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31 March 2008

Matica PLC
("Matica", the "Group" or the "Company")

Unaudited Preliminary Results for the Year ended 31 December 2007

Matica, the international supplier of card personalisation and card mailing systems, announces its results for the year ended 31 December 2007.

HIGHLIGHTS

- Admission to trading on the AIM market of the London Stock Exchange plc
- Office relocation and integration of acquisitions resulted in non-recurring costs during the period
- Expanded technology and product suite following acquisitions of Digicard and Fractalos
- Matica System S.r.l., the principal operating subsidiary, continued to grow revenue and recorded another year of profits for 2007 equal to 0.8 million euros
- Successful integration of acquisitions leading to reduction in on-going costs
- Strong order book for 2008
- Before non-recurring items, interest, depreciation and amortisation the Group returned a profit before taxes of €0.8 million (2006: €2.5 million) on revenues of €13 million
- Appointment of Gary Holland as Non-Executive Chairman



Sandro Camilleri, CEO of Matica commented: "The Board is confident that the underlying strength of Matica's markets, combined with the internal actions we have undertaken will lead to improvements in profitability. With our continued focus on the card personalisation markets and innovative products that meet our customer needs, we believe that the outlook remains positive for the Group."

The Company's annual report and accounts will be distributed to shareholders as soon as practicable and will be available on our website (www.maticacs.com).

- Ends -

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Notes to Editors:

Since 2000, Matica has grown rapidly to become an international supplier of card personalisation and card mailing systems with sales to approximately 100 countries. The Group offers one of the most complete ranges of card personalisation systems, used for a wide range of plastic card personalisation including: credit and debit cards, smart cards, identification cards, security cards, SIM cards for mobile telephones, pre-paid telephone cards, membership cards, loyalty cards, electronic payment cards, patient cards, insurance cards and gift cards. The Group also produces a range of metal plate embossing systems for the personalisation of items such as vehicle identification number plates and dog tags for military or industrial projects.

Based in Milan, Italy, Matica was admitted to trading on AIM in April 2007. More information can be found at www.maticacs.com.

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

Unaudited Preliminary Results for the Year ended 31 December 2007

CEO'S STATEMENT

2007 was an important year in the development of Matica. The Group was admitted to AIM in April and the net funds raised of £1.3 million and public quotation have provided the Group with a platform to grow and develop our business.

In addition to the AIM admission, Matica integrated the Digicard business into the core business of the Group and also successfully relocated the backroom functions and office space to a single modern facility on the outskirts of Milan. The new site creates a single site and organisation, allowing the elimination of duplicate organisations with their attendant costs as well as purchasing synergies and better control of inventories.

The acquisition of Digicard has allowed our Group to enhance our product range into high speed systems and the benefits are already visible in 2008.

In the middle of 2007 the Group acquired a part of the business of Fractalos CardLab in order to add high speed embossing, innovative technology to all of our machines and systems. Fractalos technological know-how and personnel have increased the high-end quality of Matica products.

The integration of Digicard, Matica System and Fractalos technology is aiding the Group to capture new customers, adding technologies that end users want in products and improving the quality and reliability of the products and systems provided by our Group. We are confident that from 2008 onwards this integration is the starting point for the development of new products which will increase our sales and profitability.

Our revenue growth slowed from the first half of the year, with some orders for products delayed until late in 2007. This has led to a strong start to 2008 as these orders are currently being delivered. While the market for the Matica products remained good throughout the period, demand for the high end Digicard products was below our expectations. We are comfortable that demand will improve once more in 2008, as we have seen an increase in orders for Digicard products in the last months of 2007 and into 2008.

During the period we closed the Vienna office of Digicard through integration into our Milan and Bologna operations. Our continued work in integrating the Digicard acquisition led to a significant write down of the inventory acquired as part of the acquisition. The Group incurred a number of “one off” non-recurring charges during the year that suppressed profitability and earnings. These one off charges comprised of write downs following the Digicard acquisition, re-organisation costs following the acquisition of Fractalos and relocation costs on the move to our new premises.

Matica System S.r.l. the Group’s principal operating subsidiary from which approximately 95% of the Group’s revenues are generated, continued growing revenue in 2007 and recorded another year of profit before taxes equal to €0.8 million.

Our Group gross margin on a consolidated base has decreased compared to the previous year. We are confident that gross margin will increase during 2008 thanks to the new and innovative products and systems developed by the integration of the technology of Matica System S.r.l., Fractalos and Digicard.

The announcement of the Company’s annual results for the year ended 31 December 2007 is the second set of results since our IPO in April and the results have been prepared in accordance with International Financial Reporting Standards (IFRS). The results for the year ended 31 December 2007 have been calculated under a different methodology than used in the IPO Admission Document and for the previous financial year. We have accounted for the Group results as a continuation of the pre-existing Matica Swiss group which reversed into Matica plc.

This makes a true period on period comparison of results very difficult. The consolidated annual numbers now include the full results from Digicard, which was purchased in June, 2006, the Matica plc and Matica Asia Pacific Pte Ltd.

