

13 December 2010

**iEnergizer Limited**

("iEnergizer", "the Company" or "the Group")

**MAIDEN INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010**

iEnergizer Limited, a leading international provider of third-party integrated business process solutions, is pleased to announce its maiden interim results for the six months ended 30 September 2010. iEnergizer listed on the AIM market in September this year under the symbol IBPO.L.

**Financial results – *In line with expectations***

- Revenue of \$22.8m
- Underlying operating profit \$7.3m (32% operating margin)
- PBT \$7.3m and EBITDA \$7.8m
- EPS \$0.08
- Net cash position \$4.4m (nil debt)
- No interim dividend, but the Board expects to declare a dividend for the full year ended 31 March 2011

**Operational highlights – *Continued delivery of strategy and growth***

- Successful admission to AIM in September 2010 placing £37m
- Positive first half trading results with continued growth from existing clients
- Won three new major clients during the period with additional growth potential

**Anil Aggarwal, Chief Executive, said:**

"We are very pleased with the Group's first half performance as a listed company, continuing the growth profile we built up as a private business and feel confident this will continue in the second half of the year to March 2011. iEnergizer has supported existing customers with their growth requirements and also continue to strive for new business opportunities. We have successfully gained new contracts from a major international bank, the biggest travel portal in India and one of the biggest employment consultants in the Indian market.

"We are working with existing customers to help support their development needs and have a good pipeline of future customers. We remain confident that we will continue to achieve strong margins, generating good cash flows.

"The International expansion of the business remains a key focus, as well as growing our US and Indian customer base."

- Ends -

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## **Introduction**

In the six month period ended 30 September 2010, iEnergizer successfully listed on AIM of the London Stock Exchange, bringing a range of strong, blue chip institutional shareholders to the Company's register. The Company has since continued to make significant operational progress and is well funded and remains well positioned to deliver its strategic ends.

## **Financial Overview**

Revenue for the period was \$22.8m. Operating profit for the period was \$7.3m, giving an operating profit margin of 32%. Profit before tax was \$7.3m with EBITDA of \$7.8m, giving a basic earnings per share of \$0.08.

The Group has generated significant cash flow in the period giving a strong operating margin of 32%. At the period end the Company had cash of \$4.4m and no debt.

## **Business Review**

Three new significant contracts were signed during the period which will produce additional revenue streams and cash flow for the second half of the year. Growth from existing clients has also contributed to the strong revenue and cash flow. Costs are well monitored to ensure a strong operating margin and staff attrition rates have remained low. Both the India based business and international business have shown growth during the period.

- **Banking financial services and insurance ('BFSI')**

The BFSI sector showed good growth during the period and we expect the trend will continue for the remaining half of the year, following the recent contract win of one of the world's largest banks. We expect to see substantial growth in the last quarter coming from this segment.

- **Entertainment and Gaming**

Our gaming based business showed steady growth throughout the first half of 2010. We believe activity in this area of the business will pick up in the second half of the year, through to the period end.

- **Information Technology ('IT')**

The IT segment performed well during the period and this trend is set to continue into the second half of the year. The two new contracts, namely the biggest travel portal in India and one of the biggest employment consultants in the Indian market, signed during the first half of the year have potential to significantly add to the full year earnings.

- **Telecom/ Electronics**

The telecoms and electronics division also showed good growth and we have received price revision for a major contract, the impact of which will come during the second half of 2010.

## **Dividend**

The Directors propose to pursue a progressive dividend policy and intend to commence the payment of dividends from available distributable profits. No dividend is proposed for the interim period; however the Board expects to declare a dividend for the full year to 31 March 2011.

## **Current trading and outlook**

The market is opening up and we are attracting new clients on good terms. In addition, existing clients are opening new verticals which, gives iEnergizer the opportunity to enter into more services per client, thereby increasing margins. There is significant potential in the US market for on shore options.

We are looking to further strengthen the customer account relationships and increase work streams with existing clients. Furthermore, we will continue to deliver new contracts on time and showcase them for gaining new business wherever possible. We are developing near shore capabilities and targeting clients looking for centres with onshore, near shore and off shore capabilities. Overall the outlook for iEnergizer is very promising and we have every confidence for the future.

