

Date: 29 August 2008

PULSE GROUP PLC (Ticker PGRP)

**Pulse Group audited accounts to 31 May 2008 - together with audited accounts of Pulse BPO Sdn Bhd (a company acquired by Pulse Group on 13 June 2008) for the year ended 31 May 2008**

The Directors of Pulse Group Plc ("Pulse Group" or the "Company") are pleased to present the Company's audited results for the period ended 31 May 2008.

**Background**

Pulse Group was incorporated on 17 September 2007 and between this date and the Company's year end on 31 May 2008 it had not traded.

However, on 13 June 2008 the Company acquired 100% of the issued share capital of Pulse BPO Sdn Bhd ("Pulse BPO"), an established trading company based in Kuala Lumpur in Malaysia, and the Company's shares were admitted to trading on the PLUS-quoted market on 27 June 2008.

For this reason the Directors deem it appropriate on this occasion that in addition to presenting the audited accounts for Pulse Group for the period from 17 September 2007 to 31 May 2008, they also separately present the audited accounts for Pulse BPO for the year ended 31 May 2008.

For all future accounting periods the group's results will be presented on a consolidated basis.

Below is an extract of the audited financial statements for the Pulse Group for the period ended 31 May 2008.

## DIVIDEND

No dividend for ordinary shares was paid or declared by the Company since the date of incorporation.

The Directors do not recommend the payment of any other dividend for the financial period ended 31 May 2008.

## REVIEW OF OPERATIONS

The Company was incorporated on 17 September 2007 and since incorporation to 31 May 2008 has had no trading activity.

## INCOME STATEMENT FOR THE FINANCIAL PERIOD FROM 17 SEPTEMBER 2007 (DATE OF INCORPORATION) TO 31 MAY 2008

	17.9.2007 To <u>31.5.2008</u> £
Revenue	-
Administrative expenses	<u>(3,000)</u>
Loss before taxation	(3,000)
Taxation	-
Loss for the financial period	<u>(3,000)</u>
Loss per ordinary share of £0.01 each: - Basic and diluted (pence)	<u>(3,000)</u>

BALANCE SHEET AS AT 31 MAY 2008

	<u>2008</u> £
<b>CURRENT ASSET</b>	
Cash and cash equivalents	<u>1</u>
Total current asset	<u>1</u>
<b>TOTAL ASSET</b>	<u>1</u>
<b>CURRENT LIABILITY</b>	
Other payables	<u>3,000</u>
Total current liability	<u>3,000</u>
<b>NET LIABILITIES</b>	<u><u>(2,999)</u></u>
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>	
Share Capital	1
Accumulated loss	<u>(3,000)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u><u>(2,999)</u></u>

REPORT OF THE INDEPENDENT AUDITORS, GRANT THORNTON,  
TO THE MEMBERS OF PULSE GROUP PLC

We have audited the financial statements of Pulse Group PLC for the financial period ended 31 May 2008, which comprise the company's income statement, balance sheet, statement of changes in shareholders' equity, and statement of cash flows and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with our contract with them. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the annual report, the directors' report and the financial statements in accordance with applicable Isle of Man company law and International Financial Reporting Standards (IFRS) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Isle of Man Companies Act 2006. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' transactions with the Company is not disclosed.

We read the Directors' Report and any other information accompanying the financial statements and consider the implications for our report, if we become aware of any apparent misstatements or inconsistencies within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the United Kingdom Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations, which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other

irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

## OPINION

In our opinion :

- the Company financial statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the company's affairs as at 31 May 2008 and of its result for the period then ended;
- the financial statements have been properly prepared in accordance with the Isle of Man Companies Act 2006; and
- the information given in the Directors' Report is consistent with the financial statements.

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Chartered Accountants  
P O Box 307  
Exchange House  
54/58 Athol Street  
Douglas  
ISLE OF MAN  
IM99 2BE

Date : 26 August 2008

Below is an extract of the audited financial statements of Pulse BPO for the year ended 31 May 2008.

Pulse BPO Sdn Bhd  
(Incorporated in Malaysia)  
Company No: 701162 - U

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PULSE BPO SDN. BHD.**  
(Incorporated in Malaysia)  
Company No: 701162- U

**Report on the Financial Statements**

We have audited the financial statements of Pulse BPO Sdn. Bhd., which comprise the balance sheet as at 31 May 2008, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 31.

