

29 May 2008

Final Results

DENSITRON TECHNOLOGIES PLC

('Densitron' or the 'Company')

PRELIMINARY UNAUDITED RESULTS FOR THE YEAR ENDED 31st DECEMBER 2007

Densitron Technologies plc, the design and developer of electronic displays presents its preliminary results for the year ended 31st December 2007.

- Part of the land at Blackheath sold for £1.2 million.
- Gaming Division sold for £543,000 plus a future royalty stream based on turnover of the Gaming business.
- Net debt reduced from £4.0 million to £1.6 million.
- Gearing reduced from 62% to 22%.
- Orders booked in the year increased from £14.6m to £16.3m.
- Profit retained for the period £1.1m compared with a loss of £0.5m in 2006.

Financial highlights *

	2007	2006
	£m	£m
Revenue	14.0	15.4
Profit/(loss) from operations	1.1	(0.1)
Retained profit/(loss)	1.1	(0.5)
Earnings/(loss) per share	1.67p	(0.82)p
Gearing	22%	62%
Orderbook	7.4m	5.1m

* From 1 January 2006 the Group is required to prepare its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). Comparative information has been restated in accordance with the transitional rules governing the change from UK Generally Accepted Accounting Practice (UK GAAP) to IFRS and a full reconciliation of the changes impacting the comparative figures will be included in our full year Annual Report and Accounts.

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Chairman's statement

This will be my last Chairman's statement to you as I intend to step down at the forth coming Annual General Meeting.

Densitron Technologies plc is now a very different Group to the one I joined three years ago.

When I joined the Board as interim Chairman in May 2005 Densitron was in turmoil. The company's finances were precarious, its operational structure was ineffective and the flow of information from subsidiaries was erratic. Shareholders, understandably, were furious. My priorities were therefore to stabilise the Group's finances, to establish proper divisional reporting, to assess which businesses should be sold and which should be retained and to devise a plan to create value for shareholders.

We agreed new facilities with our bankers, Barclays Bank PLC, and focused on either moving Group companies into profit or selling loss-makers. With proper reporting in place, it soon became apparent that the public information displays division, for which we initially had high hopes, in fact only had a limited future. This business was sold immediately for £1 million. We also realised that the Group did not have the financial strength to see the Gaming division through its start up phase. This business was sold for a profit of £500,000. In addition, Densitron will continue to share in the future business as we have a five year royalty agreement in place. The royalties payable for the first eleven months of trading are ahead of our expectations.

Our remaining operating division, Displays, is now solidly profitable, having made £1.1 million operating profit before Group overhead and interest in 2007. Sales were lower than in 2006 partly as a result of the weakening of the US dollar against UK sterling and partly as a result of a weak orderbook at the end of 2006. However an increase in margins and a reduction in administrative expenses resulted in a solid profit for the year. Orders booked during 2007 were £16.3 million compared with £14.6 million in 2006 giving an orderbook at the end of 2007 of £7.4 million. These orders will help to underpin the business in 2008.

Having addressed the difficulties with Group's operating activities, the Board has been able to focus on maximising its two key investment assets. During 2007, agreement was reached for the sale of part of the sports ground in Blackheath to Greenwich Borough Council for £1,233,985 and this was concluded on 21 December 2007. The sale of the strip of land enabled the Company to repay some of its borrowings and this will see a reduction in interest payable over the next 6 months of some £78,000. The Company has retained a strip of land of approximately 1.25 acres which the Board is planning to develop for residential housing and has appointed an Agent to manage the planning process. The Land currently attracts a Metropolitan Land Order which prohibits development but the Board is confident that it will be able to obtain re-designation for the land. When there are any significant developments shareholders will be kept informed.

Evervision Electronics Limited (formerly VBest Electronics Corporation), the Group's investment in a displays manufacturing company in Taiwan, remains a substantial asset for the Group with good potential upside.

Evervision has factories in both Taiwan and mainland China. 2007 began well for Evervision with significant orders requiring the recruitment of new production personnel in its main factory in China. Due to a combination of poor training and poor supervision the production line experienced a number of quality issues causing the production yield to be very poor. Consequently, the margin achieved in the first half of 2007 was very poor causing Evervision to make a loss. These issues were addressed and the problems improved in the second half of the year. During the second half of the year a decision was made to rationalise the production capabilities of Evervision which resulted in the decision to close one of its Taiwanese factories. This resulted in a significant impairment of plant, property and equipment resulting in a further significant loss in the second half of the year. However, despite the problems referred to above, Evervision continued to generate cash during 2007 and by the end of the year it was carrying approximately £6m of net cash. The Board has recognised a temporary reduction in the value of the investment in the year and considers that the carrying value of Evervision on the Balance sheet at £6.1m is reasonable.

