



Embargoed until 0700

28 September 2007

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

Unaudited Interim Results for the Six Months ended 30 June 2007

Matica, the international supplier of card personalisation and card mailing systems, announces interim results for the six months ended 30 June 2007.

HIGHLIGHTS

- Revenues up 17% for the first half of the year with a significant upswing in sales in the second quarter of the year
- Strengthened balance sheet with increased equity and assets
- Profit was down from 2006, primarily as a result of a number of exceptional items
- Successful admission to AIM in April 2007, raising approximately £2.03 million (gross)
- €2 million orders announced in April 2007 for card personalisation machines to be installed in local bank branches in Greece, Spain, Poland, Ukraine, Kuwait and Iran
- Appointment of new distribution in the United States for Matica plastic card products
- Matica's markets remain healthy and offer the Group exciting opportunities

Sandro Camilleri, Executive Chairman of Matica commented: "The Board is confident that the strength of Matica's markets, combined with the internal actions we are undertaking to improve profitability, positions the Group well for the balance of 2007 and beyond."

The Company's interim accounts will be distributed to shareholders as soon as practical and will be available shortly 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 in approximately 70 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, military dog tags and industrial products.

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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CHAIRMAN'S STATEMENT

I am pleased to report continuing strong revenue growth for the first half of 2007. Especially encouraging is the growth in revenues in the second quarter of 2007 which highlights the underlying strength of the market for card embossing and card printing machines.

Overall, the market for using plastic cards for ID, security, banking and loyalty programmes remains encouraging. Demand is being impacted more by customers choosing the structure of their programmes than economic issues. The market is being driven by the continued growth in the use of credit and debit cards, the migration of these cards from a magnetic strip to smart cards and the continued concerns over security and safety worldwide. With our continued focus in the card personalisation markets and innovative products that meet our customer needs, we believe that the outlook remains positive for the Group.

A significant milestone for the Group during the period was the successful completion of our IPO in April. As we highlighted in August, the IPO process took longer than planned resulting in delays in some operational activities previously expected to drive our growth in 2007 and impacting revenues, especially in the first quarter of 2007. These activities are now underway and we anticipate seeing the results of these in 2008 and beyond.

Sales rebounded strongly in the second quarter and, as in line with our stated intent at the time of the IPO, we believe that we have now become the second largest embossing machine manufacturer in the world. This is an important achievement for us and one that will help us to continue to build our distribution worldwide.

In April we were pleased to announce that we had won orders for several hundred card personalisation machines to be installed in local bank branches in Greece, Spain, Poland, Ukraine, Kuwait and Iran. The total value of these orders, to be fulfilled during 2007, is approximately €2 million.

In August, we announced an exclusive distribution agreement with TransTech Systems for our plastic card products for the Western United States as well as noting on-going relationships with other distributors in the United States and Canada. This agreement, which shows our work to add to our international distribution capabilities, represents an important step for Matica in one of the largest card markets in the world.

The Board is not satisfied with the levels of profitability we achieved in the second quarter. To address this, we intend to further integrate the important technologies resident in Digicard into our full line of products. The full benefits of the Digicard acquisition will come as we achieve this integration which we expect to complete in 2008 and believe this will help to drive our sales in 2008 and beyond.

We are also taking steps to reduce our expenses to fall in line with our expectations of revenue growth. Our goal is to keep expenses under 40% of sales, which we did not achieve in the second quarter of 2007. We have already begun to address this issue and will be taking further steps over the next months. This process may impact 2007 results, but it

will position Matica for on-going revenue growth and a return to the levels of profitability in 2008 that we expect.

Our balance sheet improved in 2007 with higher equity and increased assets values while cash flow reflected an increase in receivables and inventory due to our increased sales, with a corresponding rise in payables.

The announcement of the Company's results for the half year ended 30 June 2007 is the first set of results since our IPO in April and the results have been prepared in accordance with International Financial Reporting Standards (IFRS). The interim results for the six month period have been calculated under a different methodology than used in the IPO Admission Document. We have, on the advice of our auditors, applied a reverse acquisition methodology rather than the acquisition methodology.

This makes a true period on period comparison of results very difficult. The consolidated six month numbers now include the full results from Digicard, which was purchased in June, 2006, the Matica PLC entity, which was created specifically for the IPO, and Matica Asia.

In order to provide a clearer view of the results, we have provided unaudited results for the consolidated entities for the second quarter of 2007, which is when all of the Group companies actually existed. These unaudited numbers are consolidated under the reverse acquisition methodology.

We believe that an evaluation of the profitability results for the second quarter of 2007 unaudited numbers shows a more accurate picture of the Company's situation. Including all sales of all entities, sales of 4.8 million euro reflect a 24% growth rate versus the second quarter of 2006. Further, the level of expenses in these unaudited numbers are the best reflection of the on-going expenses we anticipate incurring quarterly.