**Extract of interim accounts**

An extract of the interim accounts for the six months ended 30 September 2010 is shown below.

iEnergizer was incorporated in Guernsey on 12 May 2010. iEnergizer acquired all of the ordinary shares of iEnergizer Holdings Limited, Mauritius from EICR Limited, Cyprus on 15 June 2010. The Company was admitted to trading on the Alternative Investment Market ('AIM') of London Stock Exchange on 14 September 2010.

The Unaudited Condensed Consolidated Interim Financial Statements of the Group for the six months ended 30 September 2010 have been prepared in accordance with IAS 34. These statements do not contain comparative information as the Company was not incorporated until after the comparative period. The Unaudited Condensed Consolidated Interim Financial Statements have been prepared on a going concern basis, and are prepared and presented in United States Dollar (US\$) which is the Company's functional currency.

A full set of the accounts are available from the company website at:  
[www.ienergizer.com](http://www.ienergizer.com)

## Unaudited Condensed Consolidated Statement Of Financial Position

(All amounts in United States Dollars, unless otherwise stated)

	Notes	As at 30 September 2010	Unaudited proforma As at 31 March 2010
<b>ASSETS</b>			
<b>Non-current</b>			
Goodwill		191,117	205,063
Other intangibles assets		310,030	633,015
Property, plant and equipment		759,007	807,016
Deferred tax asset		10,194	0
Other non-current assets		114,317	0
<b>Total non-current assets</b>		<b>1,384,665</b>	<b>1,645,094</b>
<b>Current</b>			
Trade and other Receivables		8,400,163	4,528,993
Recoverable from related party		1,500,149	2,028,420
Current tax asset		5,425	0
Other current assets		357,445	58,343
Cash and cash equivalents		4,416,408	504,425
<b>Total current assets</b>		<b>14,679,590</b>	<b>7,120,181</b>
<b>Total assets</b>		<b>16,064,255</b>	<b>8,765,275</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's equity</b>			
Share capital		2,208,149	2,099,346
Stock option reserve		63,986	0
Merger reserve	3	999,368	0
Currency translation reserve		89,845	0
Accumulated earnings		7,088,566	1,049,388
<b>Total equity</b>		<b>10,449,914</b>	<b>3,148,734</b>
<b>Liabilities</b>			
<b>Non-current</b>			
Employee benefit obligations		128,400	0
<b>Total non-current liabilities</b>		<b>128,400</b>	<b>0</b>
<b>Current</b>			
Trade and other payables		5,299,821	5,500,120
Other liabilities		45,356	91,843
Current tax liability		140,764	24,578
<b>Total current liabilities</b>		<b>5,485,941</b>	<b>5,616,541</b>
<b>Total liabilities</b>		<b>5,614,341</b>	<b>5,616,541</b>
<b>Total equity and liabilities</b>		<b>16,064,255</b>	<b>8,765,275</b>

(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)

## Unaudited Condensed Consolidated Income Statement

(All amounts in United States Dollars, unless otherwise stated)

	<b>For the six months ended 30 September 2010</b>
<b>Revenue</b>	
Rendering of services	22,820,025
Other operating income	9,007
	<u><b>22,829,032</b></u>
<b>Cost and expenses</b>	
Cost of revenue	14,534,371
Depreciation and amortisation	527,640
Other expenses	467,328
	<u><b>15,529,339</b></u>
<b>Operating profit</b>	<b>7,299,693</b>
Other income	4,410
<b>Profit before tax</b>	<u><b>7,304,103</b></u>
Tax expense	215,537
<b>Profit after tax</b>	<u><b>7,088,566</b></u>
<b>Profit per share</b>	
<i>Basic</i>	<b>23</b> 0.08
<i>Diluted</i>	0.08
<i>Par value of each share (GBP)</i>	0.01

(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)

## Unaudited Condensed Consolidated Statement Of Other Comprehensive Income

(All amounts in United States Dollars, unless otherwise stated)

