

Atlantic Global Plc

("Atlantic Global" or "the Group")

Interim Results

Atlantic Global Plc (AIM: ATL), the specialist provider of integrated business and resource management software applications, today announces its Interim Results for the six months ended 30 June 2008.

Financial and Operational Summary

- Turnover of £1.120m (2007: £1.158m)
- Profit before tax increased 179% to £201,000 (2007: £72,000)
- Strong financial position, with increased cash balance of £2.046m (2007: £1.709m)
- Earnings per share increased to 0.66p (2007: 0.22p)
- Proposed interim dividend of 0.25 pence per share
- New customers contracted including GETECH, Symsource, 4 Delivery Ltd, Alliance Boots and Netstore
- Launch of OnDemand software as an internet service, scheduled for the end of September 2008

Adrian Bradshaw, Chairman of Atlantic Global commented:

"This has been a period of greatly improved profitability; however it is the future which excites us because, with the imminent launch of our OnDemand software as a service deployed across the internet, we are transforming the way in which we deliver our products. By offering this service, we will be able to remove a number of the obstacles associated with the purchase of software by large businesses. We see OnDemand as being a means of greatly improving the visibility of our future earnings as well as increasing the scalability of our offering. With this and other improvements, we look forward to reporting increased success during 2008 and beyond."

- Ends -

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Chairman's Statement

Introduction

I am delighted to report further progress for Atlantic Global during the half year to June 2008 in which profitability has shown a significant improvement over the same period in 2007. This gives the Board confidence for the second half of the year and provides the Group with a good platform on which to build in the future.

New customers during the first half of the year include GETECH, Symsource, 4 Delivery Ltd, Alliance Boots and Netstore. The Group also experienced a steady stream of repeat business from Quanticate, TRL Technology, KCOM, GroupM (part of WPP Group) and Norwich Union IT Services.

Financial Review

Atlantic Global's profit before taxation for the six months to June 2008 was £201,000, compared to a profit before taxation of £72,000 in the first six months of 2007. Turnover was marginally down by 3% to £1,120,000, compared to £1,158,000 in the same period of 2007.

The profit has been stated after sales and marketing expenditure of £443,000 for the period, (2007: £601,000). The savings in sales and marketing expenditure in the period result from our restructuring of these areas in preparation for the launch of the OnDemand business model. Demand for our consultancy services remains strong with a significant order book of services to be delivered during the second half of 2008.

The Group increased its investment in research and development to £210,000 (2007: £184,000) during the period to ensure the successful delivery of the new OnDemand suite of products. The Group expects this product to begin to contribute to revenues during 2009.

Earnings per share were 0.66p for the six-month period, (2007: 0.22p).

As at 30 June 2008, the Group had cash balances of £2,046,000, (2007: £1,709,000). The cash balances have increased by £500,000 since the Group's financial year-end of December 2007.

The Group is proposing to pay an interim dividend of 0.25 pence per share (interim 2007: nil).

Since the period end, the Company has bought in 90,000 ordinary shares for cancellation, further to the authority granted to it by shareholders at the AGM on 9 May 2008. The Directors intend to continue to buy in shares as the opportunity arises.

Operating Review

Our goal for 2008 was to increase the profitability of the company and also to reposition the cost base for the launch of the new OnDemand service.

The launch of the OnDemand software as a service is scheduled for the end of September 2008. This project, which commenced in March 2006, represents a major technical achievement. More importantly, it will fundamentally transform our commercial sales and marketing model going forward.

Like many software vendors operating a similar business model based on an upfront licence sale, we have previously experienced delays from customers in two areas of the sales process:-

- An increased level of internal governance issues relating to product selection in an effort to standardise product usage across their organisations. The consultation process to reach a consensus can be subject to delays and scope creep where the selection teams sometimes try to resolve too many issues in one solution.
- The selected product must then compete for capital expenditure and internal resource to implement the solution.

Our new OnDemand product is capable of being deployed across the internet using the traditional licence model but can also be adopted by a customer as an OnDemand service. The OnDemand service offers many advantages:-

- The OnDemand model means that potential customer will be purchasing a “service” which negates much of the bureaucracy associated with the product selection process. It also eliminates the cost and time it takes to put the required infrastructure in place required to evaluate or deploy the system.

- The OnDemand service will offer a variety of contract and cost options.
- The sale of the OnDemand service will be process driven. Atlantic Global will load the customer's data who will then have a fixed period of time to evaluate the solution.

The OnDemand sales process is designed to target the SME sector and also the departments of large organisations that are empowered to adopt such a service. We believe that it will offer many advantages to the customer and also to Atlantic Global:-

- It will de-risk the purchasing process for the customer since they will have had an opportunity to conduct a thorough evaluation of the product.
- We believe that it will reduce our sales lead times and thus our cost of sales.
- It should also de-risk the sales pipeline resulting in a larger number of smaller value opportunities.
- It is capable of much larger scaling than the current product.

Current Trading and Acquisitions

The Group continues to experience satisfactory levels of activity and trading is currently in line with our expectations. The Board is reviewing a number of acquisitions and believes that the current difficult economic environment presents an opportunity to develop the Group by way of acquisition.

Dividend

As a measure of the Directors' continued confidence in the future and as a reflection of the Group's strong balance sheet and cash resources, the Directors are proposing an interim dividend of 0.25 pence per share to be paid on 7 November 2008 to shareholders on the register on 10 October 2008.