*Directors' Responsibilities for the Financial Statements*

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditors' Responsibilities*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Pulse BPO Sdn Bhd  
(Incorporated in Malaysia)  
Company No: 701162 - U

Company No: 701162- U

**Report on the Financial Statements (cont'd)**

*Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 May 2008 and of its financial performance and cash flows for the financial year then ended.

**Other Matters**

This report is made solely to the members of the Company, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SJ GRANT THORNTON  
(NO. AF: 0737)  
CHARTERED ACCOUNTANTS

Kuala Lumpur  
26 August 2008

**Company No: 701162- U**

**PULSE BPO SDN. BHD.**

(Incorporated in Malaysia)

**BALANCE SHEET AS AT 31 MAY 2008**

	<u>2008</u>	<u>2007</u>
	USD	USD
SHARE CAPITAL	137,552	137,552
EXCHANGE RESERVE	81,515	77,311
UNAPPROPRIATED PROFIT	<u>296,454</u>	<u>642,130</u>
Total shareholders' equity	515,521	856,993
<b>NON-CURRENT LIABILITY</b>		
Redeemable Cumulative Convertible Preference Share ("RCCPS")	1,518,142	1,305,200
Borrowing	411,988	-
Finance creditors	<u>123,776</u>	<u>-</u>
	<u><u>2,569,427</u></u>	<u><u>2,162,193</u></u>
Represented by:-		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	836,365	544,349
Software development costs	263,279	177,724
Panel development costs	395,101	183,681
Trademark	916	-
Fixed deposit with a licensed bank	<u>30,825</u>	<u>-</u>
Total non-current assets	<u>1,526,486</u>	<u>905,754</u>
<b>CURRENT ASSETS</b>		
Trade receivables	1,003,126	449,058
Other receivables	27,010	5,818
Amount due from Directors	45,057	6,643
Fixed deposit with a licensed bank	276,546	-
Cash and bank balances	<u>103,595</u>	<u>1,373,210</u>
Total current assets	<u>1,455,334</u>	<u>1,834,729</u>

Pulse BPO Sdn Bhd  
(Incorporated in Malaysia)  
Company No: 701162 - U

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**PULSE BPO SDN. BHD.**  
(Incorporated in Malaysia)  
**BALANCE SHEET AS AT 31 MAY 2008 (CONT'D)**

	<u>2008</u>	<u>2007</u>
	USD	USD
LESS: CURRENT LIABILITIES		
Trade payables	224,673	126,964
Other payables	138,070	451,326
Deferred income	36,950	-
Borrowing	<u>12,700</u>	<u>-</u>
Total current liabilities	<u>412,393</u>	<u>578,290</u>
NET CURRENT ASSETS	<u>1,042,941</u>	<u>1,256,439</u>
	<u>2,569,427</u>	<u>2,162,193</u>

**Company No: 701162- U**

**PULSE BPO SDN. BHD.**  
(Incorporated in Malaysia)  
**INCOME STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 31 MAY 2008**

	<u>2008</u>	<u>2007</u>
	USD	USD
Revenue	2,116,916	1,324,454
Cost of sales	<u>(811,969)</u>	<u>(384,795)</u>
Gross profit	1,304,947	939,659
Other income	24,772	20,404
Export and promotion expenses	(248,636)	(112,540)
Administration expenses	<u>(1,195,783)</u>	<u>(303,683)</u>
Profit from operations	(114,700)	543,840
Finance cost	<u>(229,980)</u>	<u>(70,936)</u>
(Loss)/Profit before tax	(344,680)	472,904
Taxation	<u>(996)</u>	<u>-</u>
(Loss)/Profit for the financial year	<u><u>(345,676)</u></u>	<u><u>472,904</u></u>

The Directors of the issuer take responsibility for the contents of this announcement.

### **About Pulse Group PLC**

Pulse Group plc is a holding company whose wholly owned subsidiary, Pulse BPO Sdn. Bhd. (together, the "Pulse Group"), is a leading provider of research process outsourced ("RPO") services within the Asia-Pacific region predominantly to market research and media companies, based anywhere around the world, wishing to conduct research within the region. It also provides its services to RPO companies based in other parts of the world who have a need to conduct research within the Asia-Pacific region.

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