Press Release **19 September 2011**

Asia Digital Holdings Plc

("ADH" or the "Company")

Interim Results

For the six months to 30 June 2011

Asia Digital Holdings plc (AIM: ADH.L), an independent online marketing group, today announces its interim results for the six months to 30 June 2011.

Financial Highlights:

- Operational loss reduced by 40% to £421,000 (2010: £706,000)
- Sale of 20.6% stake in DC Storm Ltd, generating £194,500
- Progress in continuing operations, with a positive trend for the last three quarters
- Discontinued the AKTIV business to focus on core DGM business
- £273,000 cost saving in H1 2011
- Well positioned within China's e-commerce sector, a major growth market

Commenting on the results, Adrian Moss, Chief Executive, said: "The first half of 2011 has seen ADH undertake a period of rationalisation. In addition to the sale of the stake in DC Storm, ADH has worked to control costs and reduce operating losses. The Company has made progress on all of these fronts and the discontinuation of the AKTIV business was an additional step in the streamlining process.

"Now into the second half of the year, ADH is able to focus solely on its DGM business in Asia. The Company has established a strong retained client base within India and Southeast Asia and is excited about the growth opportunities within China's e-commerce market. The Company will focus its efforts on capitalising on the opportunities in this region in particular, as far as the ongoing working capital constraints will allow. The Board looks forward to updating shareholders on our progress over the coming months."

- Ends -

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Chief Executive's Statement

Trading Results

We are pleased to report on trading for the first six months of 2011.

The Group's continuing operations showed material improvement for the first half of 2011 against the same period in 2010 with a 40% reduced loss to £421,000 (2010: £706,000).

The drop in sales and gross profit from the first half of 2010 to 2011 is more than offset by cost savings and is also misleading as an indicator of our progress. Quarterly analysis shows a positive trend over the last three quarters for our continuing business.

Against the last quarter of 2010 the Company delivered a 4% improvement in business unit contribution in the first quarter, and a 25% improvement in the second quarter of 2011.

Cost saving measures delivered a £273,000 cost saving in the first half of 2011 mitigating the lost contribution from the Australian business by 44%.

As announced previously, within the first half of 2011 we have discontinued the AKTIV business as it had not delivered the expected upturn in trading during the first quarter of 2011.

Trading Prospects

Whilst growth prospects exist in India and Southeast Asia, the Company continues to believe the largest growth opportunity to be in China, and this is the focus of ADH's efforts.

This is supported by headline user numbers, now over 500 million (Source: CINIC 7/11), and an e-commerce space that is expected to grow from $79 billion in 2010 (Source: Analysis International 4/11) to between $159 billion (Source: Forrester 1/11) and $311 billion by 2015 (Source: Credit Suisse 1/11). The potential and importance of this market is one that global retail brands will find difficult to ignore.

We expect to see continued positive trends in India and Southeast Asia through new client acquisition and the growth of our existing client portfolio.

ADH has over 100 clients, strong client retention and limited client concentration with 36 clients representing around 80% of the Group's gross profit.

From China we have started to engage with several major UK online retailers to offer services to support their entry into the China e-commerce space and engage in the sort of performance based digital advertising solutions that we have successfully delivered elsewhere.

We must invest in China and evolve ADH's technology platform to enable the Company to assume a strong market position and leverage that position to deliver shareholder value.

Working Capital

DGM has an evolving brand presence in the region, operates a scalable business model and has experience and skills that match the market opportunity. However, our current working capital represents a material constraint to our ability to grow.

The Company remains focused on working capital management and the Board is pleased to have seen an improvement in our sales ledger collection cycle, particularly in India, where we have collected certain receivables that had previously been provided for as bad debts.

As announced on 5 August 2011, the Company completed the sale of its 20.6% shareholding in DC Storm Ltd ("DCS"), a web and software development company in which it held a residual stake, to existing shareholders in DCS, pursuant to existing pre-emption rights. The net cash generated from the sale, after costs, was £194,500.

As at 31 August 2011, we held a cash balance of GBP £341,000. It should be noted that this includes GBP £146,000 held within our Indian operation and this is subject to local regulatory repatriation restrictions.

In addition, and having satisfied all contractual conditions, the Company is due to receive the final deferred consideration payment from the sale of the DGM Australia business in November 2011, amounting to AU$428,000 (approximately GBP £278,000).

Notwithstanding this, working capital in the business remains constrained and represents a severe restriction on the Company's evolution.