In keeping with conservative accounting practice, we have incurred exceptional charges of more than €250,000 in the first half related to inventory and receivables.

In the half year consolidated numbers, we have shown estimated taxes for each entity in the countries that each operates. The high rate of tax charged reflects the profit of the Italian entity against a lower tax rate in the other operating companies or no tax due to losses in those entities. In the second quarter, there is no estimated tax provision since Matica PLC is in the process of restructuring the entities in order to take advantage of more favourable tax rates. Based on the current estimates, we believe the tax rates going forward will be more advantageous to the Group.

Corporate Matters

In July, 2007 Matica was spun out of Kaitech. The spin off was a consequence of my additional purchase of shares in the amount of € 2,700,000. 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.

On 21 September 2007 Kaitech paid the final installment due to Mr Merini for the acquisition of Matica System and this terminates the share pledge that was made in favour of Mr Merini. Therefore the risk that the pledge would be exercised which was noted in the Admission Document has now been completely eliminated.

Outlook

The Board is confident that the strength of Matica's markets, combined with the internal actions we are undertaking to improve profitability, positions the Group well for the balance of 2007 and beyond.

INCOME STATEMENT

	Consolidated Matica PLC 30/06/2007 (Unaudited) €'000	Matica System S.r.l. 30/06/2006 (Unaudited) €'000	Consolidated Matica PLC Second Quarter 2007 01/04/07 - 30/06/07 (Unaudited) €'000
Sales	6,834	5,859	4,587
Changes in Work in Progress and Finished Goods	305	21	(446)
Other Revenues	813	140	637
Total Revenues	7,951	6,020	4,777
Cost of sales	(3,656)	(2,807)	(2,105)
Gross profit	4,296	3,213	2,672
Personnel cost	(1,875)	(995)	(1,234)
Other operating expenses	(2,127)	(1,288)	(868)
Changes in Raw Materials, Subsidiary Materials, Consumables and Goods	72	114	(74)
Income from operations	365	1,044	496
Other income / (expense)	(389)	(171)	(154)
Interests receivable/ (payable)	(105)	(10)	(89)
Income before corporation tax	(129)	864	253
Provision for corporation tax	(116)	(425)	-
Profit (Loss) of the period	(245)	439	253

BALANCE SHEET

	Consolidated Matica PLC 30/06/2007 (Unaudited) €'000	Matica System S.r.l. 30/06/2006 (Unaudited) €'000
Intangible fixed assets	11,207	142
Tangible fixed assets	448	546
Investments	324	138
FIXED ASSETS	11,979	826
Inventory	2,277	1,243
Debtors and prepayments	5,323	4,251
Cash	2,007	335
CURRENT ASSETS	9,607	5,829
TOTAL ASSETS	21,585	6,655
Provisions	592	348
Creditors and accruals	8,503	5,085
TOTAL LIABILITIES	9,095	5,433
NET ASSETS	12,490	1,222
Share capital	746	482
Reserves	11,744	740
EQUITY	12,490	1,222

CASH FLOW STATEMENT

	Consolidated Matica PLC 01/01/2007 30/06/2007 €'000	Matica System S.r.l. 01/01/2006 30/06/2006 €'000
Net profit	(245)	439
Adjustments for		
Depreciations and Amortizations	181	-
(Increase) / Decrease in trade receivables and other receivables	(166)	(1,416)
(Increase) / Decrease of stocks	(339)	(135)
Increase / (Decrease) of trade payables and other payables	(587)	419
Increase / (Decrease) of provisions	150	20
(Increase) / Decrease of deferred tax assets	(183)	-
Net cash inflow / (outflow) from operations	(1,188)	(675)
(Increase)/ Decrease in assets	(2,674)	(231)
Net cash inflow / (outflow) from asset investments	(2,674)	(231)
Share capital or reserves increase	4,502	-
Increase / (Decrease) of long term financings	768	-
Increase / (Decrease) of short term financings	235	847
(Increase) / Decrease of investments	(1)	107
Net cash inflow / (outflow) from cash management	5,504	955
Net cash inflow / (outflow) of cash	1,641	49

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share Capital €'000	Share premium account €'000	Reverse acquisition reserve €'000	Share based payments €'000	Currency translation reserve €'000	Other reserves €'000	Retained earnings €'000	Total equity €'000
Balance at 31 December 2006	405	6,468	118	-	132	291	(349)	7,065
Profit/(loss) for the period	-	-	-	-	-	-	(245)	(245)
Share-based payments	-	-	-	30	-	-	-	30
Acquisition of Matica Swiss	89	-	1,686	-	-	-	-	1,775
Acquisition of Matica Asia	98	-	1,858	-	-	-	-	1,956
Exchange rate translation adjustment	2	35	-	-	(83)	-	1	(45)
Net proceeds of share issue	153	1,801	-	-	-	-	-	1,954
Balance at 30 June 2007	747	8,304	3,662	30	49	291	(593)	12,490

The table above shows only equity movements from the end of December 2006 to June 2007 since prior to the end of December 2006 movements related to the single entity Matica System S.r.l. and may be misleading.

