For Immediate Release **4th March 2009**

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

GlobeOp® Financial Services S.A. ("GlobeOp®" or "the Company", LSE:GO.), a leading independent provider of business process outsourcing, financial technology services and analytics to the hedge fund industry and other targeted sectors of the financial services industry, today announces its preliminary results for the year ended 31 December 2008.

Highlights

- Record revenues of $185 million for the year – versus $166 million in 2007
- Strong net income of $22 million – versus $6.6 million in 2007
- Excellent profit growth – adjusted operating profit* grew 27%
- Continuing operating leverage – adjusted operating profit margin expanded to 27.0% versus 23.7% in 2007
- Significant cash flow generation – cash flow from operations of over $43 million
- Closing AuA of $88bn – only 9% below 2007
- Strong new client wins and asset inflows, offsetting redemptions and negative fund performance
- Significant volume in conversion clients – over 100 funds with $5 billion in AuA converted, an increase of more than 50% versus 2007
- Substantial investments in technology infrastructure & facilities – over $17 million invested in 2008
- Strong balance sheet - $51 million in cash and no debt
- Dividend increased 10% versus 2007 to 1.1 pence per share

	2008	2007	Change
Financial Information			
Revenues	$185.2m	$166.0m	+12%
Operating profit+	$38.2m	$16.0m	+139%
Profit before tax+	$38.7m	$15.1m	+156%
Earnings per share—diluted	$0.21	$0.08	+163%
Key Performance Indicators			
Adjusted operating profit*	$50.0m	$39.4m	+27%
Adjusted operating profit margin	27.0%	23.7%	
Profit before tax and exceptionals*	$37.3m	$21.6m	+73%
Profit before tax and exceptionals as a percentage of revenues	20.2%	13.0%	
End of period AuA related to MBA revenues (in billions)*	$88bn	$97bn	-9%

KEY
AuA = Assets under Administration
MBA = Middle-, Back-Office and Fund Administration
\+ includes costs and expenses associated with the IPO; settlement of legal action, net of insurance reimbursements received; and costs related to water damage at the Company's Harrison, NY facility, net of insurance reimbursements received. See financial review discussion below for details
* see explanatory note in financial review discussion below

Commenting on the results, Hans Hufschmid, Chief Executive Officer, said:

"Despite a year of unprecedented turmoil in the financial markets, I am pleased to report another robust set of full year results for GlobeOp. Our AuA figures remain resilient, revenues increased by 12% and adjusted operating profit grew by 27%.

Global events in the second half of 2008 created new market fundamentals and we are seeing a beneficial shift in demand from fund managers and their investors. Investors are increasingly demanding independent valuation and reconciliation as well as reassurance that assets exist, positions are true and that cash reported is real. Fund managers are scrutinizing counterparty credit risk, strengthening the trend towards establishing multiple prime broker relationships. We expect fund managers to seek outsourced operational solutions to meet increased investor demands and to improve their own operational cost structure. As a result, we believe GlobeOp's independence, broad and proven capabilities and financial stability will set us apart as a service provider as the hedge fund industry evolves.

Nevertheless, we anticipate the unprecedented market turmoil seen in 2008 to impact the first part of 2009. Funds will remain under pressure from redemptions by investors and raising capital will continue to be difficult.

Given the continuing economic uncertainty, we remain focused on prudently controlling expenses and further improving productivity. The current pipeline for new business is promising, including single funds and managed account conversions from competitors. We expect the long-term demand fundamentals of our sector to produce significant opportunities for GlobeOp. Our solid financial position through our strong balance sheet, with no debt, provides us with an excellent platform to meet the evolving needs of fund managers and their investors. With these ingredients we remain confident that we are well positioned for the future and we are focused on a successful year in 2009."

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Conference Call for Analysts and Investors

There will be a conference call for analysts and investors at 2:30pm GMT. The dial-in number is +44 (0) 1452 541 076. Participants will need to quote Hans Hufschmid as chairman of the call, together with the conference ID 88442591.

An instant replay facility will also be available for 7 days after the call. The dial-in number for the replay facility will be +44 (0) 1452 55 00 00 and the access code 88442591#. The recorded call will then be accessible via www.globeop.com.

Note to Editors

GlobeOp® Financial Services ® (LSE:GO.) is a leading, independent financial technology specialist providing automated, integrated middle-, back-office, administration and risk reporting services to hedge funds and asset management firms—including banks, insurance companies, mutual & pension funds and proprietary traders. Clients trading a wide range of asset classes and derivatives outsource to GlobeOp to reduce technology investments and operational risks, and to focus resources on asset generation and portfolio management. Established in 2000, GlobeOp today serves more than 180 clients worldwide, representing $88 billion in assets under administration (AuA). With headquarters in London and New York, GlobeOp employs more than 1,700 people on three continents; offices are also located in Dublin, Ireland; George Town, Cayman Islands; Harrison and Yorktown Heights, NY and Hartford, CT, U.S.A.; and Mumbai (Bombay), India. Further information: www.globeop.com

Important notice

Certain statements in this preliminary results announcement are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Accordingly, undue reliance should not be placed on forward looking statements.

CHAIRMAN'S STATEMENT

I am very pleased to report on another successful year for GlobeOp. Revenues are up by 12% and adjusted operating profit increased by 27%. This is an outstanding performance given current market conditions. Accordingly, the board recommends a full-year dividend of 1.1 pence per share, a 10% increase versus 2007, payable on 28 May 2009.

GlobeOp has made important strides toward becoming a mature and well-established company. In just nine years we have grown from a small core team headquartered in London and New York to a global outsourcing business with 10 offices spanning three continents. GlobeOp today supports virtually every type of hedge fund strategy.

We are currently the only publicly quoted hedge fund administrator. Being listed brings clear benefits to a business like ours, which is committed to long-term, sustainable growth. Our clients, and their investors, gain reassurance from the higher degree of transparency and financial accountability listing regulations require. We gain flexibility in the way we manage our balance sheet.

During 2008 we also strengthened our ability to provide global administrative services in two strategically important centers. In Dublin we became a licensed administrator, enhancing our ability to service European-domiciled funds. In addition, our Cayman Islands subsidiary board was strengthened by a new member, Gary Linford, bringing industry-level fund regulatory experience to our investor relations activities.

The serious market upheavals in 2008 forced the hedge fund industry to focus more rigorously on its own structural issues and best practice. Several major events in the second half of the year underscored to hedge funds and their investors the need to look seriously at operational risk and independent asset verification. Issues such as independence and transparency have come to the fore in the sector, which plays to our natural strengths for these have always been priorities at GlobeOp. As a specialist business process outsourcer we recognize that clients need to be confident about us and about our services.

Transparent reporting also depends on clear communications. The UK Investor Relations Society recognized this and awarded GlobeOp with the “Best Practice Corporate Website” award for small cap companies. Our industry leadership also merited external recognition. GlobeOp achieved first-time listings in the FinTech100 and RiskTech100 rankings of global financial services and risk management services technology firms. In the RiskTech100 we also earned one of the highest scores for innovation.