ADH's experience and market position will support its growth and help to deliver shareholder value, and the Board believes that the majority of future growth will be driven by activities in China. However, we also highlight the steep learning curve that the Company is progressing along, as well as the length of the investment period required and the scale of the investment required.

To deliver on our strategy in China, and therefore at Group level, we need sufficient funds to invest in a more substantial team on the ground.

The Board would like to thank shareholders for their continued support and the staff for their tenacity, drive and commitment to the Company.

Adrian Moss
Chief Executive Officer
19 September 2011

Consolidated income statement
for the six months ended 30 June 2011

	Notes	**6 months to 30 Jun 2011 £'000**	6 months to 30 Jun 2010 £'000	Restated Year to 31 Dec 2010 £'000
Continuing operations				
Revenue		**1,960**	2,758	4,904
Cost of sales		**(1,443)**	(2,164)	(3,824)
Gross profit		**517**	594	1,080
Administrative expenses				
– depreciation		**(20)**	(24)	(75)
– share-based payments		**(14)**	(53)	(269)
– other administrative expenses		**(904)**	(1,223)	(3,378)
		(938)	(1,300)	(3,722)
Loss from operations		**(421)**	(706)	(2,642)
Interest received		**16**	-	-
Interest payable		**(1)**	(42)	(73)
Loss before tax		**(406)**	(748)	(2,715)
Income tax		**1**	(4)	42
Total loss after taxation from continuing operations		**(405)**	(752)	(2,673)
Discontinued operations				
Profit / (loss) before tax from discontinued operations	6	**(167)**	558	722
Profit on disposal of subsidiary	7	**-**	-	3,263
Income tax		**-**	(1)	27
Profit / (loss) after tax from discontinued operations		**(167)**	557	4,012
Total profit / (loss)		**(572)**	(195)	1,339
Attributable to:				
Equity holders of the parent		**(572)**	(195)	1,339
Earnings per share				
Basic and diluted earnings / (loss) per share	8	**(0.07p)**	(0.03p)	0.17p
Basic and diluted earnings / (loss) per share from continuing operations	8	**(0.05p)**	(0.11p)	(0.35p)
Basic and diluted earnings / (loss) per share from discontinued operations	8	**(0.02p)**	0.08p	0.52p

Consolidated statement of comprehensive income
for the six months ended 30 June 2011

	Notes	**6 months to 30 Jun 2011 £'000**	6 months to 30 Jun 2010 £'000	Restated Year to 31 Dec 2010 £'000
Profit / (loss) for the year		**(572)**	(195)	1,339
Other comprehensive income				
Exchange differences on translation of foreign operations:				
Gains/(losses) recognised during the year		**(37)**	189	102
Reclassification adjustment on disposal	7	**-**	-	512
Total comprehensive income for the year		**(609)**	(6)	1,953
Attributable to:				
Equity holders of the parent		**(609)**	(6)	1,953

Consolidated balance sheet
as at 30 June 2011

	Notes	**6 months to 30 Jun 2011 £'000**	6 months to 30 Jun 2010 £'000	Year to 31 Dec 2010 £'000
Assets				
Non-current assets				
Intangible assets		**47**	-	-
Property, plant and equipment		**21**	89	34
		68	89	34
Current assets				
Trade and other receivables		**1,909**	7,294	3,112
Cash and cash equivalents		**391**	914	538
		2,300	8,208	3,650
Total assets		**2,368**	8,297	3,684
Equity and liabilities				
Equity				
Called up share capital		**4,852**	4,792	4,852
Capital redemption reserve		**13,188**	13,188	13,188
Share-based payment reserve		**1,169**	1,086	1,155
Share premium account		**23,792**	23,703	23,792
Translation reserve	7	**(38)**	(426)	(1)
Retained earnings		**(43,467)**	(44,429)	(42,895)
Total equity		**(504)**	(2,086)	91
Current liabilities				
Trade and other payables		**2,611**	9,308	3,138
Borrowings		**-**	588	-
Onerous lease provisions	10	**122**	183	215
Deferred tax		**-**	2	-
Corporation tax		**14**	59	16
		2,747	10,140	3,369
Non-current liabilities				
Onerous lease provisions	10	**125**	243	224
Total liabilities		**2,872**	10,383	3,593
Total equity and liabilities		**2,368**	8,297	3,684

Company registration number 03904195

These financial statements were approved by the Board, authorised for issue and signed on their behalf on 16 September 2011.