The restructuring of the group would not have been possible without the support and encouragement of our major shareholder Peter Gyllenhammar who stood by us in our hour of need. I am pleased to report that we have repaid the majority of Peter's loan and are in the process of repaying the balance. Jan Holmstrom has worked very closely with me since joining the board and I am very pleased that he has agreed to take on the role of Chairman after I step down

I would like to take this opportunity to thank the directors and staff at Densitron for their continuing commitment to the company and our shareholders for their continuing support.

Outlook and strategy - The strategy for the Displays business continues to be organic growth and opportunistic strategic acquisitions should they arise. In 2007 it was more profitable than in 2006 and continues to grow steadily. We are making good progress in unlocking the value of the land in Blackheath where we believe that a patient approach to re-designation will produce very material returns in relation to Densitron's market capitalisation. Meanwhile, Evervision has weathered a tough 2007, demonstrating its resilience. We confidently expect further progress in 2008.

Ralph Baber

Interim Chairman

28 May 2008

Unaudited Consolidated Income Statement

For the year ended 31 December 2007

	2007	2006
	£000	£000
Continuing operations		
Revenue	14,043	15,441
Cost of sales	(9,727)	(10,807)
Gross profit	4,316	4,634
Other operating income	1,024	52
Distribution costs	(30)	(54)
Administrative expenses	(4,198)	(4,691)
Profit/(loss) from operations	1,112	(59)
Financial income	96	53
Financial expenses	(390)	(245)
Profit/(loss) before tax	818	(251)
Income tax expenses	(161)	(66)
Profit/(loss) for the period from continuing operations	657	(317)
Discontinued operations		
Profit/(loss) for the period from discontinued operations	437	(201)
Profit/(loss) for the period	1,094	(518)
Attributable to:		
Equity holders of the parent	1,081	(529)
Minority interests	13	11
	1,094	(518)
Basic earnings per share		
Earnings/(loss) per share from continuing and discontinued operations	1.67p	(0.82)p
Earnings/(loss) per share on continuing operations	0.99p	(0.51)p
Diluted earnings per share		
Earnings/(loss) per share from continuing and discontinued operations	1.63p	(0.82)p
Earnings/(loss) per share on continuing operations	0.97p	(0.51)p

Unaudited Consolidated Balance Sheet

At 31 December 2007

	2007	2006
	£000	£000
Non current assets		
Property, plant and equipment	208	127
Goodwill	143	143
Financial assets	6,589	7,211
Deferred tax assets	44	67
	6,984	7,548
Current assets		
Inventories	641	637
Trade and other receivables	2,457	3,120
Financial assets	765	1,040
Income tax recoverable	56	160
Cash and cash equivalents	1,397	1,292
	5,316	6,249
Non current assets and assets of a disposal group classified as held for sale	-	559
	5,316	6,808
Total assets	12,300	14,356
Current liabilities		
Short term borrowings and overdrafts	2,861	3,529
Trade and other payables	1,863	2,232
Current tax payable	72	66
Provisions	-	75
	4,796	5,902
Liabilities directly associated with assets of a disposal group classified as held for sale	-	194
	4,796	6,096
Non current liabilities		
Borrowings	94	1,731
Provisions	328	260
Deferred tax liabilities	7	-
	429	1,991
Total liabilities	5,225	8,087
	7,075	6,269
Equity		
Share Capital	3,483	3,233
Share premium account	-	21,204
Retained earnings	3,838	(17,969)
Available for sale reserve	(648)	(140)
Special reserve	478	-
Translation reserve	(128)	(111)
Equity attributable to shareholders of Densitron	7,023	6,217
Minority interests	52	52
Total equity	7,075	6,269

Unaudited Consolidated Statement of Recognised Income and Expense

For the year ended 31 December 2007

	2007	2006
	£000	£000
Foreign currency translation differences for foreign operations	(17)	(112)
Fair value adjustment of financial assets	(508)	(704)
Income and expense directly recognised in equity	(525)	(816)
Profit/(loss) for the period	1,094	(518)
Total recognised income and expense for the period	569	(1,334)
Attributable to:		
Equity holders of the Company	556	(1,344)
Minority interest	13	10
Total recognised income and expense for the period	569	(1,334)