MATICA PLC

NOTES TO THE FINANCIAL INFORMATION for the six months ended 30 June 2007

1. Accounting policies

Basis of preparation

The next annual financial statements of the Matica plc (“the Group”) will be prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the EU applied in accordance with the provisions of the Companies Act 1985.

Accordingly, the interim financial information in this report has been prepared using accounting policies consistent with IFRS. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be applicable as at 31 December 2007.

The financial information is presented in Euro, being the currency of the primary economic environment in which the Group operates, even though the functional currency of the parent company is currently Sterling.

The financial information has been prepared under the historical cost convention as modified by the revaluation of available-for-sale investments. The principal accounting policies set out below have been consistently applied to all periods presented.

Comparative information

The comparative information for the 6 months to 30 June 2006 relates to the business of Matica System S.r.l.

IFRS transition

IFRS 1 permits companies adopting IFRS for the first time to take certain exemptions from the full requirements of IFRS in the transition period. The interim financial information has been prepared on the basis of the following exemption:

- Business combinations prior to 1 January 2006 have not been restated to comply with IFRS 3 “Business Combinations”

Non-statutory accounts

The financial information for the 6 months ended 30 June 2007 and 30 June 2006 is unaudited and the financial information contained in this Interim Report does not constitute statutory accounts within the meaning of Section 240(5) of the Companies Act 1985.

Basis of consolidation

The financial information incorporates the results of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the results of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations and goodwill

On acquisition, the assets and liabilities and contingent liabilities of subsidiaries are measured at their fair values at the date of acquisition. Any excess of cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to profit and loss in the period of acquisition. Goodwill arising on consolidation is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Revenue arising from the sale of services is recognised when and to the extent that the Group obtains the right to consideration in exchange for the performance of its contractual obligations as follows:

- Maintenance and assistance services are recognised when they are performed
- Machine rent services are recognised with reference to the rent period even though they are charged monthly, quarterly or yearly.

Foreign currency

Transactions in foreign currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange gains and losses on short-term foreign currency borrowings and deposits are included with net interest payable. Exchange differences on all other transactions, except relevant foreign currency loans, are taken to operating profit.

Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

The tax currently payable is based on the estimated taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date in the countries the Group operates.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis.

Share based payments

The cost of share-based employee compensation arrangements, whereby employees receive remuneration in the form of shares or share options, is recognised as an employee benefit expense in the income statement.

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The assumptions underlying the number of awards expected to vest are subsequently adjusted for the effects of non market-based vesting to reflect the conditions prevailing at the balance sheet date. Fair value is measured by the use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of the non-transferability, exercise restrictions and behavioural considerations.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Fixtures and fittings	15%
Furniture	12%
Office equipment	20%
Plant and machinery	10%

Research and Development

Internal research costs are charged against income as incurred. Internal development costs are capitalised as intangible assets only when there is an identifiable asset that will generate expected future economic benefits and when the cost of such an asset can be measured reliably. Other internal development costs are charged against income as incurred since the criteria for their recognition as an asset are not met.

Capitalised internal development costs are amortized on the basis of the period of time they are expected to produce revenues in the future.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Investments are classified as either held-for-trading or available for sale at initial recognition and this designation is re-evaluated at each balance sheet date. At the balance sheet date all such investments are classified as available-for-sale. Investments are initially measured at cost, including transaction costs. At subsequent reporting dates available-for-sale investments are measured at fair value or at cost where fair value is not readily ascertainable. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss recognised previously in equity is included in the net profit or loss for the period.

Trade receivables and other receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The amount of any related provisions are recognised in the Income Statement.

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less.

Trade and other payables are not interest bearing and are stated at their fair value.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans are recorded at the proceeds received, net of direct issue costs. Finance costs are accounted for on an accruals basis in the income statement using the effective interest method.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial information in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were:

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. No provision for impairment was made in the period and the carrying value of goodwill at the balance sheet date was €8,695,000.

Share based payments

In determining the fair value of equity settled share based payments and the related charge to the income statement, the Group makes assumptions about future events and market conditions. In particular, judgement must be made as to the likely number of shares that will vest, and the fair value of each award granted. The fair value is determined using a valuation model which is dependent on further estimates, including the Group's future dividend policy, employee turnover, the timing with which options will be

exercised and the future volatility in the price of the Group's shares. Such assumptions are based on publicly available information and reflect market expectations and advice taken from qualified personnel. Different assumptions about these factors to those made by the Group could materially affect the reported value of share based payments.

