CHAIRMAN'S REVIEW

Introduction

I am pleased to report good progress for Cardpoint during the six months ended 31 March 2007. Significant increases in EBITDA, profit* and adjusted earnings per share* reflect the encouraging start to the year and the efforts taken to improve margins. Major achievements include the restructuring of the Company's Board and operational management team, the disposal of the two non-core subsidiaries, G2 Integrated Solutions Limited and Cardpoint Merchant Services Limited, and more recently the acquisition of the Travelex ATM business.

Trading and profitability

Turnover from continuing operations for the first half of the year was £40.8 million (2006: £40.7 million), a similar level to the previous half year as we have continued to remove poor performing machines but also seen a softening in revenues. Despite this and as a result of our strategy to concentrate on improving margin and the control of direct costs, we remain on budget at the end of the half year. EBITDA* increased 42% to £9.9 million (2006: £7.0 million), profit before tax* increased 250% to £3.9 million (2006: £1.1 million) and adjusted earnings per share* increased 206% to 3.58 pence per share (2006: 1.17 pence per share). Basic earnings per share shows a loss of 15.02 pence per share (2006: loss of 14.68 pence per share) due to our policy of amortising goodwill over the short period of five years.

Cardpoint's core business has performed well in a challenging market and continues to be underpinned by a number of long-term contracts. Our estate of cash machines in the UK is now over 5,100 and we operate cash machines for most of the UK's petrol station operators, large convenience retailers and companies in the leisure industry. We continue to operate ATMs on behalf of the Bradford and Bingley and Norwich and Peterborough Building Societies where the arrangements are beneficial to both parties and represent a viable outsourcing model which we believe is attractive to other financial institutions.

Our German business has continued to make encouraging progress and the estate has now increased to over 760 cash machines. The German ATM market is still immature with a lower level of withdrawals than the UK and we continue to believe that this market has significant growth potential, in terms of increasing the number of installed machines as well as transactions per machine.

Growth and acquisitions

Cardpoint's strategy continues to be to grow our ATM network and the volume of transactions organically through improving the quality and deployment of our estates. We have continued to focus on Through The Wall ('TTW') machines in high footfall locations which, given their 24 hour availability, generate higher transaction volumes and hence greater profitability. In addition, we will continue to evaluate opportunities to acquire other ATM businesses provided that they meet our criteria for synergies and earnings enhancement.

On 17 April 2007 we announced the acquisition of the ATM business of Travelex UK Limited and Travelex ATMs Limited, for a cash consideration of £12.9 million. This is a strategic acquisition and helps develop our machine estate in the Company's core UK ATM market. The Travelex estate has 1,070 machines located in prime convenience locations such as service station forecourts and convenience food restaurants and the integration of this business should generate significant synergy benefits for the Group. These synergies will result from reduced maintenance, interest and overhead costs as well as the removal of loss making machines and improved measures to reduce losses from criminal attack. There is also an additional opportunity to improve profitability by converting a proportion of the Travelex machines to TTW machines in a similar manner to the approach we are taking with our existing estate of ATMs. The contribution from this acquisition will result in material earnings accretion in 2008 and beyond.

Disposal/closure of non core or loss making businesses

G2 Integrated Solutions Limited, a company which provides cashless payment and access control systems, was sold to G4Tech in October 2006 for £3.2 million. In March 2007 we sold Cardpoint Merchant Services Limited, which provides the service for mobile phone top ups, to Alphyra UK Limited for an initial consideration of £0.7 million and estimated deferred consideration, which has not been included in the calculation of the profit/loss on sale of the business, of £0.7 million. Neither of these businesses complemented the core ATM business and did not make a material contribution to the profitability of the Company. The sale proceeds from these divestments have been used to reduce group borrowings.

We have previously referred to the poor financial performance of the loss-making Netherlands business and as there was no possibility of creating a profitable business, a decision was taken to close the company in January 2007. The half year results therefore include an exceptional loss of £0.97 million in respect of asset write-offs and closure costs.

Cashflow and borrowings

The company continues to generate strong cashflow with operating cashflow increasing 145% to 7.4 million (2006: £3.0 million). We have invested £5.7 million in new machines during the six month period and repaid £4.3 million of borrowings. Net debt at 31 March 2007 has reduced to £58.5 million (2006: 62.8 million) and following the acquisition of the Travelex ATM business we have new group bank facilities of up to £98 million to provide the resources for continued expansion.