The GlobeOp Board is responsible for ensuring that the right behaviors and processes are in place, but it is the people who work here who translate that into commercial success. Their daily commitment sustains our client relationships and service quality. The Board joins me in acknowledging that and in thanking them for another year of excellent results.

Following such great results and tremendous progress, it is with some sadness that I have today announced that I will step down from the GlobeOp Board and will not seek re-election at this year’s annual general meeting. Having worked with the talented people at GlobeOp, I have every confidence in the future of the firm under the leadership of Edward Annunziato, who will be replacing me as chairman. Ed’s history with GlobeOp and his experience in investment banking will surely serve the company well.

CHIEF EXECUTIVE'S REVIEW

I am delighted to report on another successful year.

Despite increasingly volatile markets in 2008, overall revenue grew by 12% to $185 million (2007: $166m), and adjusted operating profit increased from $39 million in 2007 to $50 million. Middle-, back-office and fund administration (MBA) services remain our core business, accounting for 93% of revenue. Transaction Solutions revenue doubled in 2008, led by GoOTC™, our OTC derivatives processing service. Conversions of competitor fund clients to the GlobeOp platform grew by more than 50% in 2008, including both single funds and managed accounts. Increasing market share and profitability in turbulent markets is certainly a noteworthy achievement. In addition, we ended the year on excellent financial footing, with $51 million in cash and no debt. Cash holdings increased in 2008, even after several major investments. We expanded and upgraded our Harrison, New York data center, then acquired and began equipping a new office and data center in Yorktown Heights, New York. GlobeOp also repurchased $3.8 million of company shares during the year.

Assets under administration (AuA) grew steadily throughout the first half of the year. Following the onset of exceptional market turmoil, our AuA stood at $88 billion in December 2008, just 9% below that of December 2007. In 2008 we added $12.5 billion of AuA from new clients and from new funds with existing clients, including over $5 billion related to fund conversions from competitors. In addition, GlobeOp's clients outperformed their peers in 2008, averaging a 10% decline in fund returns compared to an industry decline of more than 20% and a 39% decline in the S&P 500 Index.

As a robust, truly independent provider of full fund administration, we demonstrated the benefits of our business model in tangible terms to clients and their investors. In the three months leading to the Lehman Brothers insolvency, our flexible technology platform enabled clients to better manage their credit exposure to Lehman. Our electronic connections to multiple prime brokers supported clients in quickly opening new accounts, transferring portfolios and diversifying prime broker relationships – with 164 new prime broker relationships created in September alone.

Events in the second half of 2008 created new market fundamentals and a decisive shift in industry focus. It became clear to asset managers and investors that new relationships and ongoing due diligence were needed. As the source of scarce capital, investors were able to demand change.

We identified many of these new market fundamentals in the third quarter of 2008. Investors are demanding truly independent administration, involving both pricing and reconciliation, as an additional assurance that assets exist, positions are true and cash reported is real. This pressure, combined with sharp declines in fund performance and management fees, further stresses fund operations. Self-administered funds will need experienced partners with comprehensive, scalable services that complement their existing systems. Managed accounts, in which investors retain control of their assets, will need timely and transparent cash, position and risk reporting capabilities. In addition to providing solutions to manage risk and complexity, outsourcing is becoming an important mechanism for controlling fund costs.

GlobeOp's services and solutions are well suited to these emerging market fundamentals. Professional and transparent trade processing, controls and reporting can help funds attract and retain investors. GlobeOp is fully independent and focuses solely on administration and middle- and back-office services, without the distraction or conflict that comes from trading and lending activities. Our public listing provides clients and their investors with evidence of our financial discipline and transparency. Our strong balance sheet reinforces our status as a reliable outsourcing partner.

GlobeOp's automated, flexible solutions simplify post-trade operations for fund managers and adapt readily to new trading instruments and fund strategies. We currently process more than 60 types of OTC derivative instruments. Virtually every asset class and strategy is represented among the 180 or so clients whose funds we administer.

The hedge fund and administration industries are evolving. Funds anticipate further redemptions in early 2009, yet the dynamics of the sector are encouraging. Proprietary trading desks at investment banks are closing, reducing hedge fund competition for alpha. Funds require less leverage to profitably manage assets. Seasoned industry commentators agree trading opportunities are substantial.

I am confident that GlobeOp has the people, processes, technology and vision to become the recognized leader among independent fund administrators. I look forward to updating investors as we progress towards that objective.

Finally, I would like to thank Clay Brendish for the leadership and wise counsel he has provided since 2007. We appreciate his contributions toward the governance of GlobeOp over the past two years and wish him well in his future endeavors.

Outlook

Looking ahead at 2009, we expect industry trends experienced in 2008 to continue in the coming year. The new market fundamentals we identified last autumn are influencing behaviors that are aligned with our strategy and value proposition. Investors are demanding independent valuation and reconciliation as well as reassurance that assets exist, positions are true and that cash reported is real. We expect fund managers, in turn, to seek third-party operational solutions to meet these increased investor demands while also seeking to improve their own operational cost structure. We believe GlobeOp's independence, broad and proven capabilities and financial stability will be highly valued and integral to the long term success of the hedge fund industry.

Nevertheless, we anticipate the unprecedented market turmoil seen in 2008 to impact the first part of 2009. Funds will remain under pressure from redemptions by investors and raising capital will continue to be difficult.

Against this backdrop, GlobeOp has had an encouraging start to the year. During the first two months of 2009 GlobeOp has added $19 billion of AuA from new clients, new funds, subscriptions and positive fund performance. Over this same period, redemptions and terminations have amounted to $16 billion. As a result, AuA at the end of February stands at $91 billion. Currently there are approximately $10 billion in redemption and termination notices for March through the second quarter of this year. This compares to $8 billion for the same four-month period last year. We expect outflows to be offset somewhat by modest subscription inflows and the addition of new clients.

Given the current economic uncertainty, we remain focused on prudently controlling expenses and further improving productivity. We will also continue to introduce financial technology innovations that help our clients adapt and prosper in the new environment. As we look ahead, the current pipeline for new business is promising and we expect the long-term demand fundamentals of our sector to produce significant opportunities for GlobeOp. Our solid financial position through our strong balance sheet, with no debt, provides us with an excellent platform to meet the evolving needs of fund managers and their investors. As we pursue these growth opportunities, we will remain committed to disciplined cost management and extending our history of generating positive cash flow.

We believe our demonstrated ability to serve clients' evolving needs, combined with our efficient operating model and stable financial position, places us at the forefront of the hedge fund administration sector. Despite the near-term challenges relating to the global financial crisis, we remain confident that we are well positioned for the long-term.

BUSINESS REVIEW

GlobeOp demonstrated the breadth of its capabilities and the exceptional scalability of its platform during 2008 and delivered substantial profit margin expansion. Revenues increased 12% over 2007 levels and adjusted operating profit grew by 27%. Our adjusted operating profit margin was 27.0% in 2008 versus 23.7% in 2007 and 21.0% in 2006.

As our company has matured we have been winning more business from larger hedge funds with more complex requirements, as well as client conversions from competitors. These funds, and their investors, are attracted by the stability and scalability of our platform and are reassured by our proven ability to process complex instruments. We provide 24-hour support throughout the trading week via our network of facilities in three time zones - New York, London and Mumbai. We continually invest in people, processes and technology to provide clients with best-in-class services which exceed most in-house capabilities and meet increasingly demanding investor and industry requirements.