Results for the year show revenues of €13 million (2006: €13 million) and a loss before tax of €1.4 million (2006: profit before tax of €1.8 million). Before non-recurring items and depreciation and amortization the Group returned a profit before taxes of €0.8 million (2006: €2.5 million).

In keeping with conservative accounting practice, we have incurred non-recurring charges of almost €0.9 million related to inventory and receivables.

Corporate Matters

We are very pleased to welcome Gary Holland to our Board of Directors as our Non-Executive Chairman. Mr. Holland brings a wealth of experience of the card personalisation systems industry to Matica, following a career which has included senior roles with Fargo Electronics, Inc and DataCard Corporation. From 1998 until its sale to Assa Abloy in 2006, Mr. Holland was CEO of Nasdaq listed Fargo building the company from \$ 35 million to \$ 91 million revenue per year. Prior to joining Fargo Mr. Holland spent ten years between 1982-1992 as CEO of DataCard Corporation. During his ten year leadership of DataCard Corporation, the Group grew revenues from \$30m to \$325m. Gary's extensive experience in the card industry, his expertise in the embossing industry and strong track record of growing companies will be an important asset for us over the coming years; moreover his familiarity with the challenges of our industry will be invaluable to us over the next few years, as we look to achieve our goal of becoming the preferred alternative to the industry leader.

In July, 2007 I increased my holding in Matica through the purchase from Kaitech of shares to the value of € 2,700,000, equivalent to GBP 1,800,000. Following this transaction I now own 29.9% of the issued share capital of Matica, by virtue of the above investment and my ownership stake in Manplus Holding, the company through which the management of Matica holds 1,200,000 shares in Matica. This share acquisition demonstrates my strong belief in Matica's business and its future prospects.

Outlook

The Board is confident that the underlying strength of Matica's markets, combined with the internal actions we have undertaken will lead to improvements in profitability. Overall, the market for using plastic cards for ID, security, banking and loyalty programmes remains encouraging. We have some concerns about the impact of the economic issues regarding the subprime loan market on issuers of credit cards; however, the market continues to be driven by the continued growth in the use of credit and debit cards, particularly in emerging markets, the migration of these cards from a magnetic strip to smart cards and the continued concerns over security and safety worldwide, with particular reference to the ID applications. Matica is also ideally positioned to benefit from the increased worldwide trend for banks to decentralise card issuance. With our continued focus on the card personalisation markets and innovative products that meet our customer needs, we believe that the outlook remains positive for the Group.

We expect operating margins to increase over the next couple of years as the Digicard business is now fully integrated into Matica's Italian operations. We believe that the benefit of the enhanced technology held by the Group through the integration of its acquisitions in 2006 and 2007 will be visible from the second half of 2008 with the anticipated launch of new, highly innovative products that will meet and exceed the demands of our markets.

Sandro Camilleri
Chief Executive

28 March 2008

MATICA PLC**UNAUDITED CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2007**

	2007	2006
	€'000	€'000
Revenue	12,975	13,098
Raw materials and consumables used	(6,735)	(5,638)
Gross profit	6,240	7,460
Other operating income	36	29
Staff costs	(2,005)	(1,946)
Other operating expenses	(4,364)	(3,143)
Depreciation and amortisation	(1,159)	(534)
(Loss)/profit from operations	(1,252)	1,866
Finance costs	(178)	(58)
Investment revenues	51	3
(Loss)/profit before tax	(1,379)	1,811
Income tax	(410)	(798)
(Loss)/profit for the period	(1,789)	1,013
(Loss)/profit attributable to:		
Equity holders of the Company	(1,789)	911
Minority interest	-	102
	(1,789)	1,013
(Loss)/earnings per share		
Basic and diluted	(€ 0.20)	€ 0.18

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2007

	Share capital €'000	Share premium €'000	Merger reserve €'000	Other reserves €'000	Retained earnings €'000	Minority interest €'000	Total equity €'000
Balance at 31 December 2005	3,478	3,513	-	39	(1,246)	(384)	5,400
Profit for the year	-	-	-	-	1,013	(102)	911
Exchange rate translation adjustment	-	-	-	70	-	-	70
Total recognised income and expense	-	-	-	70	1,013	(102)	981
Acquisition of minority interest	-	-	-	-	-	486	486
Transfer to reserves	-	-	-	11	(11)	-	-
Balance at 31 December 2006	3,478	3,513	-	120	(244)	-	6,867
Loss for the year	-	-	-	-	(1,789)	-	(1,789)
Exchange rate translation adjustment	-	-	-	(5)	-	-	(5)
Total recognised income and expense	-	-	-	(5)	(1,789)	-	(1,794)
Transfer to other reserves	-	-	-	46	(46)	-	-
Cost of share based payments	-	-	-	31	-	-	31
Reclassification of share capital and reserves on acquisition by Matica plc	(3,389)	(3,513)	119	-	-	-	(6,783)
Reverse acquisition of Matica Swiss	405	-	6,467	-	-	-	6,872
Acquisition of Matica Asia	98	1,561	-	-	-	-	1,659
IPO Share issue	152	1,801	-	-	-	-	1,953
Balance at 31 December 2007	744	3,362	6,586	192	(2,079)	-	8,805