	<b>For the six months ended 30 September 2010</b>
<b>Profit for the period</b>	<b>7,088,566</b>
Exchange differences on translating foreign operations	89,845
<b>Total comprehensive income for the period</b>	<u><b>7,178,411</b></u>

(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)

## Unaudited Condensed Consolidated Statement Of Changes In Equity

*(All amounts in United States Dollars, unless otherwise stated)*

	Share capital		Stock option reserve	Merger reserve	Currency translation reserve	Accumulated earnings	Total stockholders' equity
	Number	Amount					
<b>Balance as at 01 April 2010</b>	-	-	-	-	-	-	-
Issue of ordinary shares	150,010,000	2,208,149	-	-	-	-	<b>2,208,149</b>
<b>Transaction with owners</b>	150,010,000	2,208,149	-	-	-	-	<b>2,208,149</b>
Share based compensation	-	-	63,986	-	-	-	<b>63,986</b>
Merger reserve	-	-	-	999,368	-	-	<b>999,368</b>
Profit for the period	-	-	-	-	-	7,088,566	<b>7,088,566</b>
Exchange differences on translation of foreign operations	-	-	-	-	89,845	-	<b>89,845</b>
<b>Balance as at 30 September 2010</b>	<b>150,010,000</b>	<b>2,208,149</b>	<b>63,986</b>	<b>999,368</b>	<b>89,845</b>	<b>7,088,566</b>	<b>10,449,914</b>

*(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)*

## Unaudited Condensed Consolidated Statement Of Cash Flows

*(All amounts in United States Dollars, unless otherwise stated)*

	<b>Six months ended 30 September 2010</b>
<b>(A) Cash flow from operating activities</b>	
<b>Profit before tax</b>	<b>7,304,103</b>
<b>Adjustments</b>	
Depreciation and amortisation	527,640
Share based payments	63,986
Provision for employee benefit obligations	128,400
	<b>8,024,129</b>
<b>Changes in operating assets and liabilities</b>	
Accounts payable and other liabilities	2,691,348
Accounts receivable	38,810,598
Other assets	176,984
	<b>49,703,059</b>
Income taxes paid	(114,972)
<b>Net cash used in operating activities</b>	<b>49,588,087</b>
<b>(B) Cash flow for investing activities</b>	
Payments for purchase of property plant and equipment	(398,196)
Consideration towards business combination	(2,705,902)
<b>Net cash used in investing activities</b>	<b>(3,104,098)</b>
<b>(C) Cash flow from financing activities</b>	
Payment of dividend to equity holders	(87,000,000)
Proceeds from issue of shares	149
<b>Net cash used in financing activities</b>	<b>(86,999,851)</b>
Effect of exchange rate changes on cash	89,845
<b>Net decrease in cash and cash equivalents</b>	<b>(40,426,017)</b>
Cash and cash equivalents at the beginning of the period	44,842,425
<b>Cash and cash equivalents at the end of the period</b>	<b>4,416,408</b>
<b>Cash and cash equivalents comprise</b>	
Cash in hand	5,570
Balances with banks	4,410,838
	<b>4,416,408</b>

*(The accompanying notes are an integral part of these Unaudited Condensed Consolidated Interim Financial Statements)*



## Extract of Notes to Unaudited Condensed Consolidated Interim Financial Statements

(All amounts in United States Dollars, unless otherwise stated)

### 1. INTRODUCTION

iEnergizer Limited (the ‘Company’ or ‘iEnergizer’) was incorporated in Guernsey on 12 May 2010 pursuant to the Act of Royal Court of the Island of Guernsey.

iEnergizer acquired all of the ordinary shares of iEnergizer Holdings Limited, Mauritius (“IHL”) from EICR Limited, Cyprus on 15 June 2010. The Company was admitted to trading on the Alternative Investment Market (‘AIM’) of London Stock Exchange on 14 September 2010.

iEnergizer, through its wholly owned subsidiaries, iEnergizer Holdings Limited and iEnergizer IT Services Private Limited (together the ‘Group’) is engaged in the business of call centre operations and providing business process outsourcing (‘BPO’) and back office services to their international customers, who are based in the United States of America, India and other countries.