Our largest investment is in our people. GlobeOp's senior management are industry veterans. Their knowledge underpins our reputation for outstanding expertise in a technically demanding market. We are enhancing that reputation by continuing to selectively add talent to the firm. Several key appointments during 2008 added depth to our capabilities and strengthened the management bench.

Jon Anderson and Tony Glickman both joined our Operating Committee during the year. Jon, our global head of Derivatives, is an operations systems and technology specialist. A former derivatives trader who previously worked at a large hedge fund, he brings a unique combination of front- and back-office derivatives experience and understanding of client service requirements.

Tony is our new global head of Risk Services. His distinguished career includes leading hedge funds and financial risk management teams. With the current turbulent market underlining the importance of risk measurement, analytics and reporting, his experience adds to our in-depth understanding of client risk reporting requirements.

Technology remains our second largest annual expense after labor costs. The discipline and investment involved in regularly upgrading our hardware and software systems is central to our strategy as an industry technology leader. This investment commitment has created a technology platform that now represents more than 750 man-years of development.

During the year, we invested $4.8 million to expand the space, power and cooling capacity at our Harrison, New York data center. This upgrade is providing enhanced business continuity and disaster recovery capabilities. We also acquired and began equipping a new data center and office facility in Yorktown Heights, New York. This facility was acquired in September and is being equipped with leading-edge technology and infrastructure in an investment expected to total $11.0 million, with $8.8 million completed through December 2008. The enhanced infrastructure provided by the two facilities gives us additional operational flexibility and will allow the business to accommodate new market opportunities.

We envisage challenging market conditions for hedge funds and administrators alike in the near-term. These place a premium on highly efficient and scalable operating models. More fundamentally, the hedge fund industry is consolidating and maturing following an extended period of rapid growth.

GlobeOp's natural strengths mirror the sector's changed requirements. Our business is on strong financial footing. We remain firmly committed to producing additional gains in productivity and efficiency. Targeted investments in people, processes and technology, and our customer-centric principles, are helping us further raise satisfaction levels and attract larger hedge fund clients with more complex needs. We are well placed to benefit from changing market conditions.

Litigation Update

As previously disclosed, we had two client service disputes outstanding from prior years. In March 2009 we signed a settlement agreement resolving the second dispute. The terms of the settlement remain confidential and have no financial impact on the Company.

FINANCIAL REVIEW

Overview

Total revenues increased by $19.2 million, or 12%, to $185.2 million in 2008 versus $166.0 million in 2007. This growth was primarily driven by our MBA revenue, which grew 11% year over year and comprised 93% of total revenue in the current year. In addition, Transaction Solutions revenues grew 102% to $5.1 million in 2008 while Risk Reporting revenues declined 5% to $8.3 million in the current year.

Operating profit for 2008 was $38.2 million versus $16.0 million for 2007. Financial results included $1.4 million of exceptional gains in 2008 and $6.5 million of exceptional costs in 2007. Adjusted operating profit, which excludes exceptionals as well as other items as described below, increased by $10.6 million, or 27%, from $39.4 million in 2007 to $50.0 million in 2008. In addition, profit before tax and exceptionals increased 73% year over year from $21.6 million in 2007 to $37.3 million in 2008. Net profit for 2008 was $22.0 million versus $6.6 million in 2007, an increase of 233%.

The following table sets forth selected financial and operating data for the years ended 31 December 2008 and 2007. All amounts are in US Dollars and in thousands, except percentages, employee data and as otherwise indicated.

	Year ended 31 December 2008 (audited)	2007 (audited)	Change
Revenues			
MBA revenues	$171,807	$154,756	11%
Risk Reporting revenues	8,270	8,708	-5%
Transaction Solutions revenues	5,095	2,519	102%
Total revenues	185,172	165,983	12%
Employee costs, excluding share-based compensation costs	88,598	82,055	8%
Employee costs related to share-based compensation	3,043	7,107	-57%
Technology costs	24,245	22,360	8%
Depreciation and amortization expense	10,169	9,761	4%
Occupancy costs	11,040	10,024	10%
Listing fees and related expenses[1]	-	9,021	n/a
Tax reserves and legal claims	(210)	(2,936)	-93%
(Insurance reimbursement) costs related to water damage at facility	(1,183)	459	-358%
Other operating expenses	11,261	12,171	-7%
Total operating expenses	146,963	150,022	-2%
Operating profit	38,209	15,961	139%
Interest income (expense), net	524	(877)	-160%
Profit before tax	38,733	15,084	157%
Taxation	16,697	8,459	97%
Net profit	$22,036	$6,625	233%
Key Performance Indicators:			
Adjusted operating profit[2]	$50,028	$39,373	27%
Adjusted operating profit margin	27.0%	23.7%	
Profit before tax and exceptionals[3]	$37,340	$21,628	73%
Profit before tax and exceptionals as a percentage of revenues	20.2%	13.0%	
AuA related to MBA revenues—end of period (in billions)[4]	$88	$97	-9%
Employees—beginning of period (excluding temporary employees)	1,704	1,551	10%
Employees—end of period (excluding temporary employees)	1,734	1,704	2%

Revenues

Revenues increased $19.2 million, or 12%, to $185.2 million in 2008 from $166.0 million in 2007. This growth was comprised of an increase in our MBA revenues of $17.1 million and Transaction Solutions revenues of $2.5 million, partially offset by a decrease in Risk Reporting revenues of $0.4 million.

The growth in MBA revenues in 2008 compared to 2007 was comprised of increases in MBA services revenues of $19.7 million and MBA technology revenues of $1.3 million, partially offset by a decrease in other MBA fee revenues of $4.0 million. The increase in MBA Services revenues was driven by a $17.7 billion increase in average AuA in 2008 versus 2007. This increase in average AuA was due to growth in AuA throughout 2007 and the first half of 2008 partially offset by a decline in AuA during the second half of 2008 from $104 billion at 30 June 2008 to $88 billion at 31 December 2008. AuA activity during 2008 included the addition of $7.4 billion related to new clients, the addition of $5.1 billion related to new funds launched by existing clients, and, a decline of $21.5 billion of existing funds related to fund redemptions, performance and terminations, partially offset by subscriptions.

The increase in Transaction Solutions revenue was primarily due to an increase in the number of GoOTC clients, as well as an increase in client trading volumes and positions. The decrease in Risk Reporting revenues was primarily due to a decline in the number of clients, partially offset by an increase in average revenue per client.

Operating expenses

Operating expenses decreased $3.0 million, or 2%, to $147.0 million in 2008 from $150.0 million in 2007. Expenses in 2008 included $1.4 million of exceptional gains, including $1.2 million in insurance reimbursements related to the resolution of water damage incurred in 2007 at a company facility and $0.2 million related to the resolution of a tax reserve. Expenses in 2007 included $6.5 million of exceptional costs, including $9.0 of listing fees and related expenses, a gain of $2.9 million related to a legal settlement, net of insurance reimbursement, and a charge of $0.5 million for costs related to the resolution of water damage at a company facility, net of insurance reimbursement.

