

7 NOVEMBER 2006

**PLAYWIZE PLC
("PLAYWIZE" OR THE "COMPANY")**

**Interim Results
for the six months ended 30 September 2006**

The Board of Playwize, the AIM quoted developer of software for the entertainment industry, today reports its interim results for the six months ended 30 September 2006.

Highlights:

- Turnover: £46,000 (2005: £32,000);
- Pre-tax losses including specific costs incurred in refocusing the Group's activities and brand development: £915,000 (2005: £66,000);
- Net funds: £342,000 (2005 net debt: £38,000); and
- Launch of inaugural online product PokerWize.com.

Post Balance Sheet Update

- National marketing and advertising campaign;
- Appointment of Timothy Kirkhope as advisor to the Board; and
- PokerWize.com rolling out across Europe.

John Corre, Chairman of Playwize, commented: **"The passage of legislation on internet gambling in the United States had a negative impact on the online gaming sector generally. As outlined in our announcement of 2 October 2006, the Group does not intend to actively market PokerWize.com in the USA and has not done so in the past. The Group continues to roll out PokerWize.com throughout Europe, where the Group believes there is considerable scope for growth.**

"On 17 October 2006 the Group announced the appointment of Timothy Kirkhope MEP as an advisor to the Board. As noted in the announcement, the Board believes Timothy's expertise and experience in the European political community will be invaluable to the growth of Playwize, as the Group continues to implement its strategy and proceed with the launch of its poker game in Europe."

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CHAIRMAN'S STATEMENT

I am pleased to announce the Group's results for the six months ended 30 September 2006, which reflect the continued investment by the Group in the online entertainment industry.

Financials

Turnover for the six months ended 30 September 2006 was £46,000 compared with £32,000 in the same period last year. The loss (both before and after tax) for the half year was £915,000 compared with a loss of £66,000 in the same period last year. A significant proportion of the losses can be attributed to the expensing of the investment made in the online gambling arena together with specific costs incurred in refocusing the Group's activities and brand development costs during the period. The Group finished the period with net funds of £342,000 compared to a net debt of £38,000 at 30 September 2005.

No dividend is proposed for the period (2005: £nil).

Business Update

The most important development in the period under review was the launch in September 2006 of the Group's inaugural online product PokerWize.com. The online site, which features the world's first virtual reality, 3D and Voice over IP (VoIP) – enabled poker game, went live on 13 September 2006.

During the month of October 2006 marketing and advertising campaigns were run in magazines such as "Front" and "World Poker Tour (WPT)" and a national promotion was undertaken in the "Daily Star" newspaper. The Group also announced in October 2006 its agreement with Double Fusion to include "in game" advertising in its new PC game, "Playwize Poker", and in the online game PokerWize.com, providing the Group with an expected additional revenue stream.

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I would like to take this opportunity to thank our staff and shareholders for their continued support during this difficult time for the online gaming sector. The Board believes that the long term business outlook remains positive.

John Corre
Chairman

**Consolidated Profit and Loss Account
for the six months ended 30 September 2006**

	Unaudited 6 months ended 30 September 2006	Restated unaudited 6 months ended 30 September 2005	Audited Year ended 31 March 2006
Note	£000	£000	£000
Turnover	46	32	78
Cost of sales	(725)	(7)	(1,519)
Gross (loss)/profit	(679)	25	(1,441)
Operating loss	(918)	(69)	(1,839)
Interest receivable	12	3	4
Interest payable	(9)	-	(6)
Loss on ordinary activities before taxation	(915)	(66)	(1,841)
Taxation	-	-	35
Retained loss for the period	(915)	(66)	(1,806)
Loss per share	Pence	Pence	Pence
Basic	2 (1.56)	(0.15)	(4.00)
Diluted	2 (1.54)	(0.14)	(3.90)

All amounts relate to continuing operations.