Unaudited Consolidated Cash Flow Statement

For the year ended 31 December 2007

	2007	2006
	£000	£000
Cash flows from operating activities		
Profit/(loss) before taxation	818	(251)
Loss for the period of discontinued operations	(46)	(870)
Adjustments for:		
Share based payment expense	-	165
Depreciation	43	79
Profit on disposal of fixed assets	(848)	-
Loss on write off of investment	12	-
Net finance expense	294	192
Effect of exchange rate fluctuations	(279)	46
	(6)	(639)
Change in inventories	89	193
Change in trade and other receivables	672	(154)
Change in trade and other payables	(187)	(374)
Change in provisions	(7)	-
	561	(974)
Income tax paid	(17)	(146)
Net cash from/(used in) operating activities	544	(1,120)
Cash flows from investing activities		
Interest received	66	53
Proceeds from sale of property, plant and equipment	1,016	2
Disposal of discontinued operation	933	291
Acquisition of property, plant and equipment	(55)	(19)
Net cash generated from investing activities	1,960	327
Cash flows from financing activities		
Proceeds from issue of share capital	250	-
Inception of new loans	-	1,500
Repayment of borrowings	(1,587)	(470)
Interest paid	(380)	(286)
Payment of finance lease liabilities	(21)	(25)
Change in invoice discounting creditor	(196)	(225)
Change in letters of credit	95	(161)
Dividend paid to minorities	(13)	(11)
Net cash (used in)/generated from financing activities	(1,852)	322
Net increase/(decrease) in cash and cash equivalents	652	(471)
Cash and cash equivalents at 1st January	191	662
Effect of exchange rate fluctuations on cash held	30	-
Cash and cash equivalents at 31st December	873	191

Notes to the preliminary results

1. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (Adopted IFRSs) and with those parts of the Companies Act 1985 applicable to companies preparing their accounts under Adopted IFRSs. This is the first time the Group has prepared its financial statements in accordance with IFRSs, having previously prepared its financial statements in accordance with UK accounting standards. Details of the transition from UK accounting standards to IFRSs have affected the Group's reported financial position, financial performance and cash flows are given in note 2 to the Preliminary Announcement.

The accounting policies applied are consistent with those set out in the financial statements of Densitron Technologies plc for the year ended 31st December 2006 as amended in the Restatement for IFRS referred to above. The financial information in the announcement is unaudited and does not constitute the company's statutory accounts for the years ended 31st December 2007 or 2006. The financial information for the year ended 31st December 2006 is derived from the statutory accounts for that year, which were prepared under UK GAAP, which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and did not contain statements under the Companies Act 1985, s 237(2) or (3).

The statutory accounts for the year ended 31st December 2007, prepared in accordance with IFRSs as adopted by the EU, will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the registrar of Companies following the company's annual general meeting.

In preparing these financial statements, the Group has elected to apply the following transitional arrangements permitted by IFRS 1 'First-time adoption of International Financial Reporting Standards':

- Business combinations effected before 1st January 2006 have not been restated.
- The carrying amount of capitalised goodwill at 31st December 2005 that arose on business combinations accounted for using the acquisition method under UK GAAP was frozen at this amount and tested for impairment at 1st January 2006.
- Goodwill written-off directly to reserves on business combinations effected before 1 January 1998 has not retrospectively been capitalised and will not be transferred to the income statement on the disposal of the subsidiary to which it relates.
- Only those exchange differences arising on the retranslation of foreign operations since 1st January 2006 have been recognised as a separate component of equity.

Certain comparative amounts have been reclassified to conform with the current year's presentation. In addition, the comparative income statement has been re-presented as if an operation discontinued during the current period had been discontinued from the start of the comparative period. A full reconciliation between previously reported financial statements prepared under UK GAAP and on the basis as stated above will be included in our Annual Report and Accounts.