Operating expenses excluding exceptionals increased $4.8 million, or 3%, to $148.3 million in 2008 from $143.5 million in 2007. This growth in expenses included increases in employee costs, excluding share-based compensation costs, of $6.5 million, technology costs of $1.9 million, occupancy costs of $1.0 million, and depreciation and amortization expense of $0.4 million, partially offset by reductions in employee costs related to share-based compensation of $4.0 million and other operating expenses of $0.9 million.

Employee costs excluding share-based compensation increased $6.5 million, or 8%, from $82.1 million in 2007 to $88.6 million in 2008 primarily due to a 10% increase in average headcount for 2008 versus 2007. Substantially all of this headcount increase was due to additions to our operations in India and was related to increased revenues versus the prior year. Excluding costs related to share-based compensation, which was $3.1 million in 2008 and $7.1 million in 2007, the average cost per headcount declined slightly from $50 thousand per year in 2007 to $49 thousand per year in 2008. The decline in employee costs related to share-based compensation was primarily due to a reduction in the annual charge required for historical share-based awards as they vest. In addition, the decline in costs was related to variable accounting applied to one element of the company's share-based awards coupled with a decline in the company's share price which resulted in $1.5 million of an expense reversal in 2008 as compared to $0.1 million of expense in 2007.

Technology costs increased 8% from $22.4 million in 2007 to $24.3 million in 2008 primarily due to an increase in software license fees, which are related to the number of client users and AuA. Occupancy costs increased 10% from $10.0 million in 2007 to $11.0 million as the 2008 figure includes property taxes and other costs related to the newly acquired facility in Yorktown Heights, New York. Other operating expenses declined 7% from $12.2 million in 2007 to $11.3 million in 2008 primarily due to $3.8 million of foreign currency exchange gains recorded in 2008, partially offset by an increase in legal fees and an increase in costs associated with being a public company. Such foreign currency exchange gains were primarily related to the strengthening of the US Dollar relative to Pound Sterling during the second half of 2008. The increase in legal costs was primarily related to the March 2009 settlement of a previously disclosed client service dispute. See Litigation Update for additional discussion.

Operating profit

Operating profit increased 139% from $16.0 million in 2007 to $38.2 million in 2008. This increase was due to strong revenue growth and disciplined expense management.

Adjusted operating profit increased $10.6 million, or 27%, from $39.4 million in 2007 to $50.0 million in 2008. Adjusted operating profit is not a measure of financial performance under IFRS. A reconciliation of adjusted operating profit to operating profit is shown below. Adjusted operating profit margin increased from 23.7% in 2007 to 27.0% in 2008, demonstrating the strong operational leverage of GlobeOp. As shown in the following table, during 2008 GlobeOp's revenue grew more rapidly than its principal operating expenses.

	2008 Growth Rate	*2008 % of Revenues*	*2007 % of Revenues*
Revenue	*12%*	*100%*	*100%*
Employee costs, excluding share-based compensation	*8%*	*48%*	*49%*
Technology costs	*8%*	*13%*	*14%*
Occupancy costs	*10%*	*6%*	*6%*
Other operating expenses	*-7%*	*6%*	*7%*
Adjusted operating profit	*27%*	*27%*	*24%*

Taxation

The effective income tax rate for 2008 was 43% compared to 56% for 2007. The rate for 2008 was negatively impacted by the reversal of deferred tax assets related to unexercised share options where the exercise price was greater than the share price at the end of the fiscal year and the impact of share price declines on unvested restricted stock units. This reversal of deferred tax assets does not increase current year cash tax payments. The cash tax rate for 2008 was 33% as compared to 60% for 2007. The cash and effective tax rates for 2007 were impacted by listing fees and related expenses which were not deductible for income tax purposes, as well as the impact of non-deductible non-cash interest expense related to convertible redeemable preferred shares which were converted to common shares and beneficiary certificates in June 2007.

Balance Sheet and Cash Flow

At 31 December 2008, GlobeOp had cash and cash equivalents of $51.3 million, excluding $2.2 million of restricted cash, versus $40.1 million at 31 December 2007. We have no borrowings outstanding under the $30 million revolving line of credit facility available to us with the Bank of Scotland.

The following table sets forth the components of our cash flows for the following periods:

	Year ended 31 December	
	2008	**2007**
	(US dollars in millions) (audited)	
Net cash provided by operating activities	$43.5	$34.2
Net cash used in investing activities	(17.8)	(14.1)
Net cash (used in) provided by financing activities	(6.8)	1.0
Increase in cash and cash equivalents	18.9	21.1
Effect of foreign exchange rate changes	(7.7)	0.0
Cash and cash equivalents, beginning of the period	40.1	19.0
Cash and cash equivalents, end of the period	$51.3	$40.1

During 2008, we generated net cash from operating activities of approximately $43.5 million compared to $34.2 million during 2007. This increase in cash generation was primarily related to expansion of our adjusted operating profit and improvements in the timing of collections on revenue and payments for trade and other payables, partially offset by an increase in payments for tax.

Cash used in investing activities in both periods relates to capital expenditures on building and leasehold improvements and to enhancements of our service platform, including hardware, software licenses and internally developed software. We invested $17.8 million in capital expenditures in 2008 versus $14.1 million in 2007. This increase was primarily due to the purchase and build-out of a data center and office facility located in Yorktown Heights, New York as well as an increase in the capacity of the Company's data center in Harrison, New York. .

Cash used in financing activities during 2008 primarily related to expenditures of $3.8 million as part of the Company's share repurchase programs, as described below, and dividend payments which totaled $3.2 million during the year. Cash provided by financing activities during 2007 was related to proceeds from the exercise of employee stock options.

We operate on an international scale and are therefore exposed to foreign currency risk on transactions denominated in a currency other than our functional currency and on the translation of the balance sheet and income statement into US Dollars. The US Dollar is our presentation currency. The US Dollar is the functional currency of our businesses, except for operations in the United Kingdom, India and Ireland, where the functional currencies are the Pound Sterling, the Rupee and the Euro, respectively. Therefore the currencies giving rise to these risks are primarily the Pound Sterling, Rupee and Euro. Future foreign currency fluctuations may have a material effect on our operating results or financial condition. We have not entered into hedging contracts for either cash or net investment positions denominated in foreign currencies. Over the longer term, permanent changes in foreign exchange would have an impact on consolidated earnings.

Share Repurchase Update

On 30 June 2008, the Company announced a share repurchase program which was completed in September, 2008, purchasing 995,092 shares for an aggregate purchase price of £2 million. On 11 December 2008, the Company announced an additional share repurchase program. Such share repurchase program authorized GlobeOp to make market purchases of up to 2,000,000 of its ordinary shares during the period 11 December until the next annual general meeting of the company. As of 1 March 2009, the Company had purchased 607,500 shares for an aggregate purchase price of £423,273 under this repurchase program.

Explanatory notes:

(1) Listing fees and related expenses include costs related to our July 2007 listing on the London Stock Exchange including professional fees, filing fees and travel and miscellaneous costs associated with the listing.

