capital expenditure				
Property, plant and equipment	-	-	32	32
Intangible assets	-	-	335	335
Other				
Depreciation	-	-	83	83
Amortisation	-	598	-	598
Share-based payment credit	-	(2)	-	(2)

* The unallocated assets principally relates to the Group's cash balance.

3 Operating segments *(continued)*

Year ended 31 December 2010

	B2B €'000	D2C €'000	Total €'000
Revenue from external customers:			
Ireland	2,537	4,610	7,147
UK	760	2,244	3,004
USA	-	4,304	4,304
Spain	-	1,039	1,039
Australia	-	172	172
South Africa	-	129	129
Sales to external customers	**3,297**	**12,498**	**15,795**
Results			
Segment results before amortisation and goodwill impairment	162	2,684	2,846
Amortisation and goodwill impairment	-	(13,536)	(13,536)
Segment results	**162**	**(10,852)**	**(10,690)**
Unallocated expenses *			(2,185)
Operating loss			(12,875)
Net finance expense			(405)
Loss before tax			(13,280)
Income tax expense			(176)
Net loss for year			**(13,456)**

*Unallocated expenses relate to central overheads such as rent, administration salaries and office overhead costs which are not allocated to individual reportable segments.

3 Operating segments *(continued)*

As at 31 December 2010	**B2B €'000**	**D2C €'000**	**Total €'000**
Segment assets	853	8,232	9,085
Unallocated assets*			2,743
Total assets			**11,828**
Segment liabilities	1,335	7,873	9,208
Total liabilities			**9,208**

Other segment information	**B2B €'000**	**D2C €'000**	**Unallocated €'000**	**Total €'000**
Capital expenditure				
Property, plant and equipment	-	-	26	26
Intangible assets	-	-	804	804
Other				
Depreciation	-	-	124	124
Amortisation and goodwill impairment	-	13,536	-	13,536
Share-based payment credit	-	(59)	-	(59)

* The unallocated assets principally relates to cash and liabilities of the Group.

3 Operating segments *(continued)*

Geographical segments

The following tables present revenue, assets and capital expenditure information regarding the Group's geographical segments.

Year ended 31 December 2011

	Ireland €'000	United Kingdom €'000	Rest of Europe €'000	United States €'000	Rest of world €'000	Total €'000
Revenue						
Sales to external customers	5,491	4,850	949	3,559	160	15,009
Other segment information						
Non-current assets (excluding deferred tax)	6,504	-	-	-	-	6,504

Year ended 31 December 2010

	Ireland €'000	United Kingdom €'000	Rest of Europe €'000	United States €'000	Rest of world €'000	Total €'000
Revenue						
Sales to external customers	7,147	3,004	1,039	4,304	301	15,795
Other segment information						
Non-current assets (excluding deferred tax)	6,908	-	-	-	-	6,908

4 Loss per share

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

Diluted earnings per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year 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 loss per share computations:

	2011	2010
	€	€
Basic EPS	**(€0.006)**	(€0.141)
Diluted EPS	**(€0.006)**	(€0.141)

	2011	2011
	€'000	€'000
Net loss attributable to equity holders of the parent	**(594)**	(13,456)

	2011	2010
	Numbers in thousands	Numbers in thousands
Basic weighted average number of shares	**96,118**	95,187
Dilutive potential ordinary shares:		
Employee share options	**55**	865
Diluted weighted average number of shares	**96,173**	96,052

5 Adjusted earnings per ordinary share

	2011	2010
	€	€
Adjusted basic EPS	**€0.005**	€0.002
Adjusted diluted EPS	**€0.005**	€0.002

Adjusted net income is calculated as:	**2011**	2011
	€'000	€'000
Loss after tax	**(594)**	(13,456)
Share-based payments (credit)	**(2)**	(59)
Amortisation	**598**	866
Impairment of goodwill	**-**	12,670
Redundancy costs	**524**	180
	526	201

Reconciliation of reported operating loss across business divisons to "core" earnings before interest, tax, depreciation amortisation and non-recurring charges (Core EBITDA). "Core EBITDA" includes results of the Everneo (D2C) and ZSL (B2B) divisions only. Costs associated with the Newsworthie division are excluded.

	2011	2010
	€'000	€'000
Reported operating loss	**(328)**	(12,875)
Depreciation	**83**	124
Share-based payment credit	**(2)**	(59)
Impairment of goodwill	**-**	12,670
Amortisation of intangible assets	**598**	866
Redundancy and restructuring	**524**	180
Newsworthie costs	**383**	-
	1,258	906

6 Impairment of goodwill

Goodwill arising from business combinations in prior years has been reviewed for impairment. Based on this review, the directors have determined that no impairment charge is required *(2010: €12,670,000)* in the year. Details regarding the underlying assumptions for the impairment review are laid out below.

D2C Cash-generating unit
Goodwill arising from business combinations in prior years has been allocated in its entirety to the D2C cash generating unit and reviewed for impairment. The recoverable amount of the goodwill unit has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a one year period which have been rolled on for a further 4 year period. The pre tax discount rate applied to cash flow projections is 13.9%.

Key assumptions used in value-in-use calculations
The calculation of value-in-use for the Group is most sensitive to the following assumptions:

- projected cashflows for 2012 through to 2015;
- discount rates; and
- terminal value

Discount rates
Discount rates reflect management's estimate of the risks specific to the Group. In determining the appropriate discount rate, management has considered the average cost of capital for the Group.

EBITDA

Forecast EBITDA estimates are principally based on management's experience of and expectation for the Group.

The principal assumption used within the cash flows is that EBITDA will grow for 2012 and thereafter remain flat through to 2015.

The terminal value has been calculated based on the year five EBITDA and no long term growth rate has been included.

7 Related party disclosures

Compensation of key management

	2011	2010
	€'000	€'000
Short-term employee benefits	**740**	642
Share-based payments	**(2)**	(46)
Pension benefits	**23**	24
	761	620

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, and include the executive and non-executive directors.

Related party disclosure

During the year Zamano Solutions Limited, a subsidiary of the Company, entered into a services agreement with Mr. Nick Furlong. Mr. Furlong is a director of Pageant Holdings Limited ("Pageant") and his family are the beneficial owners of Pageant which in turn owns 24.02% of the issued ordinary share capital of the Company. Under the terms of the arrangement Mr. Furlong purchased advertising space through an independent advertising broker in respect of which Zamano Solutions Limited will manage the collection of any subscription revenues generated from the advertising spend on his behalf in return for a fee. The agreement requires that Zamano Solutions Limited reimburses Mr. Furlong the amount of advertising expenditure that he has incurred and an additional return subject to the advertising spend generating sufficient revenues. As at year end the amount due to Mr. Furlong under the terms of the arrangement was €192,500.

8. Litigation disclosures

In the normal course of business, the Group is involved in various legal proceedings with third parties, the outcome of which is uncertain. Where appropriate, provision is made in the financial statements based on the directors' best estimate of the potential outcome of such proceedings. It is the policy of the Group to rigorously defend all legal actions taken against the Group.

9. Subsequent events

There were no significant events after the balance sheet date which would require the adjustment of, or disclosure in, this preliminary financial information.

10. Approval

The condensed consolidated preliminary financial information was approved by the directors on 28 March 2012.