**Statement of Total Recognised Gains and Losses
for the six months ended 30 September 2006**

	Unaudited 6 months ended 30 September 2006	Unaudited 6 months ended 30 September 2005	Audited Year ended 31 March 2006
	£000	£000	£000
Loss for the period	(915)	(66)	(1,806)
Total recognised losses relating to the period	(915)	(66)	(1,806)

**Consolidated Balance Sheet
as at 30 September 2006**

	Unaudited As at 30 September 2006	Unaudited As at 30 September 2005	Audited As at 31 March 2006
	£000	£000	£000
Fixed assets			
Tangible assets	6	11	5
	6	11	5
Current assets			
Stocks	-	1,064	-
Debtors	151	59	1,632
Cash at bank and in hand	342	-	20
	493	1,123	1,652
Creditors: Amounts falling due within one year	(362)	(443)	(871)
Net current assets	131	680	781
Net assets	137	691	786
Capital and reserves			
Called up share capital	604	441	576
Share premium account	5,770	3,832	5,532
Merger reserve	735	735	735
Profit and loss account	(6,972)	(4,317)	(6,057)
Shareholders' funds - equity	137	691	786

**Consolidated Cash Flow Statement
for the six months ended 30 September 2006**

		Unaudited 6 months ended 30 September 2006	Unaudited 6 months ended 30 September 2005	Audited Year ended 31 March 2006
	Note	£000	£000	£000
Net cash inflow/(outflow) from operating activities	3	332	(263)	(2,308)
Returns on investments and servicing of finance				
Interest received		12	3	4
Interest payable		(9)	-	(6)
		3	3	(2)
Capital expenditure				
Purchase of tangible fixed assets		(5)	(3)	(4)
		(5)	(3)	(4)
Net cash inflow/(outflow) before use of liquid resources and financing		330	(263)	(2,314)
Financing				
Issue of ordinary share capital		266	3	1,884
(Decrease)/increase in short term borrowings		(230)	-	230
Expenses paid in connection with share issue		-	-	(46)
		36	3	2,068
Increase/(decrease) in cash		366	(260)	(246)

Notes to the Financial Statements for the six months ended 30 September 2005

1. Basis of preparation

The interim financial statements have been prepared on the basis of the accounting policies set out in the Group's Annual Report and Accounts for the year ended 31 March 2006. The financial information for the year ended 31 March 2006 has been extracted from the Annual Report and Accounts, which have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain any statements under section 237(2) or (3) of the Companies Act 1985. The financial information contained in this document does not constitute statutory financial statements as defined in section 240 of the Companies Act 1985.

2. Loss per share

Basic earnings per share amounts are calculated by dividing profit/(loss) for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing profit/(loss) for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

Six months ended 30 September 2006

Loss per share has been calculated using the following:	Earnings	Weighted average number of shares
Basic	(£915,000)	58,536,674
Diluted	(£915,000)	59,389,149

Six Months ended 30 September 2005

Loss per share has been calculated using the following:	Earnings	Weighted average number of shares
Basic	(£66,000)	44,008,739
Diluted	(£66,000)	45,233,739

Year ended 31 March 2006

Loss per share has been calculated using the following:	Earnings	Weighted average number of shares
Basic	(£1,806,000)	45,147,744
Diluted	(£1,806,000)	46,319,930

3. Net cash inflow/(outflow) from operating activities

	Unaudited 6 months ended 30 September 2006	Unaudited 6 months ended 30 September 2005	Audited Year ended 31 March 2006
	£000	£000	£000
Operating loss	(918)	(69)	(1,839)
Depreciation and amortisation of fixed assets	4	7	13
(Increase)/decrease in Stock	-	(730)	334
Decrease/(increase) in debtors	1,493	367	(1,174)
(Decrease)/increase in creditors	(247)	162	358
Net cash inflow/(outflow) from operating activities	332	(263)	(2,308)

4. Reconciliation of net cash flow to movement in net funds/(debt)

	Unaudited 6 months ended 30 September 2006	Unaudited 6 months ended 30 September 2005	Audited Year ended 31 March 2006
	£000	£000	£000
Increase/(decrease) in cash in the period	366	(260)	(246)
Decrease in liquid resources	-	-	-
Change in net funds resulting from cash flows	366	(260)	(246)
Opening net (deficit) / funds	(24)	222	222
Closing net funds / (deficit)	342	(38)	(24)

5. **Analysis of net funds**

	At 1 April 2006	Cash Flows	Translation Differences	At 30 September 2006
	£000	£000	£000	£000
Cash at bank and in hand	20	322	-	342
Bank overdrafts	(44)	44	-	-
	(24)	366	-	342
Short term deposits	-	-	-	-
Total net funds	(24)	366	-	342