(2) Adjusted operating profit is calculated by the Company as operating profit prior to depreciation and amortization expense, employee costs related to share-based compensation, tax reserves and legal claims, net of insurance reimbursements received, listing fees and related expenses and the costs related to water damage to the Company's facility in Harrison, New York in April, 2007, net of insurance reimbursements received. Adjusted operating profit is not a measure of financial performance under IFRS. Our calculation of adjusted operating profit may be different from the calculation used by other companies and therefore comparability may be limited. The following table reconciles operating profit to adjusted operating profit:

	Year ended 31 December 2008	2007
	(US dollars in thousands) (unaudited)	
Operating profit	$38,209	$15,961
Depreciation and amortization expense	10,169	9,761
Employee costs related to share-based compensation	3,043	7,107
Tax reserves and legal claims – net of insurance	(210)	(2,936)
Listing fees and related expenses	-	9,021
Costs related to water damage at facility – net of insurance	(1,183)	459
Adjusted operating profit	$50,028	$39,373

(3) Profit before tax and exceptionals is calculated by the Company as profit before tax prior to tax reserves and legal claims, net of insurance reimbursements received, listing fees and related expenses and the costs related to water damage to the Company's facility in Harrison, New York in April, 2007, net of insurance reimbursements received. Profit before tax and exceptionals is not a measure of financial performance under IFRS. Our calculation of profit before tax and exceptionals may be different from the calculation used by other companies and therefore comparability may be limited. The following table reconciles profit before tax to profit before tax and exceptionals:

	Year ended 31 December 2008	2007
	(US dollars in thousands) (unaudited)	
Profit before tax	$38,733	$15,084
Tax reserves and legal claims – net of insurance	(210)	(2,936)
Listing fees and related expenses	-	9,021
Costs related to water damage at facility – net of insurance	(1,183)	459
Profit before tax and exceptionals	$37,340	$21,628

(4) AuA (assets under administration) is an operational metric in the hedge fund services industry commonly used to describe the amount of funds currently under a fund service provider's administration. We define AuA as the aggregate amount of our clients' assets that we are servicing that we use as the basis for invoicing those clients for services rendered in a particular month in accordance with the terms of our client contracts. Consistent with past disclosure the performance of clients' funds for the current month is not included in the measurement of AuA at the end of that month. Thus, December 2008 client fund performance is not within the 31 December 2008 figure.

GlobeOp Financial Services S.A.

Consolidated Income Statement

	Notes	**Year ended 31 December 2008 $'000**	Year ended 31 December 2007 $'000
Revenue		**185,172**	165,983
Operating expenses	2	**(146,963)**	(150,022)
Operating profit		**38,209**	15,961
Finance income	4	**1,281**	1,229
Finance costs	4	**(757)**	(2,106)
Finance income/(costs), net	4	**524**	(877)
Profit before tax		**38,733**	15,084
Taxation	5	**(16,697)**	(8,459)
Profit for the year		**22,036**	6,625
Earnings per share:			
Basic	6	**0.21**	0.08
Diluted	6	**0.21**	0.08

The accompanying notes are an integral part of these consolidated financial statements.

GlobeOp Financial Services S.A.

Consolidated Balance Sheet

Assets	Notes	**Year ended 31 December 2008 $'000**	Year ended 31 December 2007 $'000
Non-current assets			
Intangible assets, net		**6,941**	9,965
Property, plant and equipment, net		**29,931**	19,596
Deferred income tax assets		**4,084**	7,782
Accounts receivable and other assets	7	**823**	1,012
Restricted cash		**2,187**	1,341
Total non-current assets		**43,966**	39,696
Current assets			
Accounts receivable and other assets	7	**23,422**	26,629
Corporate tax receivable		**486**	1,457
Cash and cash equivalents		**51,259**	40,088
Total current assets		**75,167**	68,174
Total assets		**119,133**	107,870

The accompanying notes are an integral part of these consolidated financial statements.

GlobeOp Financial Services S.A.

Consolidated Balance Sheet

		Year ended 31 December	Year ended 31 December
		2008	2007
Shareholders' Equity	Notes	**$'000**	$'000
Capital and reserves attributable to equity holders of the Company			
Share capital		**10,960**	10,914
Treasury shares		**(41)**	(1,086)
A Beneficiary Certificates		**-**	1,086
Share premium		**8,356**	13,136
Other reserves		**17,864**	21,510
Retained earnings		**40,186**	21,367
Total shareholders' equity		**77,325**	66,927
Liabilities			
Non-current liabilities			
Trade and other payables	9	**560**	395
Provisions for liabilities and charges	8	**2,679**	2,556
Deferred lease obligations		**1,639**	2,070
Total non-current liabilities		**4,878**	5,021
Current liabilities			
Trade and other payables	9	**30,257**	28,724
Corporate tax liabilities		**3,033**	6,948
Provisions for liabilities and charges	8	**3,640**	250
Total current liabilities		**36,930**	35,922
Total liabilities		**41,808**	40,943
Total shareholders' equity and liabilities		**119,133**	107,870

Approved by the Board of Directors and signed on its behalf by:

H. Hufschmid
Chief Executive
3 March 2009

M. Veilleux
Finance Director
3 March 2009

The accompanying notes are an integral part of these consolidated financial statements.

GlobeOp Financial Services S.A.

Consolidated Statement of Changes in Shareholders' Equity

	Share Capital							Other Reserves					
	Common "A" Shares $'000	Convertible Redeemable Preferred Shares $'000	Ordinary Shares $'000	Treasury Shares $'000	A Beneficiary Certificates $'000	Share Premium $'000	Convertible Redeemable Preferred Shares Redemption Right $'000	Shares to be Issued $'000	B Beneficiary Certificates $'000	Non-Distributable Reserves $'000	Cumulative Translation Adjustment $'000	Retained Earnings $'000	Total $'000
At 1 January 2007	5,552	6,775	-	-	-	80	(71,264)	10,601	-	35	2,463	14,742	**(31,016)**
Exercise of share options	-	-	52	-	-	960	-	-	-	-	-	-	**1,012**
Conversion of shares	(5,552)	(6,775)	12,327	-	-	-	-	-	-	-	-	-	**-**
Allocation of shares to A and B Beneficiary Certificates	-	-	(1,465)	(1,086)	1,086	-	-	-	1,465	-	-	-	**-**
Cancellation of convertible redeemable preferred shares redemption right	-	-	-	-	-	12,096	71,264	-	-	-	-	-	**83,360**
Modification of performance share options	-	-	-	-	-	-	-	(1,659)	-	-	-	-	**(1,659)**
Employee share compensation	-	-	-	-	-	-	-	6,973	-	-	-	-	**6,973**
Tax on items taken directly to or transferred from equity	-	-	-	-	-	-	-	922	-	-	-	-	**922**
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	6,625	**6,625**
Cumulative translation adjustment	-	-	-	-	-	-	-	-	-	-	710	-	**710**
At 31 December 2007	**-**	**-**	**10,914**	**(1,086)**	**1,086**	**13,136**	**-**	**16,837**	**1,465**	**35**	**3,173**	**21,367**	**66,927**

The accompanying notes are an integral part of these consolidated financial statements.