Consolidated cash flow statement
for the six months ended 30 June 2011

	6 months to 30 Jun 2011 £'000	6 months to 30 Jun 2010 £'000	Restated Year to 31 Dec 2010 £'000
Operating activities			
Loss after tax	**(405)**	(752)	(2,673)
Depreciation	**20**	24	75
Share-based payment	**14**	53	269
Decrease / (increase) in receivables	**461**	(2,434)	(60)
(Decrease) / increase in payables	**(510)**	2,297	(246)
Foreign exchange differences	**(44)**	196	137
Finance (income) / expense	**(15)**	42	73
Tax (credit) / charge	**(1)**	4	(42)
Cash flow from operating activities in continuing operations	**(480)**	(570)	(2,467)
Cash flow from operating activities in discontinued operations	**226**	(90)	866
Total cash flow from operating activities	**(254)**	(660)	(1,601)
Investing activities			
Purchase of property, plant and equipment	**(11)**	(3)	(35)
Consideration for disposal of subsidiary (net of cash disposed)	**146**	-	1,395
Purchase of intangible assets	**(45)**	-	-
Interest received	**16**	-	-
Cash flow from investing activities in continuing operations	**106**	(3)	1,360
Cash flow from investing activities in discontinued operations	**(1)**	(2)	(18)
Total cash flow from investing activities	**105**	(5)	1,342
Financing activities			
Repayment of convertible loan notes	**-**	-	(500)
Interest paid	**(1)**	(79)	(118)
Cash flow from financing activities in continuing operations	**(1)**	(79)	(618)
Cash flow from financing activities in discontinued operations	**-**	-	(272)
Total cash flow from financing activities	**(1)**	(79)	(890)
Net increase/(decrease) in cash and cash equivalents	**(150)**	(744)	(1,149)
Cash and cash equivalents at start of period	**538**	1,617	1,617
Exchange differences on cash and cash equivalent	**3**	41	70
Cash and cash equivalents at end of period	**391**	914	538
Cash and cash equivalents comprise:			
Cash and cash in bank	**376**	878	517
Time deposits	**15**	36	21
Cash and cash equivalents at end of period	**391**	914	538

Consolidated statement of changes in equity

for the six months ended 30 June 2011

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2011 (Restated)	**4,852**	**23,792**	**13,188**	**1,155**	**(1)**	**(42,895)**	**91**
Share options issued in share-based payments	**-**	**-**	**-**	**14**	**-**	**-**	**14**
Transactions with owners	**-**	**-**	**-**	**14**	**-**	**-**	**14**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**(572)**	**(572)**
Other comprehensive income:							
Exchange difference on translation of foreign operations	**-**	**-**	**-**	**-**	**(37)**	**-**	**(37)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(37)**	**(572)**	**(609)**
Balance at 30 June 2011	**4,852**	**23,792**	**13,188**	**1,169**	**(38)**	**(43,467)**	**(504)**
Balance at 1 January 2010	4,792	23,703	13,188	1,033	(615)	(44,234)	(2,133)
Share options issued in share-based payments	-	-	-	53	-	-	53
Transactions with owners	-	-	-	53	-	-	53
Loss for the period	-	-	-	-	-	(195)	(195)
Other comprehensive income:							
Exchange difference on translation of foreign operations	-	-	-	-	189	-	189
Total comprehensive income for the year	-	-	-	-	189	(195)	(6)
Balance at 30 June 2010	4,792	23,703	13,188	1,086	(426)	(44,429)	(2,086)
Balance at 1 January 2010	4,792	23,703	13,188	1,033	(615)	(44,234)	(2,133)
Share options issued in share-based payments	-	-	-	122	-	-	122
Issue of share capital	60	89	-	-	-	-	149
Transactions with owners	60	89	-	122	-	-	271
Profit for the year	-	-	-	-	-	1,473	1,473
Other comprehensive income:							
Historical exchange differences on translation	-	-	-	-	378	-	378
Translation differences reclassified on disposal of a foreign operation (Note 7)	-	-	-	-	134	(134)	-
Exchange difference on translation of foreign operations	-	-	-	-	102	-	102
Total comprehensive income for the year	-	-	-	-	614	1,339	1,953
Balance at 31 December 2010 (Restated)	4,852	23,792	13,188	1,155	(1)	(42,895)	91

Notes to the consolidated financial statements
for the six months ended 30 June 2011

1 General Information

The condensed interim financial statements for the six months ended 30 June 2011 were authorised for issue in accordance with a resolution of the Board of Directors on 16 September 2011.