MATICA PLC**UNAUDITED CONSOLIDATED BALANCE SHEET as at 31 December 2007**

	2007	2006
	€'000	€'000
Non - current assets		
Goodwill	5,018	5,007
Intangible fixed assets	4,073	2,365
Property, plant and equipment	415	560
Deferred tax receivables	256	151
Total non-current assets	<u>9,762</u>	<u>8,083</u>
Current assets		
Inventory	2,459	1,938
Trade and other receivables	2,016	5,164
Cash and cash equivalents	1,456	366
Total current assets	<u>5,931</u>	<u>7,468</u>
Current liabilities		
Financial Liabilities - borrowings	1,322	1,279
Trade and other payables	4,593	7,168
Corporation tax liabilities	-	70
Total current liabilities	<u>5,915</u>	<u>8,517</u>
Net current assets/(liabilities)	16	(1,049)
Non-current liabilities		
Financial liabilities - borrowings	672	-
Deferred tax liabilities	301	167
Total non-current liabilities	<u>973</u>	<u>167</u>
Net assets	<u>8,805</u>	<u>6,867</u>
Equity		
Share capital	744	3,478
Share premium account	3,362	3,513
Merger reserve	6,586	-
Other reserves	192	120
Retained losses	<u>(2,079)</u>	<u>(244)</u>
	<u>8,805</u>	<u>6,867</u>

MATICA PLC**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2007**

	Note	2007 €'000	2006 €'000
Net cash (outflow)/inflow from operating activities	3	(502)	1,745
Investing activities			
Additions to tangible fixed assets		(76)	(387)
Additions to intangible fixed assets		(1,393)	(2,434)
Investment in subsidiaries		-	(1,000)
Disposal of tangible fixed assets		21	3
Disposal of intangible fixed assets		414	55
Interest received		51	4
Net cash used in investment activities		(983)	(3,759)
Financing activities			
Proceeds from share issues		2,043	1,524
Net cash from acquisitions		-	24
Increase / (Decrease) in short term financings		(152)	522
Increase in long term financings		960	-
Repayments of long term financings		(93)	-
Interest paid		(178)	(48)
Net cash from financing		2,580	2,022
Net increase in cash and cash equivalents		1,095	8
Effect of foreign exchange rate changes		(5)	71
Cash and cash equivalents at beginning of the year		366	287
Cash and cash equivalents at the end of the year		1,456	366

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Notes

1. The auditors have not reported on the financial statements for the year ended 31 December 2007, nor have any such accounts been delivered to the Registrar of Companies as at the date of this announcement. The preliminary report for the period to 31 December 2007 was approved by the Directors on 28 March 2007. The preliminary results for the year ended 31 December 2007 are unaudited. The financial information set out in the announcement does not constitute the Group's statutory annual report for the year ending 31 December 2007 within the meaning of section 240 of the Companies Act 1985. The annual report for the period ended 31 December 2007 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be posted to shareholders in April 2008. It will be delivered to the Registrar of Companies following the Company's annual general meeting.

Matica plc will produce its statutory accounts for the year ended 31 December 2007 in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

Matica plc was incorporated in November 2006 to acquire the business and assets of the continuing operations of Matica Swiss AG. Matica plc was formed as a shell company as a vehicle for the listing of the existing business of the Matica Swiss AG group. The introduction of Matica plc therefore constituted a reverse takeover of a shell company that did not constitute a business, falling outside the direct purchase accounting requirements of International Financial Reporting Standard 3 regarding Business Combinations. It has therefore been treated as a group reconstruction using merger accounting principles, rather than under purchase accounting principles. Accordingly the group has been treated as a continuation of the business of Matica Swiss AG for financial reporting purposes and the comparative information for the year to 31 December 2006 relates to the consolidated group of Matica Swiss AG. The comparative figures have been derived from the individual company accounts that were consolidated in to the audited accounts of Kaitech S.p.A., the previous parent of Matica Swiss AG, a company listed on the Italian Stock Exchange.

2. Earnings per share	2007	2006
	€'000	€'000
<i>Earnings</i>		
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity shareholders	(1,789)	911
<i>Number of shares</i>		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	Number 8,825,461	Number 4,927,600

As the group had negative earnings for 2007 the number of shares used for the calculation of diluted earnings per share is the same as that used for basic earnings per share. In 2006 no dilutive share options had been granted.

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3. Cash (used in)/generated from operations	2007	2006
	€'000	€'000
Income from operations	(1,252)	1,866
<i>Adjustments for:</i>		
Depreciation & writedowns	200	109
Amortisation	959	401
Share based payment	31	-
Decrease/(increase) in trade and other receivables	3,148	(2,572)
(Increase) in inventory	(521)	(249)
(Decrease)/increase in trade and other payables	(2,616)	2,240
Cash (used in)/generated from operations	(51)	1,795
Taxes paid	(451)	(50)
Net cash (outflow)/ inflow from operating activities	(502)	1,745