GlobeOp Financial Services S.A.

Consolidated Statement of Changes in Shareholders' Equity

	Share Capital							Other Reserves					
	Common "A" Shares $'000	**Convertible Redeemable Preferred Shares $'000**	**Ordinary Shares $'000**	**Treasury Shares $'000**	**A Beneficiary Certificates $'000**	**Share Premium $'000**	**Convertible Redeemable Preferred Shares Redemption Right $'000**	**Shares to be Issued $'000**	**B Beneficiary Certificates $'000**	**Non-Distributable Reserves $'000**	**Cumulative Translation Adjustment $'000**	**Retained Earnings $'000**	**Total $'000**
At 1 January 2008	-	-	10,914	(1,086)	1,086	13,136	-	16,837	1,465	35	3,173	21,367	66,927
Excise of share options	-	-	6	4	-	218	-	-	-	-	-	-	228
Shares issued relating to restricted tock units vesting	-	-	40	74	-	(114)	-	-	-	-	-	-	-
Conversion of A Beneficiary Certificates	-	-	-	1,086	(1,086)	-	-	-	-	-	-	-	-
Share buyback	-	-	-	(119)	-	(3,699)	-	-	-	-	-	-	(3,818)
Employee share compensation	-	-	-	-	-	-	-	4,515	-	-	-	-	4,515
Tax on items taken directly to or transferred from equity	-	-	-	-	-	-	-	(771)	-	-	-	-	(771)
Transfer to non-distributable reserves	-	-	-	-	-	(1,185)	-	-	-	1,185	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	22,036	22,036
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(3,217)	(3,217)
Cumulative translation adjustment	-	-	-	-	-	-	-	-	-	-	(8,575)	-	(8,575)
At 31 December 2008	-	-	10,960	(41)	-	8,356	-	20,581	1,465	1,220	(5,402)	40,186	77,325

The accompanying notes are an integral part of these consolidated financial statements.

GlobeOp Financial Services S.A.

Consolidated Cash Flow Statement

	Notes	**Year ended 31 December 2008 $'000**	Year ended 31 December 2007 $'000
Cash flows from operating activities			
Profit before tax		**38,733**	15,084
Adjustments to reconcile profit before tax to net cash provided by operating activities			
Depreciation and amortization	2	**10,169**	9,761
Bad debt provision		**240**	428
Share options and restricted stock compensation expense	3	**3,043**	7,107
Provision for post employment obligations	3	**259**	217
Loss on disposals of fixed assets		**-**	303
Reduction in provisions	8	**(210)**	(679)
Interest income	4	**(1,281)**	(1,229)
Interest expense	4	**757**	2,106
Change in operating assets and liabilities:			
Restricted cash		**(892)**	171
Accounts receivable	7	**817**	2,108
Accrued income	7	**2,467**	(5,080)
Prepaid expenses and other assets	7	**311**	(660)
Provisions for liabilities and charges	8	**-**	(4,018)
Deferred lease obligations		**(173)**	1,762
Trade payables	9	**2,077**	829
Accruals and other payables	9	**2,530**	6,744
Cash provided by operating activities		**58,847**	34,954
Interest received		**1,490**	1,052
Interest paid		**(69)**	(79)
Taxation paid, net		**(16,725)**	(1,763)
Net cash provided by operating activities		**43,543**	34,164

The accompanying notes are an integral part of these consolidated financial statements.

GlobeOp Financial Services S.A.

Consolidated Cash Flow Statement

	Year ended 31 December 2008 $'000	Year ended 31 December 2007 $'000
Cash flows from investing activities		
Additions to intangible assets	**(1,900)**	(4,354)
Purchase of property, plant and equipment	**(15,951)**	(9,754)
Net cash used in investing activities	**(17,851)**	(14,108)
Cash flows from financing activities		
Proceeds from share option exercises	**228**	1,012
Share buyback	**(3,818)**	-
Dividends paid	**(3,217)**	-
Net cash (used in)/provided by financing activities	**(6,807)**	1,012
Increase in cash and cash equivalents	**18,885**	21,068
Cash and cash equivalents at 1 January	**40,088**	19,020
Effect of exchange rate changes on cash and cash equivalents	**(7,714)**	-
Cash and cash equivalents at 31 December	**51,259**	40,088

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization

GlobeOp Financial Services S.A. (the "Company") is a Luxembourg holding company incorporated on 22 January 2000 as a "Société Anonyme" and subject to the laws of the Grand Duchy of Luxembourg.

The registered address of the Company is 5, rue Guillaume Kroll, L-1882 Luxembourg.

The Company has its primary listing on the London Stock Exchange.

The Company and its subsidiaries (the "Group") provide specialized integrated web-based financial products supporting middle and back office trade processing, fund administration, complex derivatives and risk reporting. The Group has offices in the United Kingdom, the United States of America, India, Cayman Islands and the Republic of Ireland. The Group provides its services primarily from these locations.

These Group consolidated financial statements were authorized for issue by the Board of Directors on 3 March 2009.

2. Operating Expenses

	Notes	**Year ended 31 December 2008 $'000**	Year ended 31 December 2007 $'000
Employee costs	3	**91,641**	89,162
Technology		**24,245**	22,360
Depreciation and amortization		**10,169**	9,761
Occupancy		**11,040**	10,024
Listing fees and related expenses		**-**	9,021
Tax reserves and legal claims		**(210)**	(2,936)
Water damage to facilities		**(1,183)**	459
Other		**11,261**	12,171
Total		**146,963**	150,022

Included within occupancy expenses are rental expenses under operating lease agreements of $5,937,000 (2007: $5,938,000). Included within other operating expenses for 2008 are foreign exchange gains of $3,849,000 (2007: $169,000).

In July 2007, the Group incurred listing fees and related expenses of $9,021,000 in relation to the Company's initial public offering on the London Stock Exchange. There are no such costs in 2008.

The credit balance within tax reserves and legal claims during 2008 relates to a prior year provision for a tax matter that was resolved during the year. The settlement agreed with the US Internal Revenue Service was lower than the provision previously recorded (Note 8).

The receipt within tax reserves and legal claims during 2007 relates primarily to an insurance reimbursement against the settlement of a claim (Note 8). The Group had recognized a provision for a potential claim arising from a service dispute. The provision was recorded within the consolidated income statement in 2007 was $7,000,000. The Group received insurance reimbursement coverage on this claim during 2007 in the amount of $9,810,000. There are no similar costs in 2008.

In April 2007, there was a record rainfall in the northeastern United States of America that resulted in water damages at the Group's facilities in Harrison, New York. During 2008, the Group received insurance reimbursement coverage on the claim of $1,183,000. This amount is included within water damage to facilities.

3. Employee Costs

The costs incurred in respect of employees were:

	Year ended 31 December 2008 $'000	Year ended 31 December 2007 $'000
Wages and salaries	**62,762**	58,455
Bonus and commissions	**14,563**	12,983
Social security costs	**4,527**	4,284
Short term benefit costs	**3,624**	3,004
Share options and restricted stock compensation expense	**3,043**	7,107
Pension costs - defined contribution plans	**1,179**	1,145
Post employment benefits	**259**	217
Other staff costs	**1,684**	1,967
Total	**91,641**	89,162

The Group operates defined contribution plans in the United Kingdom, India, Republic of Ireland, Cayman Islands and the United States of America.