### 2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS

The Unaudited Condensed Consolidated Interim Financial Statements of the Group for the six months ended 30 September 2010 have been prepared in accordance with *IAS 34 – Interim Financial Reporting*. These statements do not contain comparative information as the Company was not incorporated until after the comparative period. The Unaudited Condensed Consolidated Interim Financial Statements have been prepared on a going concern basis, and are prepared and presented in United States Dollar (US\$) which is the Company’s functional currency.

### 3. GROUP RESTRUCTURING

Prior to acquisition by the Company, iEnergizer Holdings Limited was the wholly owned subsidiary of EICR Limited, Cyprus. On 15 June 2010, the Company entered into a share exchange agreement with EICR Limited. As per the agreement, EICR Limited has transferred 2,099,346 shares of 1 USD each in iEnergizer Holdings Limited in exchange for the issue by the Company of 150,000,000 ordinary shares to EICR Limited. Consequent to this exchange, iEnergizer Holdings Limited became the wholly owned subsidiary of the Company, which in turn became the wholly owned subsidiary of EICR Limited. EICR Limited was diluted to 78.71 percent holding in the Company upon the placing and admission of all the Company’s shares to AIM.

The subsidiaries which consolidate under iEnergizer group comprise the following entities:

<b>Name of the entity</b>	<b>Holding company</b>	<b>Country of incorporation</b>	<b>Effective group shareholding (%) as of 30 Sep 2010</b>
iEnergizer Holdings Limited (‘IEH’)	iEnergizer	Mauritius	100
iEnergizer IT Services Private Limited (‘IITS’)	IHL	India	100

In the absence of explicit guidance available under IFRS on accounting of acquisition of common control entities, the Group has chosen to account for this transaction using “Pooling of interest method”. As per the pooling of interest method, these unaudited condensed consolidated interim financial statements have been prepared assuming that transfer of shares was completed on the first day of the period presented being 01 April 2010.

The difference between the nominal value of shares issued by the Company to EICR Limited and the aggregated net value of assets and liabilities of iEnergizer Holdings Limited as at 01 April 2010 is adjusted in equity under the heading ‘merger reserve’. The adjustment taken to merger reserve has been computed as under:

Particulars	Amount US\$
<b>iEnergizer Holdings Limited</b>	
Share capital	2,099,346
Retained earnings	1,108,022
<b>Total</b>	<b>3,207,368</b>
Shares issued by the Company to EICR	2,208,000
<b>Difference adjusted through merger reserve</b>	<b>999,368</b>

#### 4. APPLICATION OF NEW STANDARDS

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning on 01 April 2010, but are not currently relevant to the Group or have not had a material impact on the Group:

- IFRIC 17, “Distributions of non-cash assets to owners”
- IFRIC 18, “Transfers of assets from customers”
- Amendment to IFRS 1, “First-time adoption of IFRSs” – amendments relating to oil and gas assets and determining whether an arrangement contains a lease

The following new standards, amendments to standards or interpretations have been issued, but are not effective for the financial year beginning 01 April 2010 and have not been early adopted:

- IFRS 9, “Financial instruments”
- IAS 24 (revised), “Related party disclosures”
- Amendment to IFRIC 14, “Prepayment of a minimum funding requirement”
- IFRIC 19, “Extinguishing financial liabilities with equity instruments”
- Amendment to IAS 32, “Classification of rights issues”
- Improvements to International Financial Reporting Standards 2010 were issued in May 2010. The effective dates vary standard by standard, but most are effective 1 January 2011

The Group is yet to assess full impact of these standards. The directors anticipates that future adoption of all the other standards, interpretations and amendments listed above will not have material impact on the Group’s condensed consolidated interim financial statements

#### 5. BASIS OF PREPARATION

This condensed consolidated interim financial statements for the six months ended 30 September 2010 as been prepared in accordance with IAS 34, Interim Financial Reporting. The condensed consolidated interim financial statements have been prepared on a going concern basis and are presented in United States dollar (USD).

End