PRELIMINARY FINAL REPORT – APPENDIX 4E

30 August 2010

The attached Preliminary Final Report for eServGlobal Limited (ASX: ESV & LSE: ESG) has been provided in accordance with ASX Listing Rule 4.3A. Please note that this report is based on accounts which are in the process of being audited. The audited full year financial statements are expected to be finalised and released to the market in September, together with accompanying results announcement/commentary and an update on the directors' deliberations relating to its capital management review regarding the proceeds from the sale of the company's USP business and assets to Oracle on 3 August 2010.

ENDS

eServGlobal Limited is listed on the Australian Securities Exchange (ASX: ESV) and the London Stock Exchange AIM market (LSE: ESG). More information can be found at: **www.eservglobal.com**

eServGlobal Limited
Jason Lilienstein
Company Secretary
Tel: +61 7 3302 0194
info@eservglobal.com

Altium (AIM)
Nominated adviser, Paul Lines
Corporate Broking, Chloe Ponsonby
Tel: +44(0)845 505 4343

Appendix 4E

Preliminary Final Report

for the year ended 30 June 2010

eServGlobal Limited

ABN 59 052 947 743

1. Reporting Period

Current reporting period : Financial Year Ended 30 June 2010

Previous reporting period : Financial Year Ended 30 June 2009

2. Results (unaudited) for announcement to the market

Results				**A$ '000**
Revenue	Down	47.0%	to	$78,015
(Loss) after tax	Down	6.5%	to	($32,286)
(Loss) after tax attributable to members	Down	6.6%	to	($32,443)

Dividends (distributions)	Amount per security	Franked amount per security
Current period		
Interim dividend declared	Nil ¢	0%
Final dividend paid	Nil ¢	0%
Previous corresponding period		
Interim dividend declared	Nil ¢	0%
Final dividend paid	¢	0%

Record date for determining entitlements to the dividend.	N/A

Brief explanation of the figures above

The consolidated entity achieved sales revenue for the period of $78M (2009 $147.2M) – a decrease of 47%. This decrease in revenue was anticipated (refer to company announcements on 26 May 2010 and 14 July 2010) and was a consequence of key USP customers deferring traditional end of financial year orders due to the announcement on 26 May 2010 that the company had entered into a conditional agreement to sell its USP business to Oracle.

The EBITDA loss (before non-recurring restructuring and foreign exchange losses) was $14,2M (2009 EBITDA profit before non-recurring restructuring and foreign exchange losses: $3,1M), consistent with the previous company announcement of 14 July 2010.

The net result of the consolidated entity for the full year ended 30 June 2010 was a loss after tax and minority interest for the period of $32.3M (2009 $34.5M).

Loss per share was 16.5 cents (2009: loss per share: 20.1 cents).

In accordance with the group's accounting policies, development expenditure incurred during the period of $2.2M (2009: $4M) was capitalised in the Statement of Financial Position. This expenditure related to internally generated software comprising the HomeSend platform.

The transaction costs relating to the sale of the USP business to Oracle which were incurred prior to 30 June 2010 ($0.9M) have been expensed in the current year.

Foreign exchange losses for the year totalled $3.0M (2009: Foreign exchange loss of $0.6M).

The operating cash flow for the period was a net outflow of $13.0M primarily resulting from the settlement of termination payments to departing employees. Cash at 30 June 2010 was $2.2M.

Subsequent Events

On 26 May 2010, the company entered into a conditional agreement to sell the assets and undertakings of its USP business to Oracle Australia Pty Limited.

The sale was subject to numerous conditions including shareholders' approval, which was obtained on 30 June 2010. The sale was not completed as at 30 June 2010 and accordingly, the assets and related liabilities attributable to the sale have been classified as "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale" in the Consolidated Balance Sheet as at 30 June 2010.

The sale of the USP business was completed on 3 August 2010, subsequent to the 30 June 2010 balance sheet date. The sale price of the USP business was AUD$107M and the transaction will be accounted for in the financial year ending 30 June 2011.