Included within employee costs are costs attributable to research that have not been capitalized as part of internally generated software. During 2008, these costs amounted to $9,257,000 (2007: $8,216,000). The employee costs that were capitalized as part of internally generated software during 2008 was $734,000 (2007: $1,104,000).

4. Finance Income/(Costs), net

	Notes	**Year ended 31 December 2008 $'000**	Year ended 31 December 2007 $'000
Interest expense:			
Provisions	8	**(721)**	(449)
Bank borrowings and other		**(36)**	(122)
Convertible redeemable preferred shares	6	**-**	(1,535)
		(757)	(2,106)
Interest income		**1,281**	1,229
Net Total		**524**	(877)

5. Taxation

Tax on the profit for the year comprises current and deferred tax. Tax is recognized in the consolidated income statement except to the extent that it relates to items recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the consolidated balance sheet date, and any adjustment to tax payable in respect of previous years.

Corporation tax	**Year ended 31 December 2008 $'000**	Year ended 31 December 2007 $'000
Charge for the year	**13,768**	9,721
Adjustments for prior year	**430**	(1,516)
Tax charge	**14,198**	8,205
Deferred tax	**2,499**	254
Total	**16,697**	8,459

Reconciliation of tax charge	**Year ended 31 December 2008 $'000**	Year ended 31 December 2007 $'000
Profit before tax	**38,733**	15,084
Tax calculated at statutory rate	**11,620**	4,525
Share based compensation	**3,344**	1,704
State taxes, net of US Federal benefit	**2,237**	985
Listing fees and related expenses	**-**	2,318
Tax losses for which no deferred tax asset was recognized	**485**	612
Interest expense on convertible redeemable preferred shares	**-**	460
Increase in tax reserves	**-**	384
Foreign taxes at rates different than statutory rates	**(1,282)**	(1,277)
Adjustments for prior year	**430**	(1,516)
Other	**(137)**	264
Total	**16,697**	8,459

As at 31 December 2008 and 2007, the United States federal and state blended tax rates enacted were 40% and 39%, respectively. The change to the statutory rates in 2008 occurred primarily due to a change in the allocation of assets, human capital and revenue to various state localities. On 1 April 2008, the United Kingdom tax rate decreased from 30% to 28%.

For the years ending 31 December 2008 and 2007, GlobeOp Financial Services (India) Private Limited qualified as a 100% Export Oriented Software Technology Park Unit, under the Software Technology Parks scheme of the Ministry of Communication and Information Technology for development of software and IT enabled services in India. Therefore, the income of the company is exempt from income tax through the tax period ended 31 March 2010. After this date, the income tax rate is expected to be 34%. However, beginning 1 April 2007, this subsidiary is paying a Minimum Alternate Tax ("MAT") at a rate of 11.33% and is therefore eligible for credits to offset future tax liabilities. The amount of this credit has been recorded as a deferred tax asset. In addition, deferred tax assets have been established for other expected future tax deductions.

6. Earnings Per Share

(a) Basic

On 6 June 2007, the Group's Shareholders authorized the conversion of the convertible redeemable preferred shares into ordinary shares, at a ratio of one to one, and then approved an exchange for, and issue to certain institutional Shareholders, 21,250,000 non-voting beneficiary certificates ("Certificates"). In July 2008, The Company delivered 9,047,175 ordinary shares in exchange for 9,047,175 A Beneficiary Certificates. These Certificates were thereafter cancelled. The Certificates have all the same rights as the shares, except there are no voting rights attached to the Certificates. For purposes of both basic and diluted earnings per share calculations, the weighted average number of Certificates is included in the weighted average number of shares in the tables below.

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares in issue during the period.

	Year ended 31 December 2008	Year ended 31 December 2007
Profit attributable to equity holders of the Company ($'000)	**22,036**	6,625
Weighted average number of shares ('000)	**102,813**	78,468
Basic earnings per share ($)	**0.21**	0.08

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company had three categories of dilutive potential ordinary shares: convertible redeemable preferred shares, share options and restricted stock units. After the conversion, the Company has two categories of dilutive potential ordinary shares: share options and restricted stock units.

For the share options and restricted stock, a calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the shares) based on the monetary value of the subscription rights attached to the outstanding share options and restricted stock. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and issuance of restricted stock.

	Notes	**Year ended 31 December 2008 $'000**	Year ended 31 December 2007 $'000
Profit attributable to equity holders of the Company		**22,036**	6,625
Interest expense on convertible redeemable preferred shares	4	**-**	1,535
Profit used to determine diluted earnings per share		**22,036**	8,160
Weighted average number of shares ('000)		**102,813**	78,468
Adjustments for:			
- Share options ('000)		**536**	4,269
- Restricted stock units ('000)		**808**	1,217
- Assumed conversion of convertible redeemable preferred shares ('000)		**-**	24,284
Weighted average number of shares for diluted earnings per share ('000)		**104,157**	108,238
Diluted earnings per share ($)		**0.21**	0.08

7. Accounts Receivable and Other Assets

	Notes	Year ended 31 December 2008	Year ended 31 December 2007
Non Current		**$'000**	$'000
Deposits		**823**	1,012
Total		**823**	1,012
Current	Notes		
Accounts receivable		**7,152**	8,803
Less: provision for impairment of receivables		**(977)**	(801)
Accounts receivable, net		**6,175**	8,002
Accrued income		**9,388**	12,802
Deposits		**76**	235
Insurance claim reimbursement	8	**3,600**	-
Prepaid expenses		**3,922**	4,200
Other receivables		**261**	1,390
		17,247	18,627
Total		**23,422**	26,629

The fair value of the accounts receivable and other assets is as recorded above. All non-current assets are due within ten years of the consolidated balance sheet date.

Accounts receivable less than one month are not considered past due. As at 31 December 2008 and 2007, accounts receivable of $2,506,000 and $2,206,000 were past due, of which the impairment provision was $977,000 and $801,000 respectively.

The aging analysis of these accounts receivable is as follows:

	Year ended 31 December 2008	Year ended 31 December 2007
	$'000	$'000
Over one month but less than two months	**1,335**	971
Over two months	**1,171**	1,235
Total	**2,506**	2,206

The impairment provision relates primarily to terminated clients for which the Group no longer provides service. This makes collectability of past receivables more difficult and less timely.

The carrying amounts of the Group's accounts receivable, net, are denominated in the following currencies:

	Year ended 31 December 2008 $'000	Year ended 31 December 2007 $'000
US Dollar	**5,680**	7,310
Euro	**156**	652
Sterling	**339**	40
Total	**6,175**	8,002

Movements on the provision for impairment of accounts receivable are as follows:

	Year ended 31 December 2008 $'000	Year ended 31 December 2007 $'000
At 1 January	**801**	373
Unused amounts reversed	**(112)**	(67)
Utilized during the period	**(64)**	-
Provision for impairment of receivables	**352**	495
At 31 December	**977**	801

The movement of the provision for impaired receivables has been included within operating expenses in the consolidated income statement. The increase in the provision for impairment relates to three more (2007: three) specific clients, six in total, that have accounts receivable balances which the Group has determined are uncollectible.