2. First time adoption of International Reporting Standards (IFRS)

Reconciliations and explanatory notes on how the transition to IFRS has affected profit and net assets previously reported under UK Generally Accepted Accounting Principles are given on the following pages:

Reconciliation of the Balance Sheet as at 1st January 2006 from UK GAAP to IFRS

	UK GAAP as at 1st January 2006	IFRS 3 Non recognition of goodwill Amortisation (a)	IAS 36 Impairment of goodwill (b)	IAS 39 Available for sale asset (c)	IFRS as at 1st January 2006
	£000	£000	£000	£000	£000
Non current assets					
Property, plant and equipment	388				388
Goodwill	184		(16)		168
Financial assets	7,357			564	7,921
Deferred tax assets	100				100
	8,029		(16)	564	8,577
Current assets					
Inventories	1,311				1,311
Trade and other receivables	4,120				4,120
Income tax recoverable	30				30
Cash and cash equivalents	2,382				2,382
	7,843				7,843
Total assets	15,872		(16)	564	16,420
Current liabilities					
Short term borrowings and overdrafts	4,639				4,639
Trade and other payables	3,342				3,342
Current tax payable	56				56
Provisions	75				75
	8,112				8,112
Non current liabilities					
Long term borrowings	598				598
Long term financial liabilities	11				11
Long term provisions	250				250
Deferred tax liabilities	-				-
	859				859
Total liabilities	8,971				8,971
	6,901		(16)	564	7,449
Equity					
Share Capital	3,233				3,233
Share premium account	21,204				21,204
Retained earnings	(17,589)		(16)	564	(17,041)
Equity attributable to shareholders of Densitron	6,848		(16)	564	7,396
Minority interests	53				53
Total equity	6,901		(16)	564	7,449

Reconciliation of the income statement for the year ended 31st December 2006 from UK GAAP to IFRS

	UK GAAP year ended 31st December 2006	IFRS 3 Non recognition of goodwill Amortisation (a)	IAS 36 Impairment of goodwill (b)	IFRS 5 Discontinued activities (d)	IFRS 2 Warrants (g)	IFRS year ended 31st December 2006 Audited £000
	£000	£000	£000	£000	£000	£000
Revenue	20,314			(4,873)		15,441
Cost of sales	(14,153)			3,346		(10,807)
Gross profit	6,161			(1,527)		4,634
Distribution costs	(58)			4		(54)
Administrative expenses	(6,968)	24	(25)	2,443	(165)	(4,691)
Other operating income	102			(50)		52
(Loss)/profit from operations	(763)	24	(25)	870	(165)	(59)
Profit on the sale of subsidiaries	748			(748)		-
Financial income	53					53
Financial expense	(324)			79		(245)
Profit before tax	(286)	24	(25)	201	(165)	(251)
Income tax expense	(66)					(66)
Loss after tax	(352)	24	(25)	201	(165)	(317)
Discontinued operations						
Loss for the period from discontinued operations -				(201)		(201)
(Loss) for the period	(352)	24	(25)	-	(165)	(518)

Reconciliation of the Balance Sheet as at 31st December 2006 from UK GAAP to IFRS

	UK GAAP	IFRS 3	IAS 36	IAS21	IFRS 5	IFRS 5	IAS 39	IFRS
	as at 31st	Non	Impairment	Cumulative	Non	Non	Available	as at 31st
	December		recognition	of goodwill	translation	current	current	for sale
	2006	of goodwill		differences	assets	assets	asset (c)	2006
		amortisation(b)		(f)	classified	classified		
	£000	(a)			as	held for	£000	£000
			£000	£000	held for	sale (e)		
		£000			sale			
					(e)	£000		
					£000			
Non current assets								
Property, plant and equipment	364				(1)	(236)		127
Goodwill	160	24	(41)					143
Financial assets	7,351						(140)	7,211
Deferred tax assets	67							67
	7,942	24	(41)		(1)	(236)	(140)	7,548
Current assets								
Inventories	931				(294)			637
Trade and other receivables	3,148				(28)			3,120
Financial assets	1,040							1,040
Income tax recoverable	160							160
Cash and cash equivalents	1,292							1,292
	6,571				(322)			6,249
Non current assets classified as held for sale	-				323	236		559
	6,571				1	236		6,808
Total assets	14,513	24	(41)		-	-	(140)	14,356
Current liabilities								
Short term borrowings and overdrafts	3,529							3,529
Trade and other payables	2,426				(194)			2,232
Current tax payable	66							66
Provisions	75							75
	6,096				(194)			5,902
Liabilities directly associated with non current assets classified as held for sale								
					194			194
	6,096				-			6,096
Non current liabilities								
Borrowings	1,731							1,731
Provisions	260							260
	1,991							1,991
Total liabilities	8,087							8,087
	6,426	24	(41)		-	-	(140)	6,269
Equity								
Share Capital	3,233							3,233
Share premium account	21,204							21,204
Retained earnings	(18,063)	24	(41)	111				(17,969)
Available for sale reserve							(140)	(140)
Translation reserve				(111)				(111)
Equity attributable to shareholders of Densitron	6,374	24	(41)	-			(140)	6,217
Minority interests	52							52
Total equity	6,426	24	(41)	-			(140)	6,269