The Company is a public limited company incorporated in the United Kingdom. The address of its registered office is 19 Cavendish Square, London, W1A 2AW.

The Company is listed on the London Stock Exchange's Alternative Investment Market.

The financial information for the year ended 31 December 2010 set out in this interim consolidated report is unaudited and does not constitute statutory accounts as defined in the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2010 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under section 498(2) or (3) (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations) of the Companies Act 2006.

2 Basis of Preparation

These condensed interim financial statements for the six months ended 30 June 2011 have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the European Union. These condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

Going Concern

The directors review the Group's objectives, policies and processes for managing its capital, including its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk.

The Group remains focused on working capital management with increased attention on credit control and where possible taking full advantage of suppliers' credit terms.

Trading in the half year of 2011 was in line with management's expectations. Furthermore, we are excited by the potential for the future, particularly in China where the Group has now had a presence for over a year. The Group has started to see the benefit from cost restructuring in 2010 and 2011. Further cost saving measures have been considered and are expected to be implemented in the second half of 2011.

Following a strategic review of the business undertaken by the Board, a decision was made in April 2011 to discontinue the AKTIV business which made a loss of over £91,000 in the first quarter of 2011. This decision has made a positive impact on the trading results and cash flows of the Group.

Management continues to maintain tight control over the Group's working capital situation, and is pleased to report that cash flows in the first two quarters of 2011 were better than anticipated, especially with accelerated receipts of certain receivables particularly in the India operation.

In May 2011, the Group satisfied all contractual requirements from its disposal of the Deal Group Media Pty Ltd ("DGM Australia") operation following which it received the third tranche of consideration amounting to AUD 500,000 (c £325,000). Certain transaction expenses were deducted at source, or will be settled imminently, leading to a net receipt of AUD 295,000 (approximately £192,000).

Furthermore, in satisfying the residual contractual requirements, the Group anticipates receiving the last deferred payment of an additional AUD 500,000 (approximately £325,000) from the disposal of DGM Australia, in November 2011. The net cash (after transaction expenses) expected from the final deferred consideration payment is AUD 428,000 (approximately £278,000).

The Group completed the sale of its 20.6% shareholding in DC Storm Ltd in August 2011. The total consideration received from the transaction was £200,000 in cash which will provide additional working capital for the Group. The net amount (after transaction costs) received by the Group was £194,500.

Finally, the Group is trading within all credit and funding facilities, and management is not aware of any reason to believe any facilities will be breached within 12 months from the date of the signing of the interim financial statements.

The Directors, therefore, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the interim statements.

3 Accounting Policies

The accounting policies applied in these condensed interim financial statements are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in the annual financial statements, except for the adoption of the following standards as of 1 January 2011:

- IAS 24 (amended) Related Party Disclosures
- IAS 32 (amended) Classification of Rights Issues
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, and
- IFRIC 14 (amended) Prepayments of a Minimum Funding Requirement

Improvements to IFRS (May 2010)

The adoption of IFRS 9 which the Group plans to adopt for the year beginning 1 January 2013 will impact both the measurement and disclosures of financial instruments.

There is no significant effect on the current period or prior periods arising from the adoption of these new requirements.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed interim consolidated financial statements.

4 Revenue and Segmental Information

The Group is principally engaged in the provision of online marketing services. Revenue is attributable to the principal activity, which is mainly carried out in China, India and Southeast Asia.

The main operating segment is DGM. The other operating segments do not meet the quantitative thresholds required by IFRS 8 to be reported as separate segments.

The DGM segment is a specialist online marketing operation focusing on the delivery of customers to advertisers through search engine marketing, affiliate and display advertising, servicing both agencies and direct clients.

An analysis of revenue and segment result by geography is shown below:

Six months ended 30 Jun 2011	China £'000	India £'000	SE Asia £'000	Other £'000	Operating central Costs £'000	+Holding company Costs £'000	Total £'000
External revenue	**273**	**1,065**	**622**	**-**	**-**	**-**	**1,960**
Segment result							
DGM	**(95)**	**68**	**(25)**	**-**	**-**	**-**	**(52)**
Discontinued operations	**(9)**	**-**	**(118)**	**-**	**(40)**	**-**	**(167)**
Central costs	**-**	**-**	**-**	**-**	**(89)**	**(242)**	**(331)**
Other	-	**-**	**-**	**(4)**	**-**	**-**	**(4)**
	(104)	**68**	**(143)**	**(4)**	**(129)**	**(242)**	**(554)**
Depreciation							**(20)**
Share-based payment							**(14)**
Interest							**15**
Profit on disposal of subsidiary							**-**
Tax							**1**
Total loss for the year							**(572)**
Segmental assets (£)	**239**	**895**	**320**	**-**	**-**	**914**	**2,368**
Segmental liabilities (£)	**209**	**708**	**756**	**-**	**-**	**1,199**	**2,872**
Major customers++	**1**	**4**	**3**	**-**	**-**	**-**	**-**
Revenue from major clients (£)	**262**	**464**	**314**	**-**	**-**	**-**	**-**