The unused amounts reversed relate to amounts that have been received after being provided for in a prior year.

The other classes within accounts receivable and other assets do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral.

The rental deposits relate to amounts held in escrow as security deposits against the future rentals payable in relation to the leases of the office premises in the United Kingdom, the United States of America, India, Ireland and the Cayman Islands. The deposits are interest bearing at the holding banks standard rates on interest bearing deposit accounts. The deposits are repayable to the Group at the end of the lease terms.

The amount due from insurance companies relates to the reimbursement against the settlement of a claim. The Group has recognized a provision for a claim arising from a service dispute (Note 8). The Group will receive full insurance reimbursement coverage on this claim.

8. Provisions for Liabilities and Charges

	Year ended 31 December 2008 $'000	Year ended 31 December 2007 $'000
Non-current	**2,679**	2,556
Current	**3,640**	250
Total	**6,319**	2,806

The movements in the provisions during the years presented are as follows:

	Dilapidations $'000	**Claims $'000**	**Tax matters $'000**	**Total $'000**
At 1 January 2008	**2,240**	**-**	**566**	**2,806**
Additional provisions	**-**	**3,600**	**-**	**3,600**
Reduction in provisions				
- Credited to income statement	**-**	**-**	**(210)**	**(210)**
Unwinding of discount	**326**	**-**	**-**	**326**
Interest expense	**135**	**-**	**260**	**395**
Exchange differences	**(598)**	**-**	**-**	**(598)**
At 31 December 2008	**2,103**	**3,600**	**616**	**6,319**

	Dilapidations $'000	Claims $'000	Tax matters $'000	Total $'000
At 1 January 2007	2,805	4,000	551	7,356
Additional provisions	119	7,000	-	7,119
Reduction in provisions				
- Allocated against leasehold improvements	(310)	-	-	(310)
- Credited to income statement	(679)	-	(20)	(699)
- Utilized during the period	-	(11,000)	(155)	(11,155)
Unwinding of discount	109	-	-	109
Interest expense	150	-	190	340
Exchange differences	46	-	-	46
At 31 December 2007	2,240	-	566	2,806

The provision for dilapidations relates to dilapidation obligations under various leases for office space in London, Mumbai, and New York. The balances are expected to be utilized when the current leases expire between 2009 and 2017.

The Group recognizes provisions for potential claims where it has a present legal or constructive obligation, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

The Group settled a dispute with a former client in March 2009. In connection with that settlement, the Group has recorded a provision of $3,600,000 as part of this settlement agreement arising from a service dispute with a client. The Group will receive full insurance reimbursement coverage on the claim and has recorded $3,600,000 as a receivable (Note 7). Amounts recoverable from insurance contracts or third parties are recorded as assets when deemed virtually certain.

In 2005, the Group recorded a provision for a potential claim arising from a service dispute with a client of $4,000,000. In June 2007, the Group recorded an additional provision of $7,000,000 as part of the settlement agreement of the claim, without regard to potential or possible insurance recovery. This settlement payment was paid in September 2007. The Group received insurance reimbursement coverage on this claim in the amount of $9,810,000 during September 2007. This is included within operating expenses within the consolidated income statement (Note 3).

The Group provides for various tax matters where it is anticipated there could be tax audit issues. In certain cases between 2003 and 2005, the Group inadvertently failed to comply with certain confirmation and back up withholding requirements of the US Internal Revenue Service in respect of client payments. The Group has voluntarily disclosed this matter to the IRS. For the certain cases between 2003 and 2005, the Group expects to be obligated to make a payment to the IRS, for approximately $40,000. A provision has made with respect to this and is included within the total provision for tax matters.

9. Trade Payable and Other Payables

	Year ended 31 December 2008	Year ended 31 December 2007
Non Current	**$'000**	$'000
Other employee benefits	**560**	395
Total	**560**	395
Current		
Trade payables	**8,008**	4,148
Bonuses and other employee benefits	**11,402**	10,601
Accrued payables	**7,467**	8,999
Share option liability	**321**	1,793
Social security payable and other taxes	**2,451**	2,888
Deferred revenue	**608**	295
Total	**30,257**	28,724

10. Contingent Liabilities

The Group is subject to potential claims from its clients, some of which pursue relatively high-risk investment strategies, and all of which are subject to substantial market risk. The Group is also subject to claims for losses or other damages from its clients' investors, as well as claims from regulators, revenue authorities or other governmental authorities. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance.

The losses of some of its clients due to insolvency or fraud on the part of the funds could expose the Group to the risk of litigation. For example, fund investors might attempt to seek compensation from the Group and/or its clients. Even if the Group is not ultimately found to be liable, defending such claims or lawsuits could be expensive and time consuming, divert management resources and harm the Group's reputation. If the Group does incur liability in relation to these claims or lawsuits, such liability could exceed the Group's insurance coverage.

The Group is currently involved in one dispute with a former hedge fund client. In connection with this dispute, in March 2007 the Group attempted to mediate a resolution. The dispute stems from a disagreement regarding our obligation to calculate and distribute the net asset value of the funds, which the Group contends was properly fulfilled in accordance with the contract. The mediation was not successful and the Group received a request from the funds, which were claiming up to $90 million in damages, to proceed to arbitration. In a February 2009 letter from Regents Park to the Company, the funds stated that their primary case for damages was for $106 million. The Group believes it has complied with the terms of the contract, and therefore intends to defend this matter vigorously. An arbitration date, originally set for January 2009, has been adjourned until May 2009. It is not possible to predict the results of the arbitration. Accordingly no provision has been provided for this dispute. The award of this arbitration is not subject to appeal.

The Group believes that it has recorded adequate provisions for its potential and outstanding claims and litigation matters (Note 8). The Group reviews these provisions and adjusts these provisions to reflect the impact of negotiations, settlements, advice of legal counsel and other information and events pertaining to a particular claim. The Group believes that any damage amounts claimed in the specific matters discussed above are not a meaningful indicator of potential liability. Although the Group believes that it has valid defenses with respect to claims pending against them, litigation, including alternative dispute resolution proceedings such as arbitration, is inherently unpredictable. Therefore, it is possible that the consolidated financial position, results of operations or cash flows of the Group could be materially adversely affected in any particular period by the unfavorable resolution of one or more of these contingencies.

On 2 October 2003, the Company entered into a shareholders agreement with, among others, the TA Associated Funds and the Mezzanine Management Funds (collectively with the TA Associated Funds, the "Investors") pursuant to which the Company unconditionally and irrevocably agreed to indemnify and keep indemnified the Investors against all claims, damages, expenses and liabilities relating to or arising out of such Investor's status as a security holder, creditor, agent, representative or controlling person of the Company, through the earlier of a) the fourth anniversary of the closing of an initial public offering, or b) such time as no Investor holds any shares in the Company. The Company is not aware of any threatened or existing claims, damages, expenses or liabilities relating to this indemnity.