



# Chartwell Technology

## CHARTWELL ANNOUNCES FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JANUARY 31, 2008

**Chartwell Technology Inc.**

**TSX: CWH**

**Calgary, Canada, March 13, 2008**, Chartwell Technology Inc. (“Chartwell” or the “Company”) (TSX: CWH), a leading provider of gaming software systems and entertainment content to the online and remote gaming industry, announces unaudited financial results for the three months ended January 31, 2008.

### **Highlights for first quarter 2008**

- New corporate revenue record for a quarter at \$5.8 million, a 5% increase from the comparable quarter in 2007 and an 18% increase from the previous quarter
- Net income of \$0.9 million as compared to net income of \$0.5 million in the first quarter of 2007, an 88% increase
- Earnings per share of \$0.05 as compared to \$0.03 first quarter of 2007
- Cash flow from operations, before working capital adjustments, of \$1.4 million as compared to \$0.6 million in the same quarter in the prior year, a 119% increase
- EBITDA of \$1.8 million as compared to \$1.1 million in the first quarter of 2007, a 65% increase

### **Three months ended January 31, 2008**

Revenue for this year’s first quarter was \$5.8 million compared to \$5.5 million for the same period a year earlier. The period over period increase of 5% was from increased liquidity in the poker community as we continue to grow that business unit. The major expense categories of software development and support, sales and marketing as well as general and administrative expense were all significantly lower from the comparable period in 2007. The reduction of expenses while having recently released and in the midst of deploying a major technological release as well as supporting an expanding client base reflects management’s focus on improving operating efficiency. Net earnings for the first quarter were \$0.9 million or \$0.05 per share (basic and fully diluted) as compared to \$0.5 million or \$0.03 per share (basic and fully diluted). The increase in EBITDA and cash flow from operations at a rate in excess of the increase in net income reflects the increase in amortization and non-cash expenses.

Software development and support expense was \$2.3 million in the first quarter compared to \$2.5 million for the same period of fiscal 2007, for a decrease of 7%. In the first quarter of 2007 the Company deferred \$0.2 million in software development. On a gross cost basis, the period over period decrease in expense is 15%.

Sales and marketing expenses were \$0.7 million for the three months ended January 31, 2008, compared to \$0.9 million in the same period a year earlier, a reduction of 19%.

General and administrative expense was \$0.8 million in the first quarter of fiscal 2008 compared to \$1.0 million a year earlier. The decrease in general and administrative expenses period over period was due principally to reduced salary expense as well as reduced travel and recruiting expenses.

### **Balance sheet strength**

The Company continued to maintain a strong balance sheet through positive cash flow and maintaining positive working capital. At January 31, 2008 the Company had \$16.4 million of cash and short-term investments compared to \$15.1 million at October 31, 2007.

### **About Chartwell**

Chartwell specializes in the development of leading-edge gaming applications and entertainment content for the Internet and remote platforms. Chartwell's Java and Flash based software products and games are designed for deployment in gaming, entertainment, advertising and promotional applications. Chartwell does not participate in the online gaming business of its clients. Chartwell's team of highly trained professionals is committed to delivering the highest quality software and maintaining its leading edge through continuous development and unparalleled customer support.

Chartwell invites you to preview our company and gaming applications at [www.chartwelltechnology.com](http://www.chartwelltechnology.com)

For further information, please contact:

**Alan Richter, Chief Financial Officer**  
**(877) 261-6619 or (403) 261-6619**

**David Bajwa, Investor Relations**  
**(877) 669-4180 or (604) 669-4180**  
**info@chartwelltechnology.com**

*The TSX does not accept responsibility for the adequacy or accuracy of this release.*

*Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Certain statements contained herein may constitute forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. We believe that the expectations reflected in the forward-looking statements are reasonable based upon management’s current views but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. These statements speak only as of the date hereof. We do not intend, and do not assume any obligation, to update conclusions, forecasts or projections that may be contained in these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. No assurance can be given that actual results, performance or achievement expressed in, or implied by these forward-looking statements will occur, or if they do, that any benefits may be derived from them. Past results and information provided by third party sources considered to be accurate have been applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information.*

*Our actual results could differ materially from those anticipated in these forward-looking statements as a result of factors that may include, but are not limited to: the impact of government regulation and laws affecting international operations, the impact of price competition, loss of business or credit risks associated with current and prospective major customers, general industry and market conditions and growth rates, currency rate fluctuations, the impact of consolidations in the online gaming industry and other risks detailed from time to time in Chartwell’s*

*Annual Information Form and Management's Discussion and Analysis, both of which may be found at [www.sedar.com](http://www.sedar.com)*