Notes to the IFRS Adjustments

a) Goodwill amortisation

Under UK GAAP, goodwill is amortised over its expected useful life, whereas under IFRS goodwill is considered to have an indefinite life and is not amortised, but is tested for impairment annually. This adjustment reverses the amortisation charged in the year to 31st December 2006.

b) Impairment of goodwill

Impairment provisions have been made in both the years ended 31st December 2005 and 31st December 2006. Adjustments have been made to reflect the impairment of goodwill.

c) Financial assets

The investment in Evervision electronics Limited (formerly VBest Electronics Co. Limited) has been accounted for as a fixed asset investment at its cost less impairment under UK GAAP. The Group owns 24.48% of the equity of Evervision and under adopted IFRS is required to consider its ability to exercise influence on the presumption that it has significant influence which would make Evervision an associate. The Group does not have significant influence over the financial or operating policies of Evervision and has consequently accounted for its holding as a financial asset available for sale at fair value under this policy.

Deferred consideration due on sales of investments was treated under UK GAAP and debtors due in more than one year. Under adopted IFRS the substance of these transactions result in these amounts being treated as loans within financial assets and accounted for using the effective interest method.

d) Discontinued Activities

Under adopted IFRS the results of discontinued activities can be shown as an item after loss for the period on continuing operations.

e) Non Current Assets Held for Sale

Under IFRS 5 assets whose carrying amount will be recovered principally through a sale transaction rather than continuing use are classified as non current assets held for sale. The Sportsground that the Company owns in Blackheath is one such asset. At the 31st December 2006 the Company was in advanced negotiation with the Local Authority regarding the disposal of this asset.

In addition the sale of the Gaming business took place on 31st January 2007. At 31st December 2006 negotiations of the sale were in progress and principal terms had been agreed. As such those assets subject to the sale have been classified as non current assets held for sale.

f) Cumulative translation differences

Under IAS 21 cumulative translation differences for foreign operations should be disclosed within a translation reserve as a separate part of equity. These differences are those arising only since the transition date.

g) Warrants

Under IFRS 2 the Company is required to recognise an expense for the provision of services in exchange for the issuance of shares or rights to shares. The issuance of fully vested shares, or rights to shares, is presumed to relate to past services, requiring the full amount of the grant-date fair value to be expensed immediately. A similar adjustment would have been required by IFRS 20; the adjustment would therefore have resulted in a prior year adjustment, were the company reporting under UK GAAP.

3. Business and Geographical segments

The Group manages its business by reporting by business segment and by geographical location of the business segment. The business segments that the Group has operated in are displays, gaming boards and public information displays. Following the disposal of the gaming board and public information displays divisions the group manages its remaining displays business on a geographical basis.

Inter-segment transfer pricing is based on the level of work carried out and the risk encountered by each party in order to make a third party sale.

	Business segments			Eliminations	Head office	Total
	Continuing	Discontinued	Discontinued			
	Displays division 2007	Gaming division 2007	Public information displays division 2007	2007	2007	2007
	£000	£000	£000	£000	£000	£000
Revenue						
External	16,695	244	-	(244)	-	16,695
Intercompany	(2,652)	(182)	-	182	-	(2,652)
Total	14,043	62	-	(62)	-	14,043
Profit/(loss) before tax						
Continuing operations	522	-	-	-	296	818
Discontinued operations	-	437	-	-	-	437
Total	522	437	-	-	296	1,255
Balance sheet						
Assets	2,588	-	-	-	9,712	12,300
Liabilities	(3,137)	-	-	-	(2,088)	(5,225)
Net assets	(549)	-	-	-	7,624	7,075
Other						
Goodwill impairment	-	-	-	-	-	-
Capital expenditure						
- Property, plant and equipment	64	-	-	-	-	64
Depreciation	8	-	-	-	35	43
	2006	2006	2006	2006	2006	2006
	£000	£000	£000	£000	£000	£000
Revenue						
External	18,099	2,121	3,223	(5,344)	-	18,099
Intercompany	(2,658)	(471)	-	471	-	(2,658)
Total	15,441	1,650	3,223	(4,873)	-	15,441
Profit/(loss) before tax						
Continuing operations	829	-	-	-	(1,080)	(251)
Discontinued operations	-	(871)	379	291	-	(201)
Total	829	(871)	379	291	(1,080)	(452)
Balance sheet						
Assets	5,228	323	-	-	8,805	14,356
Liabilities	(4,727)	(194)	-	-	(3,166)	(8,087)
Net assets	501	129	-	-	5,639	6,269
Other						
Goodwill impairment	10	15	-	-	-	25
Capital expenditure						
- Property, plant and equipment	43	1	5	-	30	79
Depreciation	23	1	15	-	39	78
Share based payments	-	-	-	-	165	165