Management structure

We have reviewed the management structure of the Company and have made several changes to establish a more efficient and effective operational structure to enable the Company to achieve its objectives. Various exceptional costs have been incurred in relation to this reoganisation and further details are provided in the interim report. As previously announced Paul Saxton joined the board as Chief Operating Officer and Philip Lanigan as Finance Director. David Mills, David Golden and Lee Ginsberg have joined the Board as Non Executive Directors and these changes provide the depth of knowledge and experience to direct the Company during its next phase of development. Robin Gregson will be standing down from the Board at the end of May and I would like to thank him for his contribution to the Company's development over the past three years.

Outlook

Our objectives continue to be to improve the deployment, quality and security of our estate; to focus on increasing the number of TTWs and improving the location of machines, both of which lead to higher yields. We have a good sales pipeline of machines under order, particularly of the higher yielding TTWs. The integration of the Travelex business has commenced and we are confident this will make a significant contribution to Group profitability in the future. We expect it to contribute EBITDA in excess of £1 million in 2007 and in excess of

£5 million in 2008, resulting in a substantial enhancement of earnings from that year. We are confident that the integration of Travelex together with our focus on improvements to the existing business will enhance profitability and shareholder value.

The Board looks forward to continued sustainable growth and is confident of building on the strong foundations already established in the business to make continued progress in improving the profitability of the company.

Bob Thian
Chairman
21 May 2007

* before goodwill amortisation, charges for share based payments and exceptional items

Consolidated Profit and Loss Account
For the 6 months ended 31 March 2007

Unaudited

6 months ended 31 March 2007

	Note	Before goodwill and exceptional items £'000	Goodwill and exceptional items £'000	Total £'000
Turnover				
Continuing operations		40,847	-	40,847
Discontinued operations		1,498	-	1,498
		42,345	-	42,345
Cost of sales		(30,617)	-	(30,617)
Gross profit		11,728	-	11,728
Administrative expenses				
Amortisation of goodwill		-	(15,158)	(15,158)
Exceptional items	3	-	(3,079)	(3,079)
Share based payments		(750)	-	(750)
Other administrative expenses		(5,372)	-	(5,372)

Total administrative expenses		(6,122)	(18,237)	(24,359)
Operating profit/(loss)				
Continuing operations		5,635	(17,925)	(12,290)
Discontinued operations		(29)	(312)	(341)
		5,606	(18,237)	(12,631)
Loss on sale or termination of operations		-	(1,018)	(1,018)
Loss on disposal of fixed assets		-	(449)	(449)
Profit/(loss) on ordinary activities before interest		5,606	(19,704)	(14,098)
Net interest		(2,418)	-	(2,418)
Profit/(loss) on ordinary activities before taxation		3,188	(19,704)	(16,516)
Tax on loss on ordinary activities	4	-	-	-
Profit/(loss) on ordinary activities after taxation		3,188	(19,704)	(16,516)
Minority interests		-	-	-
Profit/(loss) for the financial period		3,188	(19,704)	(16,516)
(Loss)/earnings per ordinary share				
Basic and fully diluted	5		(15.02)p	
Basic and fully diluted - continuing operations	5		(13.77)p	
Basic (before goodwill amortisation and exceptional items)	5		2.90p	
Diluted adjusted (before goodwill amortisation and exceptional items)	5		2.81p	

The notes at the back of this release form an integral part of this financial information.

Consolidated Profit and Loss Account
For the 6 months ended 31 March 2007 (continued from table above)

	Note	Unaudited Restated 6 months ended 31 March 2006 Total £'000	Audited Restated Year ended 30 September 2006 Total £'000
Turnover			
Continuing operations		40,663	84,070
Discontinued operations		6,800	13,801
		47,463	97,871
Cost of sales		(34,957)	(67,401)
Gross profit		12,506	30,470
Administrative expenses			
Amortisation of goodwill		(14,692)	(30,378)
Exceptional items	3	(1,195)	(1,961)
Share based payments		(769)	(1,538)
Other administrative expenses		(9,009)	(17,327)
Total administrative expenses		(25,665)	(51,204)
Operating profit/(loss)			
Continuing operations		(12,758)	(20,665)
Discontinued operations		(401)	(69)
		(13,159)	(20,734)
Loss on sale or termination of operations		-	-
Loss on disposal of fixed assets		-	-
Profit/(loss) on ordinary activities before interest		(13,159)	(20,734)
Net interest		(2,373)	(4,875)
Profit/(loss) on ordinary activities before taxation		(15,532)	(25,609)
Tax on loss on ordinary activities	4	-	-