3. Consolidated statement of comprehensive income

	Year Ended 30 June 2010 $'000	Year Ended 30 June 2009 $'000
Revenue	78,015	147,246
Cost of sales	(43,427)	(77,342)
Gross profit	34,588	69,904
Other income	-	421
Research and development expenses	(9,992)	(17,906)
Sales and marketing expenses	(13,908)	(24,214)
Administration expenses	(31,262)	(33,466)
(Loss) before interest, tax, depreciation and amortisation	(20,574)	(5,261)
Amortisation expense	(6,877)	(7,783)
Impairment of goodwill	-	(12,501)
Depreciation expense	(2,685)	(3,284)
Loss before interest and tax	(30,136)	(28,829)
Finance costs	(355)	(262)
Loss before tax	**(30,491)**	**(29,091)**
Income tax expense	(1,795)	(5,434)
Loss for the period	**(32,286)**	**(34,525)**
Other comprehensive (loss) income		
Exchange differences arising on the translation of foreign operations	(5,813)	2,498
Total comprehensive (loss) income for the period	**(38,099)**	**(32,027)**
(Loss) profit attributable to:		
Equity holders of the parent	(32,443)	(34,743)
Non controlling interest	157	218
	(32,286)	**(34,525)**
Total comprehensive (loss) income attributable to:		
Equity holders of the parent	(38,229)	(32,016)
Non controlling interest	130	(11)
	(38,099)	**(32,027)**
(Loss) per share:		
Basic (cents per share)	**(16.5)**	**(20.1)**
Diluted (cents per share)	**(16.5)**	**(20.1)**

4. Consolidated statement of financial position

	30 June 2010 $'000	30 June 2009 $'000
Current Assets		
Cash and cash equivalents	2,225	14,135
Trade and other receivables	31,143	63,493
Inventories	853	623
Current tax assets	4,897	7,368
	39,118	85,619
Assets classified as held for sale	27,528	-
Total Current Assets	66,646	85,619
Non-Current Assets		
Property, plant and equipment	3,071	4,891
Deferred tax assets	1,907	2,929
Goodwill	6,820	35,483
Other intangible assets	12,727	20,383
Total Non-Current Assets	24,525	63,686
Total Assets	91,171	149,305
Current Liabilities		
Trade and other payables	13,349	31,963
Borrowings	5,794	-
Current tax payables	535	930
Provisions	4,123	5,562
Other (Deferred revenue)	5,268	7,219
	29,069	45,674
Liabilities directly associated with assets classified as held for sale	750	-
Total Current Liabilities	29,819	45,674
Non-Current Liabilities		
Deferred tax liabilities	4,083	8,040
Provisions	505	537
Total Non-Current Liabilities	4,588	8,577
Total Liabilities	34,407	54,251
Net Assets	56,764	95,054
Equity		
Issued capital	123,946	123,946
Reserves	(1,566)	4,411
Accumulated Losses	(65,781)	(33,338)
Parent entity interest	56,599	95,019
Non controlling interest	165	35
Total Equity	56,764	95,054

5. Consolidated statement of changes in equity

	Issued Capital $'000	Foreign Currency Translation Reserve $'000	Employee equity-settled benefits Reserve $'000	Retained Earnings (Accumulated Losses) $'000	Attributable to owners of the parent $'000	Non controlling Interest $'000	Total $'000
Consolidated							
Balance at 1 July 2009	123,946	3,323	1,088	(33,338)	95,019	35	95,054
Profit/(Loss) for the period	-	-	-	(32,443)	(32,443)	157	(32,286)
Exchange differences arising on translation of foreign operations	-	(5,786)	-	-	(5,786)	(27)	(5,813)
Total comprehensive (loss) for the period	-	(5,786)	-	(32,443)	(38,229)	130	(38,099)
Equity settled payments	-	-	(191)	-	(191)	-	(191)
Balance at 30 June 2010	123,946	(2,463)	897	(65,781)	56,599	165	56,764
Balance at 1 July 2008	115,325	596	1,042	6,536	123,499	46	123,545
Profit/(Loss) for the period	-	-	-	(34,743)	(34,743)	218	(34,525)
Exchange differences arising on translation of foreign operations	-	2,727	-	-	2,727	(229)	2,498
Total comprehensive income for the period	-	2,727	-	(34,743)	(32,016)	(11)	(32,027)
Issue of shares	8,460	-	-	-	8,460	-	8,460
Transfer from equity settled benefits reserve	161	-	(161)	-	-	-	-
Equity settled payments	-	-	207	-	207	-	207
Payment of dividends	-	-	-	(5,131)	(5,131)	-	(5,131)
Balance at 30 June 2009	123,946	3,323	1,088	(33,338)	95,019	35	95,054