The Group's secondary reporting format for reporting segmental information is by geographical location.

External revenue by location of customers Total assets by location of assets Capital expenditure by location of assets

	2007	2006	location of asset			2006
			2007	2006	2007	
	£000	£000	£000	£000	£000	£000
Total operations						
UK	2,813	6,230	248	(1,192)	3	36
Europe	3,469	5,537	517	512	4	4
USA	5,625	6,060	1,098	1,094	57	39
Asia	1,970	2,059	5,212	5,855	-	-
Rest of the world	166	428	-	-	-	-
	14,043	20,314	7,075	6,269	64	79
Continuing operations						
UK	2,813	3,210	248	(748)	3	30
Europe	3,469	4,505	517	512	4	4
USA	5,625	5,532	1,098	1,447	57	39
Asia	1,970	1,787	5,212	5,855	-	-
Rest of the world	166	407	-	-	-	-
	14,043	15,441	7,075	7,066	64	73
Discontinued operations						
UK	-	3,021	-	(444)	-	6
Europe	-	1,031	-	-	-	-
USA	-	528	-	(353)	-	-
Asia	-	272	-	-	-	-
Rest of the world	-	21	-	-	-	-
	-	4,873	-	(797)	-	6

4. Other income

	2007	2006
	£000	£000
Net gain on sale of property, plant and equipment	848	-
Exchange gains	81	-
Commissions receivable	3	52
Royalties receivable	85	-
Rent receivable	7	-
	1,024	52

5. Financial income and expense

	2007	2006
	£000	£000
Financial income		
Bank deposit interest	31	5
Interest on deferred consideration	65	48
	96	53
Financial expenses		
Bank borrowings	168	130
Hire purchase and finance leases	2	2
Invoice discounting charge	28	20
Other loan interest payable	192	93
	390	245

6. Tax expense

	2007	2006
	£000	£000
Current tax expense		
UK corporation tax and income tax of overseas operations on profits for the year	53	34
Unrecoverable withholding tax	117	-
Double taxation relief	-	-
Adjustments for (over)/under provision in prior periods	(30)	11
	140	45
Deferred tax expense		
Origination and reversal of temporary differences	21	21
Total tax charge	161	66

7. Results of discontinued operations

	2007	2006
	£000	£000
Revenue	244	4,873
Expenses other than finance costs	(286)	(5,743)
Finance costs	(4)	(79)
	(46)	(949)
Gain/(loss) from selling discontinued operations	483	748
Profit/(loss) for the year before tax	437	(201)
Profit/(loss) for the year after tax	437	(201)
Basic earnings/(loss) per share (pence)	0.67p	(0.31)p
Diluted earnings/(loss) per share (pence)	0.66p	(0.31)p

8. Earnings per share

The calculation of basic earnings per share at 31st December 2007 was based on the profit attributable to ordinary shareholders of £1,081,000 (2006: Loss £529,000) and a weighted average number of ordinary shares outstanding of 64,819,791 (2006: 64,669,106).

Profit attributable to ordinary shareholders	2007	2006
	£000	£000
Continuing operations	644	(328)
Discontinued operations	437	(201)
Profit attributable to ordinary shareholders	1,081	(529)

Weighted average number of ordinary shares

	2007	2006
	£000	£000
Issued ordinary shares at 1st January	64,669,106	64,669,106
Effect of shares issued on 21st December 2007	150,685	-
Weighted average number of ordinary shares at 31st December 2007	64,819,791	64,669,106
Dilutive effect of warrants	1,375,734	1,428,571
Diluted weighted average number of ordinary shares at 31st December 2007	66,195,525	66,097,677

In calculating the diluted loss per share in 2006 account has not been taken of the warrants, as they are not considered to be dilutive.