Profit/(loss) on ordinary activities after taxation
(15,532) (25,609)
Minority interests
103 (46)

Profit/(loss) for the financial period
(15,429) (25,655)

(Loss)/earnings per ordinary share
Basic and fully diluted 5
(14.68)p (24.40)p
Basic and fully diluted - continuing operations 5
(14.38)p (23.50)p

Basic (before goodwill amortisation and exceptional items) 5
0.44p 7.18p

Diluted adjusted (before goodwill amortisation and exceptional items) 5
0.42p 6.90p

The notes at the back of this release form an integral part of this financial information.

Statement of total recognised gains and losses
For the 6 months ended 31 March 2007

	Unaudited 6 months ended 31 March 2007 £'000	Unaudited Restated 6 months ended 31 March 2006 £'000	Audited Restated Year ended 30 September 2006 £'000
Loss for the financial period	(16,516)	(15,429)	(25,655)
Currency differences on foreign currency net investments	(14)	(9)	(26)
Total recognised gains and losses for the financial period	(16,530)	(15,438)	(25,681)

Consolidated Balance Sheet
As at 31 March 2007
Unaudited

	Note	Unaudited As at 31 March 2007 £'000	Unaudited As at 31 March 2006 £'000	Audited As at 30 September 2006 £'000
Fixed assets				
Intangible assets		85,370	111,919	101,025
Tangible assets		28,108	31,573	30,352
		113,478	143,492	131,377
Current assets				
Stocks		301	3,402	1,471
Debtors		6,059	9,102	8,967
Cash at bank and in hand		8,086	6,736	8,044
		14,446	19,240	18,482
Creditors: amounts falling due within one year		(30,261)	(29,907)	(33,386)
Net current liabilities		(15,815)	(10,667)	(14,904)
Total assets less current liabilities		97,663	132.825	116,473
Creditors: amounts falling due after more than one year		(58,495)	(70,104)	(63,199)
Net assets		39,168	62,721	53,274
Capital and reserves				
Called up share capital	6	5,596	5,256	5,274
Share premium account	6	89,747	88,154	88,379
Merger reserve	6	354	354	354
Profit and loss account	6	(56,634)	(31,299)	(40,838)
Shareholders' funds		39,063	62,465	53,169
Minority interests		105	256	105

	39,168	62,721	53,274

The notes at the back of this release form an integral part of this financial information.

Consolidated Cash Flow Statement
For the 6 months ended 31 March 2007

	Note	Unaudited 6 months ended 31 March 2007 £'000	Unaudited 6 months ended 31 March 2006 £'000	Audited Year ended 30 September 2006 £'000
Net cash inflow from operating activities	7	7,396	3,016	12,881
Returns on investments and servicing of finance				
Net interest paid		(2,369)	(2,324)	(4,778)
Net cash outflow from returns on investments and servicing of finance		(2,369)	(2,324)	(4,778)
Tax received		-	-	4
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(5,743)	(3,354)	(5,966)
Proceeds from disposal of tangible fixed assets		729	56	93
Net cash outflow from capital expenditure and financial investment		(5,014)	(3,298)	(5,873)
Acquisitions and disposals				
Proceeds from disposal of businesses		3,642	-	-
Payments in relation to businesses acquired in prior periods, including costs		(450)	(6,416)	(6,034)
Net cash transferred with disposed businesses		(584)	-	-

Net cash inflow/(outflow) from acquisitions and disposals	2,608	(6,416)	(6,034)
Net cash inflow/(outflow) before financing	2,621	(9,022)	(3,800)
Financing			
Issue of share capital (net of issue costs)	1,674	(978)	(860)
Receipts from borrowings	-	7,741	4,241
Repayment of borrowings	(4,253)	(111)	(202)
Net cash (outflow)/inflow from financing	(2,579)	6,652	3,179
Increase/(decrease) in cash in the period	42	(2,370)	(621)

The notes at the back of this release form an integral part of this financial information.

Notes to the interim financial information

1. INTERIM FINANCIAL INFORMATION

The interim financial information covers the period from 1 October 2006 to 31 March 2007, is unaudited and does not constitute statutory financial statements. The financial information, with the exception of the impact of the prior period adjustment as disclosed in note 2, for the year ended 30 September 2006 has been extracted from the audited financial statements of Cardpoint plc which have been filed with the Registrar of Companies. The auditors' opinion on those accounts was unqualified and contained no statement under section 237(2) or (3) of the Companies act 1985.