6. Consolidated statement of cash flows

	Year Ended 30 June 2010 $'000	Year Ended 30 June 2009 $'000
Cash Flows from Operating Activities		
Receipts from customers	108,521	159,013
Payments to suppliers and employees	(122,651)	(165,926)
Interest and other finance cost paid	(355)	(262)
Income tax refunded	1,444	5,081
Net cash used in operating activities	(13,041)	(2,094)
Cash Flows From Investing Activities		
Interest received	-	271
Payment for property, plant and equipment	(2,214)	(2,159)
Software development costs	(2,195)	(4,035)
Net cash used in investing activities	(4,409)	(5,923)
Cash Flows From Financing Activities		
Proceeds from issues of equity securities	-	8,460
Proceeds from borrowings	5,794	-
Dividends paid	-	(5,131)
Net cash provided by financing activities	5,794	3,329
Net Decrease In Cash and Cash Equivalents	(11,656)	(4,688)
Cash At The Beginning Of The Period	14,135	18,288
Effects of exchange rate changes on the balance of cash held in foreign currencies	(254)	535
Cash and Cash Equivalents At The End Of The Period	2,225	14,135

6.1 Notes to the consolidated statement of cash flows

	2010 $'000	*2009 $'000*
a) Reconciliation of cash		
Cash and cash equivalents	2,225	14,135

	2010 $'000	*2009 $'000*
b) Reconciliation of profit for the year to net cash flows from operating activities		
(Loss) for the year	(32,286)	(34,525)
Interest received	-	(271)
Depreciation of non-current assets	2,685	3,284
Amortisation of non-current assets	6,877	7,783
Impairment of goodwill	-	12,501
Loss/(profit) on disposal of non-current assets	62	32
Equity settled share-based payments	(191)	207
Increase/(decrease) in current income tax balances	2,076	(969)
Increase/(decrease) in deferred tax balances	(2,934)	3,316
Changes in net assets and liabilities, net of effects from acquisition of businesses:		
- (Increase)/decrease in assets:		
- Receivables	32,166	16,627
- Inventories	(231)	833
- Other assets	-	5,077
Increase/(decrease) in liabilities:		
- Trade payables	(18,594)	(15,199)
- Provisions	(1,229)	(577)
- Other liabilities	(1,442)	(213)
Net cash used in operating activities	(13,041)	(2,094)

7. Net Tangible Assets per security

	June 2010	June 2009
Net tangible assets per security	5.3 cents	19.9 cents

8. Dividends

	Amount	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend	Date paid/ payable
Interim dividend: Current year	Nil	N/A	N/A	N/A	N/A
Previous year	Nil	N/A	N/A	N/A	N/A
Final dividend paid in respect of previous financial year:					
Current period: Final dividend	Nil	N/A	N/A	N/A	N/A
Previous corresponding period: Final dividend	Nil	N/A	N/A	N/A	N/A

There are no Dividend Reinvestment Plans.

9. Control gained over entities

N/A

9.1 Loss of control over entities

N/A

10. Details of associates and joint venture entities

Name of entity	**Percentage of ownership interest held at end of period**		**Aggregate share of net profit (loss) contributed to the reporting entity**	
	Current period	Previous corresponding period	Current period $A'000	Previous corresponding period $A'000
Total	N/A	N/A	N/A	N/A

11. Subsequent Events

On 26 May 2010, the company entered into a conditional agreement to sell the assets and undertakings of its USP business to Oracle Australia Pty Limited.

The sale was subject to numerous conditions including shareholders' approval, which was obtained on 30 June 2010. The sale transaction was not completed as at 30 June 2010 and accordingly, the assets and related liabilities attributable to the sale have been classified as "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale" in the Consolidated Balance Sheet as at 30 June 2010.

The sale of the USP business was completed subsequent to balance sheet date on 3 August 2010 and will be accounted for in FY2011.

12. Commentary on Results for the Period

Refer to the explanation of results in Section 2.

13. Accounts

This report is based on accounts which are in the process of being audited.

Director

Print name: RICHARD MATHEWS Date : 30 August 2010