+Included in holding company costs are office lease accrual releases (£76,898)

++ Number of customers generating more than 10% of segment revenue

Six months ended 30 Jun 2010	China £'000	India £'000	SE Asia £'000	+Other £'000	Operating central Costs £'000	Holding company Costs £'000	Total £'000
External revenue	7	867	1,884	-	-	-	2,758
Segment result							
DGM	(33)	53	(10)	-	-	-	10
Discontinued operations	-	-	23	535	-	-	558
Central costs	-	-	-	-	(202)	(403)	(605)
Other	-	-	-	(34)	-	-	(34)
	(33)	53	13	501	(202)	(403)	(71)
Depreciation							(24)
Share-based payment							(53)
Interest							(42)
Profit on disposal of subsidiary							-
Tax							(5)
Total loss for the period							(195)
Segmental assets (£)	-	834	1,833	5,292	-	338	8,297
Segmental liabilities (£)	-	768	1,621	6,603	-	1,391	10,383
Major customers++	1	3	5	1	-	-	-
Revenue from major clients (£)	7	292	1,347	6,587	-	-	-

+ 'Other' DGM segment result includes contribution from the Group's Australian operation which was disposed in October 2010.

++Number of customers generating more than 10% of segment revenue

Year to 31 Dec 2010 (Restated)	China £'000	*India £'000	SE Asia £'000	**Other £'000	+Operating central Costs £'000	++Holding company costs £'000	Total £'000
External revenue	456	1,816	2,632	-	-	-	4,904
Segment result							
DGM	(74)	13	(133)	-	-	-	(194)
Discontinued operations	-	-	14	709	-	-	723
Central costs	-	-	-	-	(611)	(1,437)	(2,048)
Other	-	-	-	(55)	-	-	(55)
	(74)	13	(119)	654	(611)	(1,437)	(1,574)
Depreciation							(75)
Share-based payment							(269)
Interest							(73)
Profit on disposal of subsidiary							3,263
Tax							69
Total profit for the year							1,339
Segmental assets (£)	498	916	1,129	-	-	1,141	3,684
Segmental liabilities (£)	439	728	887	-	-	1,539	3,593
Major customers+++	1	1	5	1	-	-	-
Revenue from major clients (£)	456	258	1,386	6,968	-	-	-

*Included in India segment result is a £65,000 provision for bad debts.

** 'Other' DGM segment result includes contribution from the Group's Australian operation which was disposed in October 2010.

+Included in 'Operating central costs' are provisions relating to the decommissioning of the Group's legacy affiliate tracking technology (£95,000) and staff reorganisation costs (£21,000)

++Included in 'Holding company costs' are non-recurring staff reorganisation costs (£48,000), leasehold provisions relating to the Group's premises in London (£81,000) and other non-recurring provisions (£167,000)

+++Number of customers generating more than 10% of segment revenue

5 Seasonal Fluctuations

The business of Asia Digital Holdings Plc is subject to seasonal fluctuations, with stronger demand for services in the second half of the year.

6 Discontinued Operations

The Group discontinued its AKTIV operation during the period. Revenue, expenses, gains and losses relating to all discontinued operations are eliminated from the profit or loss from the Group's continuing operations and reported under profit or loss from discontinued operations in the income statement. As a result, the prior period income statements have been re-presented in accordance with IFRS 5.

7 Profit on Disposal of Subsidiary

On 22 October 2010, the Group disposed its entire shareholding in Deal Group Media Pty Limited to Sydney based Digital Performance Group Pty Limited (formerly Comtel Corporation Limited. In accordance with IAS 21, the cumulative amount of exchange differences on translation of £134,000 relating to the disposed subsidiary has been retrospectively recognised in the income statement for the year ended 31 December 2010. As a result, the profit on disposal of the subsidiary has been restated from £3,397,000 to £3,263,000.

8 Earnings / (Loss) Per Share

Earnings / (loss) per share has been calculated on a loss after tax of £572,000 (2010: 195,000) and the weighted average number of shares in issue during the period of 767,930,884 (2010: 708,768,684).