2. PRINCIPAL ACCOUNTING POLICIES

The interim financial information has been prepared on the same basis and using the same accounting policies as used in the financial statements for the year ended 30 September 2006, with the exception of the implementation of FRS 20 ' Share Based Payments' which has resulted in a prior period adjustment to the comparative figures in the profit and loss account.

3. EXCEPTIONAL ITEMS

Exceptional items included within administrative expenses are summarised below:

	Unaudited 6 months ended 31 March 2007 £'000	Unaudited 6 months ended 31 March 2006 £'000	Audited Year ended 30 September 2006 £'000
Reorganisation and restructuring costs (i)	(2,850)	(1,195)	(1,542)
Post closure costs for the Netherlands business	(157)	-	-
Costs in relation to unsolicited takeover approaches	(72)	-	(41)
Other exceptional costs	-	-	(378)
Total exceptional costs included within administrative expenses	(3,079)	(1,195)	(1,961)

(i) Reorganisation and restructuring costs for the current period relate to the reorganisation of the group as well as including changes to the board of directors which occurred during the year.

4. TAX ON LOSS ON ORDINARY ACTIVITIES

There is no corporation tax charge for the period (2006: £nil) due to the losses incurred.

5. (LOSS)/EARNINGS PER ORDINARY SHARE

The basic and fully diluted loss per ordinary share is calculated by dividing the loss for the period after tax of £16,516,000 (31 March 2006: £15,429,000) by the weighted average number of ordinary shares in issue during the period of 109,993,433 (31 March 2006: 105,115,504). The basic and fully diluted loss per ordinary share on continuing operations is calculated by dividing the loss for the period on continuing operations of £15,148,000 (31 March 2006: £15,118,000) by the weighted average number of ordinary shares. The adjusted earnings per ordinary share is calculated by reducing the loss for the period by the goodwill amortisation and exceptional items of £19,704,000 (31 March 2006: £15,887,000). The company's share options are anti-dilutive in respect of the basic earnings per share calculation. The calculation of earnings per share on a diluted basis takes account of the potentially dilutive effect of outstanding share options by increasing the weighted average ordinary shares in issue by 3,404,167 (31 March 2006: 4,663,287).

6. SHARE CAPITAL AND RESERVES

	Unaudited Share capital	Unaudited Share Premium	Unaudited	Unaudited

	£'000	£'000	Merger Reserve £'000	Profit and loss account £'000
At 1 October 2006	5,274	88,379	354	(40,838)
Issue of share capital	322	1,368	-	-
Loss for the financial period	-	-	-	(16,516)
Foreign currency losses	-	-	-	(14)
Credit for equity settled share-based payments	-	-	-	734
At 31 March 2007	5,596	89,747	354	(56,634)

7. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Unaudited 6 months ended 31 March 2007 £'000	Unaudited Restated 6 months ended 31 March 2006 £'000	Audited Restated Year ended 30 September 2006 £'000
Operating loss	(12,631)	(13,159)	(20,734)
Depreciation	3,523	3,484	6,626
(Profit)/loss on disposal of fixed assets	(46)	123	211
Amortisation of goodwill	15,158	14,692	30,378
Equity settled share-based payments	750	769	1,538
Foreign currency losses	(14)	(9)	(26)
Decrease/(increase) in stocks	43	(845)	(463)
Decrease in debtors	615	1,967	1,598
Decrease in creditors	(2)	(4,006)	(6,247)
Net cash inflow from operating activities	7,396	3,016	12,881

8. ANALYSIS OF CHANGE IN NET DEBT

Audited Unaudited

	At 1 October 2006	Cash flow	Unaudited Non-cash Movements	Unaudited At 31 March 2007
	£'000	£'000	£'000	£'000
Cash at bank and in hand	8,044	42	-	8,086
Bank loans	(70,419)	4,125	(49)	(66,343)
Other loans	(403)	128	-	(275)
	(62,778)	4,295	(49)	(58,532)

9. INTERIM REPORT

This Interim Report was approved by the Directors on 21 May 2007. A copy of the Interim Report will be posted to shareholders and will also be available from the Company's registered office at Transaction House, Skyways Commercial Campus, Amy Johnson Way, Blackpool, Lancashire, FY4 3RS.