3. Reverse Acquisition

On 30 March 2007 the Company entered into a share exchange agreement with Matica Swiss AG. Under the terms of the agreement the Company issued 5,477,600 shares as consideration for the acquisition of the entire issued share capital of Matica Swiss AG. This resulted in the former shareholders of Matica Swiss obtaining 82% of the issued ordinary shares of Matica Plc. The acquisition has been accounted for as a reverse acquisition. For the purposes of accounting for this transaction Matica Swiss has been treated as the acquirer and Matica Plc as the acquiree. The net assets of Matica Plc at the date of acquisition consisted of shareholders funds of €89,000.

4. Matica Asia

On 2 April 2007 the Company entered into a share exchange agreement with Matica Asia Pacific Pte Ltd. Under the terms of the agreement the Company issued 1,322,400 shares as consideration for the acquisition of the entire issued share capital of Matica Asia. Matica Asia was formed October 2006 and is the holding company for Matica China Limited and Matica South East Asia Pte Ltd, which companies were set up to manage and develop the business expansion of the Group into the Asia-Pacific region. The Matica Asia group is responsible for managing the marketing, distribution and maintenance of the Group's machines, systems and equipment in the Asia-Pacific region. At the date of acquisition Matica Asia had net liabilities of € 29,000.

5. Segmental information

Business segments

The Group has only one business segment, namely design, manufacture and market card personalisation systems and card mailing systems for customers around the world in a range of industries. This is to be considered the primary reporting segment for the Group.

Here below, the identification of business and not allocated P&L components.

PRIMARY SEGMENT Data as at 30.06.06	CARD MANAGEMENT	Not Allocated	MATICA GROUP
Profit & Loss	30.06.07	30.06.07	30.06.07
	€'000	€'000	€'000
External Revenues	7,955	(3)	7,951
Revenues between sectors	-	-	-
<i>% of external revenues</i>	<i>100,00%</i>	<i>100,00%</i>	<i>100,00%</i>
Costs of sectors	(7,804)	(171)	(7,975)
Segmental Result (EBIT)	151	(175)	(24)

Geographical segment

The Group reports by geographical segments as its secondary segments.

SALES BREAKDOWN

	Consolidated Matica PLC (Unaudited) 30/06/2007 €'000	Matica System S.r.l. (Unaudited) 30/06/2006 €'000
Middle East and Africa	1,903	1,534
Europe	4,056	2,959
Asia Pacific	463	689
Americas	411	677
TOTAL	6,833	5,859

6. Earnings per share

	6 months to 30/06/2007 €'000
Profit/(loss)	
Profit/(Loss) for the purpose of basic and diluted earnings per share	(245)
Number of shares	
Weighted average number of ordinary shares in issue during the period	7,769,608
Basic and fully diluted earnings/(loss) per share	(€ 0.0315)

The weighted average number of shares for the 6 months to 30 June 2006 excludes those held by Matica Plc shareholders prior to the reverse acquisition, but instead includes the shares issued to the shareholders of Matica Swiss in consideration for the ordinary share capital of that company.

The calculation of diluted earnings per share assumes conversion of all potentially dilutive ordinary shares, all of which arise from share options. A calculation is performed to determine the number of shares that could have been acquired at fair value, based upon the monetary value of the subscription rights attached to outstanding share options.

7. Share capital

Allotted, issued and fully paid:	Number of ordinary shares	€'000
At 31 December 2006	5,477,600	405
Issued on acquisition of Matica Swiss	1,200,000	89
Issued on acquisition of Matica Asia	1,322,400	98
Shares issued for cash	2,062,816	152
At 30 June 2007	10,062,816	744

8. Share options

In April 2007 the directors and key management of the Group were awarded options over a total of 824,177 shares, exercisable in equal tranches after 1 year, 2 years and 3 years at a price of €1.48 (£1.00) per share, dependent on the group achieving certain earnings per share targets for the years 2007, 2008 and 2009.

A share-based payment charge of €21,000 has been recognised in the profit and loss account for the six months in respect of these options.

9. CORPORATE TAXATION

	Consolidated Matica PLC (Unaudited) 30/06/2007 €'000	Matica System S.r.l. (Unaudited) 30/06/2006 €'000
- Current taxes	255	425
- Deferred taxes	(84)	-
Total	172	425

Tax provisions as at June 30th 2007 are calculated on the basis of the present tax rates applied in the countries the Group operates and depend mostly on the high tax rate applicable on the Italian company profit against a lower profit or a loss in the countries (UK, Austria, Asia) where tax rates are lower than the Italian one.

In the second quarter there is no tax provision at all, as from July on Matica Group is not controlled by Kaitech any longer and as a consequence will restructure itself from a fiscal point of view, trying to get advantage from being operative in such countries where tax rate is more convenient, therefore any provision would be based on a taxable profit that cannot be projected.