Reconciliation of the profit and weighted average number of shares used in the calculations are set out below:

Six months to 30 Jun 2011	**Continuing**	**Discontinued**	**Total**
Profit / (loss) (£'000)	**(405)**	**(167)**	**(572)**
Earnings per share (pence)	**(0.05)**	**(0.02)**	**(0.07)**

Six months to 30 Jun 2010 (Restated)	Continuing	Discontinued	Total
Profit / (loss) (£'000)	(752)	557	(195)
Earnings per share (pence)	(0.11)	0.08	(0.03)

Year to 31 Dec 2010 (Restated)	Continuing	Discontinued	Total
Profit / (loss) (£'000)	(2,673)	4,012	1,339
Earnings per share (pence)	(0.35)	0.52	0.17

Share options issued to management and staff had no dilutive effect. This is because at 30 June 2011, the weighted average exercise price of the share options was marginally equal to the market price of 0.53 pence.

9 Share Based Payments

No share options were issued during the period (June 2010: 17,080,000). Prior period share options were issued at an average fair value o 0.45 pence per share.

The fair values of the options granted during the period ended 30 June 2011 were determined using the binomial valuation model. The value o the options has been adjusted for future dividends, assuming that they will be paid from 2013 at a yield of 3%.

The model takes into account a volatility rate of 150% which has been derived from historical experience. A weighted average risk free interes rate of 3.07% has been applied. The share price at grant date was 0.50 pence and the weighted average exercise price was 0.50 pence pe share.

The options were granted in accordance with the Group's Enterprise Management Incentive Scheme. The options have lives of 10 years an vest in three equal tranches over the first three years of their lives provided the employees continue to work for group. The expected lives of th options used in application of the binomial model were 5 years for managerial staff and 4 years for non-managerial staff.

The amount of employee remuneration expense for the 6 months ended 30 June 2011, in respect of unvested share options granted in th period and earlier periods, amounts to £14,219 (June 2010: £53,425).

10 Onerous Lease Provision

The Group has made the following operating and financial lease provisions:

	Operating leases £'000	Finance leases £'000	All leases £'000
At 1 January 2011	415	24	439
Additions	17	-	17
Utilisation	(189)	(20)	(209)
At 30 June 2011	**243**	**4**	**247**

Analysis of total provision is:

	Operating leases £'000	Finance leases £'000	All leases £'000
Within one year	118	4	122
More than one year and within five years	125	-	125

	243	4	247

The operating lease provision was made for the office lease, service charges and business rates which were entered into in October 2003 for a ten year lease at the former office in London, UK.

The finance lease provision relates to computer equipment required to maintain the Group's affiliate tracking technology.

11 Related Party Transactions

During the period the Group entered into the following related party transactions. All transactions were made on an arm's length basis:

Howard Kennedy

Keith Lassman, Non-Executive Director and shareholder, is a partner of Howard Kennedy, Solicitors. During the period, the Group paid £900 (2010: £2,817) in respect of legal services provided to the Group. The balance due to Howard Kennedy, Solicitors, at the period end was £0 (2010: £3,252)

DC Storm Limited

DC Storm Limited was an associated undertaking company of the Group during the period. The Group was charged £33,488 (2010: £24,795) in respect of software licensing provided to the Group during the period. The balance due to DC Storm Limited at period end was £16,620 (2010: £8,628).

Deal Group Media Pty Ltd

This is the Group's former Australian based subsidiary. Following the disposal of this subsidiary in 2010, the Group provided accounting and technical services and a total of £42,262 (2010: £0) was received during the period. The balance owed to the Group at period end was £41,537 (2010: £0).

Share Options

20,400,000 share options held by the directors under an approved share option scheme were rebased with an exercise price of 0.5 pence per option during the period. The share options will be fully vested on the second anniversary of date of issue.

The number of share options, which are the subject of the re-pricing, held by members of the Board remains unchanged as follows:

Adrian Moss – 17,400,000 options

David Lees – 1,750,000 options

Keith Lassman – 1,250,000 options

The re-pricing of share options held by members of the Board, in accordance with IFRS 2, triggered an additional share based payments charge of £5,100 for the period.

12 Subsequent Events and Transactions

The Group completed the sale of its 20.6% shareholding in DC Storm Ltd in August 2011. The consideration received from the transaction was £200,000 in cash. The net amount (after transaction costs) received by the Group was £194,500.

- Ends -