



Lignum House, Marsa, Malta  
Tel +356 2593 3000 Fax +356 2593 3998 Email info@crimsonwing.com Web www. crimsonwing.com  
Registered in Malta: C42234

## COMPANY ANNOUNCEMENT

### CRIMSONWING plc

#### INTERIM DIRECTORS' STATEMENT

**Date:** 20<sup>th</sup> February 2008

**Reference:** Crimsonwing 02/2008      **Listing Rule:** LR 9.51 – 9.53

*This is a Company Announcement being made by the Company in compliance with Chapter 9 of the Listing Rules:*

#### Interim Directors' Statement

##### Quote

*The Company has recorded strong sales performance during the second half of the financial year, and is set to achieve its revenue projections as detailed in the Prospectus issued at the time of the public offering for shares in the Company. There continues to be strong demand across all three business areas – ebusiness, Dynamics and custom solutions. There are new recent wins of clients in the UK (eg: Riverford, Safety Media, Clogau), and the Netherlands (eg: Free Record Shop). Riverford is a leading Organic food producer in the UK and is a particularly good example of the combined synergy of Crimsonwing solutions and personnel as it incorporates both our ebusiness and Dynamics elements.*

*Overall, all Crimsonwing businesses (Crimsonwing UK, Crimsonwing BV, Crimsonwing Promentum BV) are expected to meet their year-end revenue targets.*

*In January 2008 Crimsonwing initiated operations in North America. Crimsonwing LLC, a 100% owned subsidiary of Crimsonwing Promentum BV, was incorporated in the State of Washington, USA. The business is being setup in close proximity to Microsoft's US Head Office, and the Managing Director, Stefan Van den Brink, will continue to deliver Microsoft Academies (for Dynamics) for Microsoft partners across the US and Europe. In addition Crimsonwing LLC has won its first end user clients for Dynamics services. Such is the close relationship between Microsoft and Crimsonwing that we were invited to internal technical product briefings for releases due in mid 2009. As we are also investing in new headcount in Crimsonwing LLC we expect this operation to break –even in the first six months of operation and thereafter make normal contributions.*

*Overall profitability for Crimsonwing may be negatively impacted by the erosion in the exchange rate of UK Sterling to the Euro. Since November, UK Sterling continued to decline approximately 8% against the Euro (see chart).*





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*Currently approximately 75% of Crimsonwing's revenues, but only 25% of costs, are in UK Sterling, therefore there is inevitably an impact on net earnings as all consolidation is in Euros.*

*However the existing Company strategy is to continue to balance the UK Sterling revenue and costs by increasing Euro revenues: this will de-risk the impact of currency fluctuations.*

*We expect Euro revenues to increase from 25% of the Company business to above 40% in the next 12 to 18 months.*

**Unquote**

Signed:

A handwritten signature in black ink, appearing to read 'Louise de Gabriele', is written over a horizontal line. The signature is fluid and cursive.

Louise de Gabriele  
Company Secretary