Outlook

The improvement to the core products, and the introduction of the OnDemand product with its flexible range of contract and cost options, supported by a more process driven approach to product evaluation and sales, gives the Directors confidence that the Group can look forward to increased levels of success during 2008 and beyond.

On behalf of the Board, I would like to thank our staff who have demonstrated a great level of skill and commitment in delivering the Group's goals during 2008.

Adrian Bradshaw

Chairman

23 September 2008

**Consolidated Interim Income Statement
for the six months ended 30 June 2008**

	notes	Unaudited Six months to 30 June 2008 £ 000	Unaudited Six months to 30 June 2007 £ 000	Audited Year ended 31 December 2007 £ 000
Continuing Operations				
Revenue		1,120	1,158	2,303
Cost of sales		(621)	(756)	(1,439)
Gross profit		<u>499</u>	<u>402</u>	<u>864</u>
Administration and other operating expenses		(336)	(369)	(659)
Operating profit		<u>163</u>	<u>33</u>	<u>205</u>
Finance income		38	39	81
Profit before tax		<u>201</u>	<u>72</u>	<u>286</u>
Income tax expense		(50)	(21)	(53)
Profit for the period attributable to equity shareholders of the company		<u>151</u>	<u>51</u>	<u>233</u>
Earnings per share				
Basic & diluted (pence)	3	<u>0.66p</u>	<u>0.22p</u>	<u>1.02p</u>

Consolidated Interim Balance Sheet
as at 30 June 2008

	Unaudited As at 30 June 2008 £ 000	Unaudited As at 30 June 2007 £ 000	Audited As at 31 December 2007 £ 000
Assets			
Non-current assets			
Intangible Assets	2,792	2,792	2,792
Plant and equipment	15	24	19
Deferred tax asset	62	70	62
Total non-current assets	<u>2,869</u>	<u>2,886</u>	<u>2,873</u>
Current assets			
Trade and other receivables	918	799	1,367
Income tax receivable	-	39	9
Cash and cash equivalents	2,046	1,709	1,546
	<u>2,964</u>	<u>2,547</u>	<u>2,922</u>
Total assets	<u>5,833</u>	<u>5,433</u>	<u>5,795</u>
Liabilities			
Current liabilities			
Trade and other payables	(650)	(533)	(768)
Income Tax payable	(74)	-	-
Total liabilities	<u>(724)</u>	<u>(533)</u>	<u>(768)</u>
Net assets	<u>5,109</u>	<u>4,900</u>	<u>5,027</u>
Equity			
Share capital	1,145	1,145	1,145
Share premium account	1,578	1,578	1,578
Merger reserve	2,538	2,538	2,538
Retained earnings	(152)	(361)	(234)
Total equity attributable to equity shareholders of the company	<u>5,109</u>	<u>4,900</u>	<u>5,027</u>

**Summarised Consolidated Cash Flow Statement
for the 6 months ended 30 June 2008**

	Unaudited Six months to 30 June 2008 £000	Unaudited Six months to 30 June 2007 £000	Audited Year ended 31 December 2007 £000
Cash flows from operating activities			
Profit for the period	151	51	233
Adjustments for			
Share based payment charge	-	12	(43)
Interest income	(38)	(39)	(81)
Income tax expense	50	21	53
Depreciation	6	12	21
Operating profit before changes in working capital and provisions	169	57	183
Change in trade and other receivables	449	-	(568)
Change in trade and other payables	(118)	18	259
Cash generated from the operations	500	75	(126)
Income tax paid	33	-	-
Net cash from operating activities	533	75	(126)
Cash flows from investing activities			
Net interest received	38	39	81
Acquisition of plant and equipment	(2)	(5)	(9)
Net cash from investing activities	36	34	72
Cash flows from financing activities			
Dividends paid	(69)	-	-
Net cash used in financing activities	(69)	-	-
Net increase / (decrease) in cash and cash equivalents	500	109	(54)
Cash and cash equivalents at the beginning of the period	1,546	1,600	1,600
Cash and cash equivalents at the end of the period	2,046	1,709	1,546

Notes to the interim report

Basis of preparation

1. The interim financial information has been prepared on the basis of the recognition and measurement requirements of adopted IFRSs as at 30 June 2008 that are effective (or available for early adoption) at 31 December 2008. Based on these adopted IFRSs, the Directors have applied the accounting policies, as set out below, which they expect to apply when the second annual IFRS financial statements are prepared for the year ending 31 December 2008.

However, the adopted IFRSs that will be effective (or available for early adoption) in the annual financial statements for the year ending 31 December 2008 are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared for the year ending 31 December 2008.

The comparative figures for the financial year ended 31 December 2007 are the company's statutory accounts for that financial year. Those accounts, which were prepared under IFRS, have been reported on by the company's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

The Group's accounting policies remain as stated in the Group's full annual accounts for the year ended 31 December 2007.

Tax and EPS

2. The tax charge for the period is based on the anticipated effective tax rate for the year to 31 December 2008.
3. Basic earnings per share are calculated on the profit for the period of £151,000 (2007: profit of £51,000) and on 22,899,350 ordinary shares, being the weighted average number of ordinary shares in issue in the period (2007: 22,899,350 ordinary shares). Share options in issue in the period did not have a dilutive impact on the earnings per share calculation.

Availability of interim results

These results are available on the Group's website, www.atlantic-global.com.